

# Te Pūrongo ā-Tau
# Annual Report 2025-2026

Waipā
DISTRICT COUNCIL

# NAU MAI WELCOME 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.

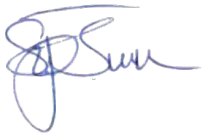
We are proud to present this Annual Report, supported by a clean Audit Report for our community. As we look ahead, we do so with confidence, optimism and a continued commitment to building a district that is resilient, connected, culturally vibrant, environmentally responsible and economically strong.

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**

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# NGĀ KORERO MO TO TĀTOU TAKIWA / OVERVIEW OF OUR DISTRICT

**In this section**

This section includes an overview of the Waipā District, an overview of Council's role, and a 12-month snapshot of our 2025/26 year.

# 1. ROHE / OUR DISTRICT

The Waipā District is celebrated for its scenic landscapes, vibrant communities, and the unique blend of modern amenities with a rich cultural history. Together, these qualities make Waipā a dynamic place to live, work, visit and invest.

Home to around 62,200 people, Waipā sits at the heart of the Waikato region. Covering 147,090 hectares of some of New Zealand's most fertile land, the district combines productive rural landscapes with thriving urban centres in Te Awamutu, Cambridge, Leamington, Kihikihi, Pirongia, Ōhaupō and Ngāhinapōuri. Agriculture remains our cornerstone industry – dairy, beef, sheep and grain farming – alongside forestry, fishing, manufacturing and construction.

Waipā's story begins with mana whenua. The first Māori settled to the west of the district, gradually moving across to Pirongia, Te Awamutu and beyond. Drawn by fertile soils, rich forests and navigable rivers, they established thriving pā and kāinga across the district. These settlements were hubs of innovation, trade, and cultural expression, connected by the great Waikato and Waipā awa which served as highways for food, people and knowledge.

Waipā was also a place of deep cultural and spiritual significance. The district's maunga – Pirongia, Maungatautari and Kakepuku – were recognised as sacred landmarks, shaping identity and providing a sense of belonging. Our awa, including the Waikato, Waipā, Pūniu, Mangapiko and Mangaohoi remain lifelines, carrying both ecological value and whakapapa connections that endure today.

The Waipā area also played a pivotal role in the New Zealand Wars of the 1860s. Sites such as Rangiaowhia, Ōrākau and the Pirongia Redoubt stand as places of remembrance, reflecting both resilience and loss, and are an important part of our shared history. Many of these historic and cultural sites can still be visited today, including Lake Ngā Roto and the shores of Lake Karāpiro, where stories of both conflict and community remain woven into the landscape.

The district is renowned for its world-class facilities and events. From hosting the Empire Games rowing regatta in 1950 at Lake Karāpiro, to welcoming hundreds of thousands of visitors to National Agricultural Fieldays over the past 57 years, Waipā has earned its reputation as a premier host. Today, facilities such as the Grassroots Trust Velodrome and Mighty River Domain, Lake Karāpiro, support hundreds of events annually and provide training grounds for elite athletes Waipā – a true reflection of our title: Home of Champions.

Our natural heritage is central to our identity. Pirongia, Maungatautari and Kakepuku stand as guardians over the district, while both the Waikato and Waipa rivers flow through the district. Waipā is also home to 16 peat lakes, considered some of the best examples of their kind globally, each with significant ecological, cultural and historical importance.

Tourism continues to grow, contributing $108 million to Waipā's GDP in 2025, or about 2.5 percent of Waipa's total GDP . Sanctuary Mountain Maungatautari, with its ancient forests and rare, endangered wildlife, stands out as one of the world's truly unique destinations and a treasured taonga of our district.

Waipā offers an enviable quality of life for residents, opportunities for business and industry to flourish, and experiences that attract visitors – and inspire them to return.

We are proud to be the Home of Champions.

| Population[1] | Age composition[2] | Ethnicity[3] | Economy[4] |
|---|---|---|---|
| ▪ 62,200 | ▪ ~20 percent aged 0-14<br>▪ ~60 percent aged 15-64<br>▪ ~20 per cent aged over 65 | ▪ 86.5 percent NZ European<br>▪ 15.9 percent Māori<br>▪ 6.1 percent Asian<br>▪ 2.3 percent Pasifika<br>▪ 0.7 percent Middle Eastern/Latin American/African | ▪ 8979 business units (2025)<br>▪ Average household income $141,830<br>▪ GDP $4,370 million[5] |

[1] Estimated resident population as at 2025, sourced from StatsNZ

[2] Data sourced from StatsNZ 2025

[3] Data sourced from StatsNZ. As some people identify as more than one ethnic group, the totla is more than 100 percent.

[4] Data sourced from StatsNZ 2026.

[5] Data sourced from Infometrics 2026.

## 2. OUR ROLE

**Our role is to support the current and future needs of our communities, ensuring local needs are met and our services are tailored to the unique characteristics of our towns, villages and rural areas.**

Part of our role is to involve and empower our communities to play their part in democratic decision-making.

We are responsible for controlling regulatory activities such as building, land use, noise, food preparation, liquor sales and ownership of dogs and other animals. These services help create safe, healthy and thriving communities, fostering trust and confidence among our residents, neighbourhoods and business community alike.

Day-to-day, we keep out towns connected and ticking by delivering an extensive range of services from water treatment and delivery to roading infrastructure. We support wellbeing through our green spaces, playgrounds and shared pathways, community pools and libraries. Our responsibilities include looking after our whenua with waste minimisation services and recycling. We invest, we plan, and we work alongside our partners to make Waipā what it is today, and what it will be in the future.

**Our key infrastructure included**

| | | | |
|---|---|---|---|
|  | 2 wastewater treatment plants |  | 691km of watermains |
|  | 252 bridges and large culverts |  | 28ha of cemeteries |
|  | 6 water treatment plants |  | 3992ha of open space land |
|  | 57 public toilets |  | 2 libraries |
|  | 223km of rural drains |  | 318km of wastewater pipes |
|  | 2 public swimming pool complexes |  | 1141km of roads and streets<br>48.2km of cycle paths |

All of this contributes to social resilience, culture and heritage, a sustainable environment, supporting a thriving economy and shaping our priorities for the next ten years.

**The role of Elected Members**

Councillors are elected every three years and are responsible for setting the overall strategic direction of the district and the budget through Long Term and Annual Plans.

Their role is to:

- Ensure the Council fulfils its responsibilities and follows the principles of Local Government as set out in the Local Government Act 2002.
- Set the policy direction of Council and monitor the performance of Council in terms of meeting its responsibilities and achieving its policies.
- Represent the interests of the district and its people. At the start of the triennium they make a declaration that they will perform their duties faithfully and impartially, and according to their best skill and judgement.
- Employ the Chief Executive under the Local Government Act, who in turn employs all other staff on its behalf.
- Create one or more committees of Council. A committee must have a chairperson, who is responsible for presiding over meetings of the committee, ensuring that the committee acts within the powers delegated by Council, and as set out in the Council's Delegations Register.

## 3.3 12-MONTH SNAPSHOT

Over the 12 months to June 2026, Waipā District Council shared 168 media releases, showcasing our projects, decisions, and community achievements.

**Monthly highlights included:**

**July 2025**
**Leamington Domain's new playground launched**

The Leamington Domain playground re-opened following renewal and upgrade for 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 sub-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 on the western side of the district, 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.

**AWARDS**

**Community voices recognised across Aotearoa New Zealand**

Ahu Ake – Waipa's Community Spatial Plan received national recognition at the 2025 Local Government New Zealand SuperLocal Awards, winning the SuperEngaged – Tū Hononga Award for its creative and meaningful approach to connecting with communities and involving local voices in long-term planning for the district.

Developed in partnership with mana whenua, iwi and the wider community, Ahu Ake was shaped through kōrero at marae, local halls, libraries, online channels and district-wide engagement activities.

The approach used a World Café model, with staff and elected members visiting 11 towns and villages across the district. The goal was to hear directly from locals about what mattered most for Waipā's future.

# WHAKARĀPOPOTOTANGA O Ā MĀTOU MAHI / OVERVIEW OF OUR PERFORMANCE

This section highlights Council's overall non-financial performance as it relates to resident perceptions and levels of service performance measures. It also covers our strategic framework, external and internal strategic priorities which impact the way we work, as well as a summary of our performance and contributing factors.

## 4.1 OUR STRATEGIC DIRECTION

### Waipā Home of Champions – Building Connected Communities

Every three years we review our strategic direction, revisiting our vision, community outcomes and external strategic priorities, to ensure we remain on track. We completed this review as part of the 2025-2034 Long Term Plan that was adopted by our Council on 18 July 2025. The plan was unique as it covered a nine-year period rather than the usual 10. This is because in 2024, instead of adopting a Long Term Plan to cover the period up to 2034, we opted to adopt a one-year Enhanced Annual Plan. This 2025-34 Long Term Plan covers the remaining period up to 2034.

Our vision is Waipā - Home of Champions, Building Connected Communities, which identifies and celebrates the district and its champion communities, and all things residents love about living and working here.

In partnership with our communities, we developed Ahu Ake - Waipā Community Spatial Plan. This is our key strategic planning document and the blueprint for the next 30+ years. It provides the foundation for all our future planning, investment, and delivery of services and projects across the whole of our organisation.

To further build on this work, we developed an 'Anchor Institution Framework and Implementation Plan'. 'Anchors' are large, place-based organisations that are intrinsically linked to their communities and are pivotal to their success and wellbeing. They include organisations like councils, hospitals, universities and schools. At a local level, the Anchor Institution Framework focuses on procurement, employment, workforce development, cluster anchors, community collaboration and community assets and infrastructure. It will help to ensure that as an organisation we work efficiently and effectively, leveraging local strengths to address local challenges and opportunities to create resilient, thriving, vibrant and connected communities.

Our vision, community outcomes and key strategic plans and frameworks shape the development of our projects, services, activities, and programmes of work we're planning for the next nine years. The 2025-34 Long Term Plan is our key document outlining these work programmes, how we deliver them and how they will be funded.

Below is a snippet of performance of a smaller subset of the measures against our community outcomes. We look for meaningful change over the longer term.

**Social Wellbeing**

He aha te mea nui o te ao? Māku e kī atu he tangata, he tangata, he tangata! – it's all about people

- Great place to live, work, play and invest
- High quality of life
- Invest in health and well-being and support community groups

**Over the past year:**

- Local contribution remains an important part of Council's procurement strategy and throughout the last financial year, 80 per cent of tenders advertised on GETS included local contribution statements to be provided in tender responses.
- The percentage of residents who perceive Council being committed to creating a district that is a great place to live, learn, work and play has remained stable in a challenging environment.

**Cultural Champions**

Promoting our culture and heritage

- Unique history cultural awareness
- Tangata whenua partnership
- Respect cultural diversity

**Over the past year:**

- The Te Awamutu Museum reopened in September 2025.
- Resident's perception of how accepting and welcoming the district is to newcomers and respecting towards cultural diversity increased slightly.

**Environment Champions**

Protecting and sustaining our environment

- Promote awareness and responsibilities
- Responsive to climate change

**Over the past year:**

- Council's carbon footprint has increased and continues to be monitored with initiatives underway to reduce Council's emissions profile. The Sustainability and Climate Change Sub Committee is established and is providing governance in relation to Council's climate change work programme.
- We continue to provide education to our community in regard to waste minimisation with more than 2,400 face to face participants over the year.
- Council continued to support Council-led conservation volunteer activities over the year.
- Developed a draft Climate Change Strategy to engage with our stakeholders in late 2026 before seeking approval.
- Supported 25 schools in the district to take part in the Enviroschools programme.

**Economically Progressive**

Supporting a thriving, sustainable economy

- Provide value for money from services, promotion and a great place to invest and do business
- Financially sustainable decision making and work programmes
- Provide economic stimulus through new infrastructure
- A great place to invest and do business

**Over the past year:**

- Money spent locally grew since last year.
- We continued to comply with the National Policy Statement – Urban Development 2020 requirements.
- Residents' perception of value for money remained relatively stable.
- An Economic Wellbeing Strategy was developed.

## 3. EXTERNAL STRATEGIC PRIORITIES

There are a number of initiatives that contribute towards achieving our External Strategic Priorities. Noting these priorities are for the nine years covered by the 2025-34 Long Term Plan, the table below indicates our progress against these initiatives. Part 6 "Our performance in detail" provides more detail regarding strategic initiatives performance and capital spend.

| External Strategic Priority | What do we mean by this? | What we going to do to deliver on this | Progress comments |
|---|---|---|---|
| Creating vibrant communities | ✓ We celebrate and take pride in everything we love about Waipā.<br>✓ We have a strong community spirit and continue to work together to support each other and thrive.<br>✓ We recognise and respond to the needs of the increasingly diverse cultures within our community. | ✓ Provide support for community events through an in-house events team.<br>✓ Provide financial support to qualifying events through Council's District Promotion Fund.<br>✓ Implement the Anchor Institutions Framework.<br>✓ Provide quality community facilities and services such as destination playgrounds, swimming pools, reserves and libraries to provide for the community's learning and leisure needs. | We have continued to support events in our community through our in-house events team.<br>We will continue to implement our Anchor Institutions Framework which leverages off partnerships with anchor institutes within our communities.<br>We continue to provide key leisure facilities to our communities including libraries, pools, parks and playgrounds. |
| Nurturing and respecting our unique culture and heritage | ✓ In partnership with Tangata Whenua, we increase our community awareness, understanding and appreciation of the district's history and significant sites. | ✓ Showcasing the district's unique heritage by providing and supporting heritage offerings throughout the district.<br>✓ Tell stories of our unique history through the Te Ara Wai Journeys website and corresponding promotional signage.<br>✓ Provide financial support to qualifying applications through Council's Heritage Fund.<br>✓ Management of archaeological and public art collection.<br>▪ Restoration of ecological sites in partnership with mana whenua.<br>✓ Fulfilling our partnership agreements through Treaty settlement mechanisms. | Earlier this year Te Whare Taonga o Te Awamutu Museum was reopened at the refurbished Roche Street site enabling us to continue telling stories of our unique history and display items in our public art collection. |

| | | | |
|---|---|---|---|
| Responding to climate change | ▪ We advance our knowledge to ensure decision-making is based on robust evidence and up-to-date information.<br>▪ We work together to inform, educate, build resilience and develop new skills and ways of working.<br>▪ We take action to reduce emissions causing climate change (mitigation).<br>▪ We take action to manage the risks of climate change impacts (adaptation). | ▪ Development of Climate Change Strategy and implementation plan.<br>✓ Emergency preparedness through readiness and resilience planning across communities.<br>✓ Understand the impacts, risks, and vulnerabilities of climate change in the district.<br>✓ Ensuring capacity in debt headroom to fund emergency events.<br>✓ Working closely with Waikato CDEM Group and Waikato Regional Council climate action group. | The severe weather event in February gave us the opportunity to put our emergency event planning into practice.<br>Planning is underway to progress our Climate Change Strategy in 2026/27 and we have undertaken a climate change risk assessment to understand climate change risks to our infrastructure and services.<br>We continue to work with Waikato CDEM Group and Waikato Regional Council on emergency and planning initiatives. |
| Caring for and valuing our environment now and into the future | ▪ We recognise our responsibilities to control the effects of land use on the environment, including natural hazards and indigenous biodiversity.<br>▪ We work in partnership to support initiatives that promote the protection of the natural environment and sustainable living.<br>▪ We plan and invest in our green spaces to enhance our environmental outcomes and achieve positive health and social wellbeing outcomes. | ✓ Continue to provide a kerbside recycling service to all urban and rural properties and construct a resource recovery centre to support minimising waste to landfill.<br>✓ Provide financial assistance to community groups through the Community Waste Minimisation Fund.<br>▪ Continue to minimise environmental issues resulting from stormwater discharges through projects such as the Karāpiro Stream restoration.<br>▪ Complete the upgrades of the Cambridge and Te Awamutu wastewater treatment plants.<br>▪ Further enhancement of key ecological spaces including Sanctuary Mountain, Pukemako and Mt Pirongia.<br>▪ Give effect to Te Ture Whaimana o Waikato, the Vision and Strategy for the Waikato River.<br>▪ Review the Environment Strategy and implementation plan. | We continue to provide a kerbside recycling service and planning is underway for the Cambridge Resource Recovery Centre. |

| | | | |
|---|---|---|---|
| Effectively planning and providing for growing communities | ▪ We plan ahead to ensure that Waipā continues to be the best place to live, work, play and invest.<br>▪ We demonstrate our value to our community through our investment and funding approach, people, services and activities. | ✓ Continue to maintain our roading and footpath network.<br>✓ Continue to progress Cambridge Connections.<br>▪ Expand the current public transport offering.<br>✓ Implementation of Ahu Ake, Waipa Community Spatial Plan.<br>✓ Implementation of the Anchor Institutions Framework.<br>✓ Review of the Waipa 2050 Growth Strategy.<br>▪ Review of Te Awamutu and Kihikihi Town Concept Plan. | We are continuing to look after and improve our existing roads and footpaths while advancing plans for Cambridge Connections. We have considered Ahu Ake – Waipā Community Spatial Plan when undertaking planning across a broad range of council functions and we have progressed the refresh of the Waipā 2050 Growth Strategy. Reviewing the Te Awamutu and Kihikihi Town Concept Plan is scheduled for 2027/28. |

## 4.4 RESIDENT PERCEPTION SURVEY

**The regular resident perception survey is an important way for the Council to engage with our community, gain a better understanding of their thoughts and opinions, and identify areas for improvement.**

The Annual Residents' Survey has been in place since the 2015-16 year to help understand how we are tracking against our community outcomes, strategic priorities and levels of service. Carried out by an independent research company, the survey focuses in particular on resident perceptions of the environment and lifestyle associated with the Waipā District, satisfaction with Council services, leadership, financial management and value for money. To help to avoid bias and being influenced by seasonal trends the survey is carried out four times throughout the year with the aggregate results reported at year end.

**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 year, while only 14 declined. This reflects a broad-based improvement across many aspects of Council's performance.

The survey found satisfaction with Council's overall performance increased from 19 percent to 20 percent over the past year. Satisfaction with Council's overall services, facilities and infrastructure increased from 24 percent to 27 percent, while perceptions of Council's image and reputation improved from 23 percent to 26 percent.

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.

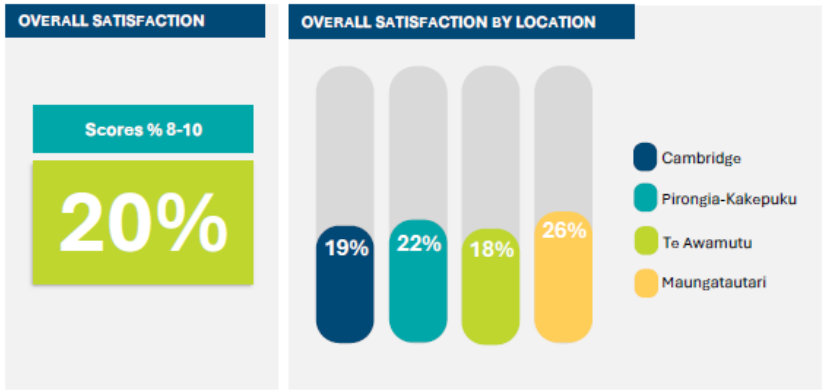
Council's reputation benchmark remained stable at +57, within the 'acceptable' range. More than a quarter of respondents who commented on Council's performance raised concerns about spending, wanting a stronger focus on core services or dissatisfaction with Council decisions.

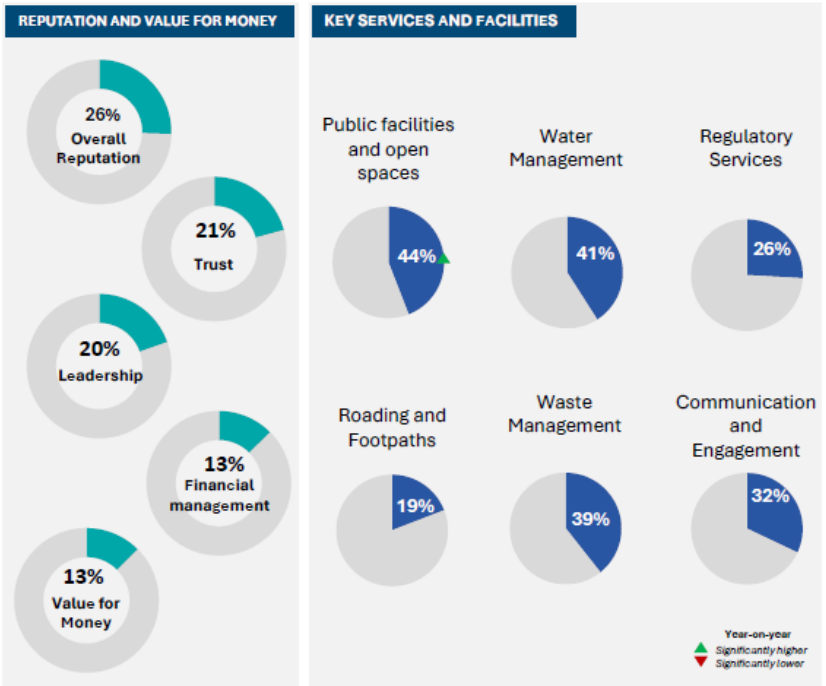
The survey also identified opportunities to improve road maintenance, cycleway safety, litter control, water management and the Te Awamutu Museum. Satisfaction with water management reduced slightly from 43 percent to 41 percent, while roads and footpaths declined marginally from 20 percent to 19 percent.

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.

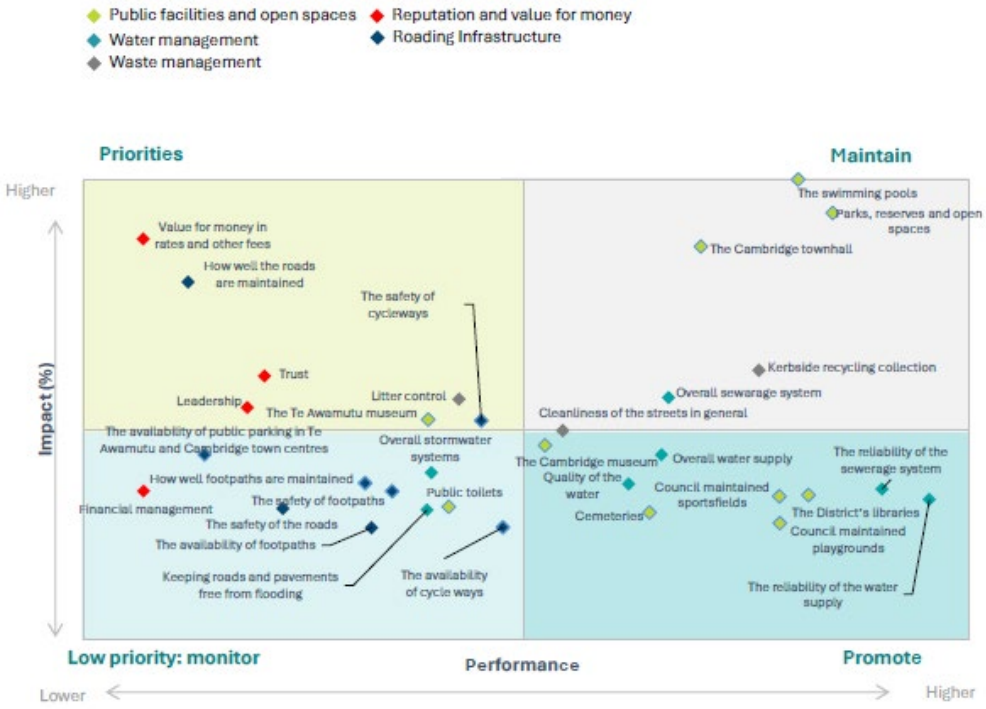
The results from the Residents' Perception Survey help shape our priorities, our risk management practices and Council's ongoing communication and engagement with the community. We continue to work both internally and externally to improve our delivery of services and the vision for Waipā. For full results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

## Summary of Key Performance

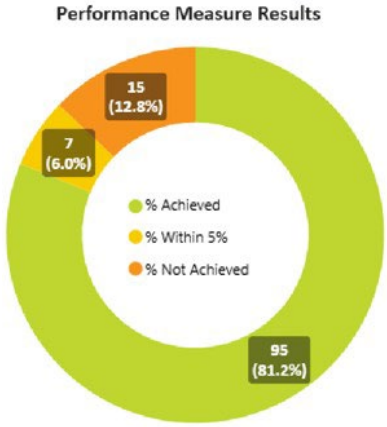



The figure below outlines those areas on which Council should focus on and/or promote:



## 4.5 LEVEL OF SERVICE PERFORMANCE MEASURES




Our level of service performance measures set the service standard for our customers across a range of functions within our groups of activities.

Overall, 95 measures were achieved out of a total of 117 measures, equating to 81.2 per cent. A further 7 measures were within 5 per cent of achieving the target.

Detailed performance results are available under the relevant group of activity in Part 6 of this annual report.

### Performance Measure Results

One measure was partially assessed this year:

- The Te Tahi water treatment plant was damaged beyond repair in the February 2026 weather event. It is reported as Achieved up to this date.

A number of factors have influenced the years results:

- The Maungatautari water treatment plant is no longer active, therefore the performance measure "The extent to which the local authority's drinking water supply complies with the drinking-water standards – Network Zones – Compliance' for Maungatautari is no longer being reported against for that zone.
- Embedding the Property and Rating system upgrade
    - In September 2025, Council upgraded the Property and Rating system which holds all of Council's property, rating and customer information. This was the first significant system upgrade in more than 10 years. The upgrade was supported by a change management process and has streamlined the customer request management process. Some of the process-driven changes are taking time to embed and there is ongoing training in place. Therefore, where the new system is cited in the exceptions, it is a result of data capture errors as a result of the transition, and in one instance more accurate reporting, rather than a drop in service levels.
    - 
    - 
- Resourcing prioritisation
    - In some instances, the prioritisation of staff into areas of focus and investment has impacted the ability to meet service levels. This is relevant to participation in library programmes, waste minimisation programmes, adequate space for library resources and Te Ara Wai journey online engagement.
- Technical non - compliance
    - This relates to non-compliance related to water supply; these are technical non-compliances and there was no risk to public health.

Where relevant, corrective actions have been, and are being implemented, for the exceptions with the aim of moving the service level closer to target.

## Whakarāpopototanga Pūtea / Overview of our Finances

This section covers the financial outcomes against the 2025/26 year of the Long Term Plan budgets, which sets the direction for the year. It includes our disclosure statement, financial statements relating to revenue and expenses, changes in equity, financial position, cash flows, funding impacts and the notes accompanying these financial statements. It also includes a reconciliation of the funding impact statement to total comprehensive revenue, capital programme variances and details on council-controlled organisations.

# 4. FINANCIAL OVERVIEW

In the 2025/26 year Council continued to deliver essential services, respond to growth and complete major infrastructure investment. The year also saw Council respond to a significant weather event and prepare for an important structural change with the transfer of drinking water and wastewater activities to Waikato Waters Limited on 1 July 2026.

Although Council reported an operating surplus for the period these positive results included a lift in development contribution revenue and also reduced employee expenditure. Development contribution revenue was $4.2m ahead and staff costs were $2.4m below budget. We finished the year with a $1.9 million surplus in the General Rates Reserve. While this is a positive result, a portion of the surplus reflects funding for projects that were not completed by 30 June. These funds will be carried forward and used to complete those projects in the new financial year.

With a growing district, use of borrowing to finance up front infrastructure investment costs remains an important component of Council's financial strategy. Overall debt levels however need to be monitored and maintained within target levels. With a number of infrastructure investment projects being managed at a slower pace than was budgeted in this last year, year end debt for Council was $69m lower than budget.

The February 2026 storm caused damage to key infrastructure, particularly in the western part of the district, and required Council to commit significant time, funding and resources to the urgent response and recovery effort. The total cost of the event was $4.9m, with further costs expected as work continues to restore affected infrastructure to the required level of service.

The completion of the Cambridge Wastewater Treatment Plant was a major milestone in the 2025/26 year and the largest infrastructure project Council has delivered to date. Bringing the new plant into operation and decommissioning the old one by the end of June 2026 was an important achievement for the district.

A significant amount of work took place across the organisation to prepare for the transfer of drinking water and wastewater activities to Waikato Waters Limited from 1 July 2026. The changes have involved transferring people, systems, assets, contracts, commitments and financial information alongside the practical planning and implementation to make sure the transition was well managed.

Matt Walker
**Finance and Commercial Director**

# 5.1 FINANCIAL PRUDENCE

## Disclosure Statement

**Annual report disclosure statement for year ending 30 June 2026 - What is the purpose of this statement?**

The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings. The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

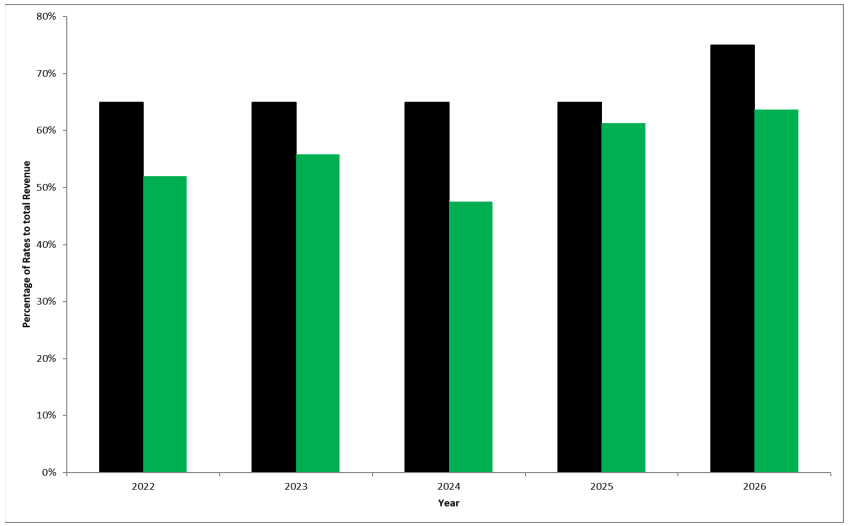
**Rates affordability benchmark**

The Council meets the rates affordability benchmark if –

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

**Rates (income) affordability**

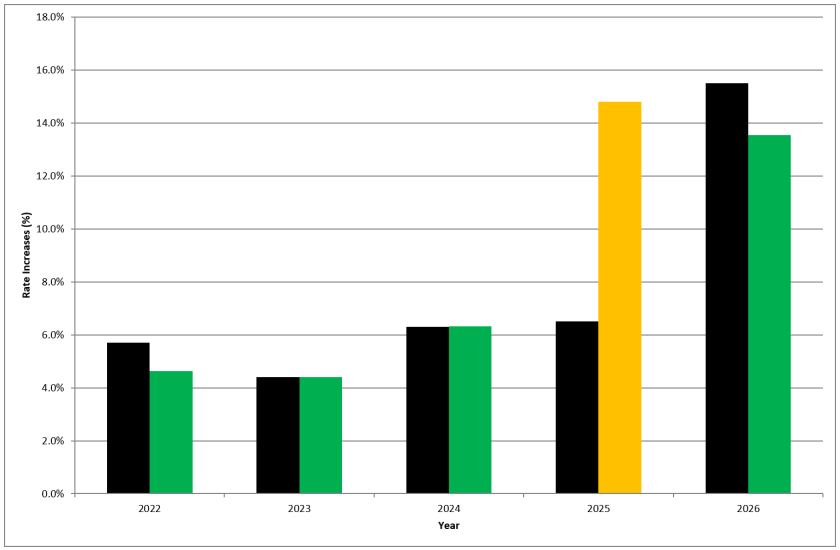
The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's 2025-34 long term plan (LTP). The quantified limit is limiting rates levels to a maximum of 75 percent of our total revenue (2021/22 - 2024/25: 65%)




■ Quantified limit on rates income ■ Actual rates income (at or within limit) ■ Actual rates income (exceeds limit)

**Rates (increases) affordability**

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy in the Council's long term plan. The quantified limit for the rates (increase) affordability benchmark for 2025/26 is 15.5 percent, as set out in the LTP 2025-34.




■ Quantified limit on rates increase ■ Actual rates increase (at or within limit) ■ Actual rates increase (exceeds limit)

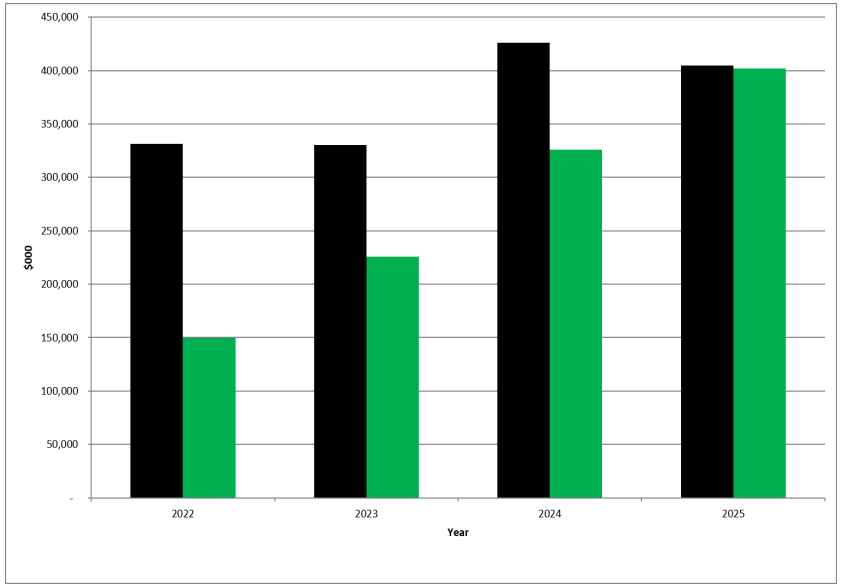
The quantified limit for rates increases is set in the Long Term Plan (LTP). Results for 2022 to 2025 are measured against the limits established in the 2021–31 LTP. Through the Enhanced Annual Plan 2024/25, Council consulted on a rates increase above the applicable LTP limit. For 2026, the 2025–34 LTP sets an affordability limit of 15.5%. The actual rates increase of 13.5% is within this limit.

**Debt affordability benchmark**

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

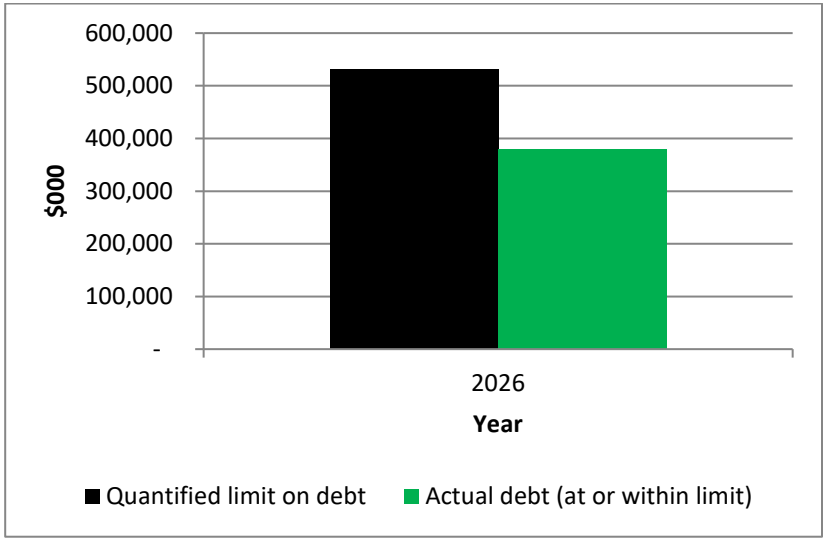
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long term plan. The quantified limit is 350% of revenue[6].

The Financial Strategy of the 2021-31 LTP, set the external debt limit at 250 percent of total revenue.




■ Quantified limit on debt ■ Actual debt (at or within limit)
■ Actual debt (exceeds limit)

As part of the 2025-34 LTP, the basis for the external debt limit changed to a limit of 350 per cent of total revenue. At the time, this change in methodology was in line with the bespoke debt covenant with the Local Government Funding Agency, and is portrayed in the graph below.



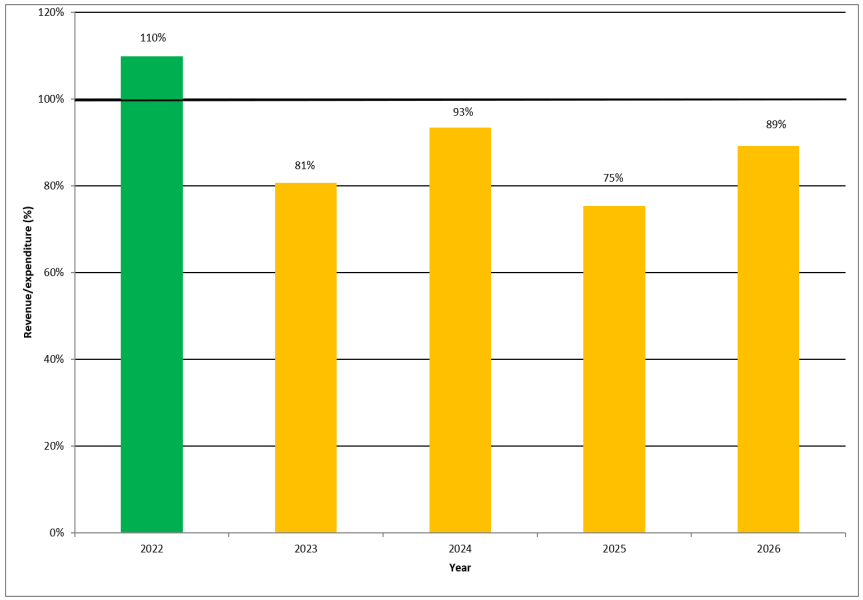

■ Quantified limit on debt ■ Actual debt (at or within limit)
■ Actual debt (exceeds limit)

[6] Total revenue is defined as total revenue less non-government capital contribution revenue (Development contributions, Financial Contributions, Vested assets and fair value adjustments.

**Balanced budget benchmark**

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, and equipment).

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.

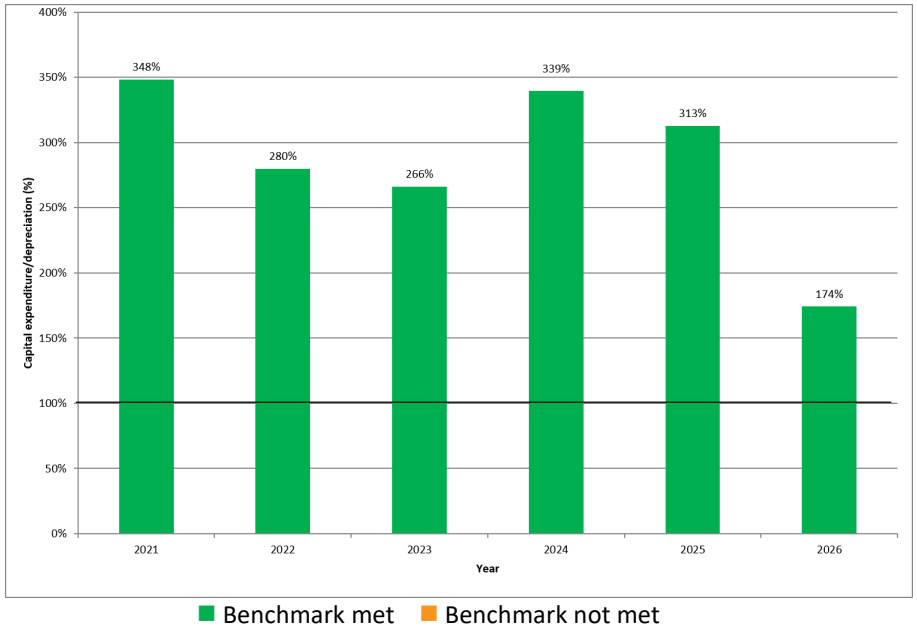



The balanced budget benchmark can be challenging for a high growth Council like Waipā to meet. In 2022-23, 2023-24, 2024-25 and 2025-26 we used reserves to part-fund our costs. The main reason for the 2025-26 result at 89% of target is the impact of non-cash accounting items, especially depreciation. In preparation for transferring water and wastewater assets, a large number of asset impairments were also recorded. These are required accounting adjustments that don't involve any actual cash spending but reduce our reported operating result..

**Essential services benchmark**

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services.

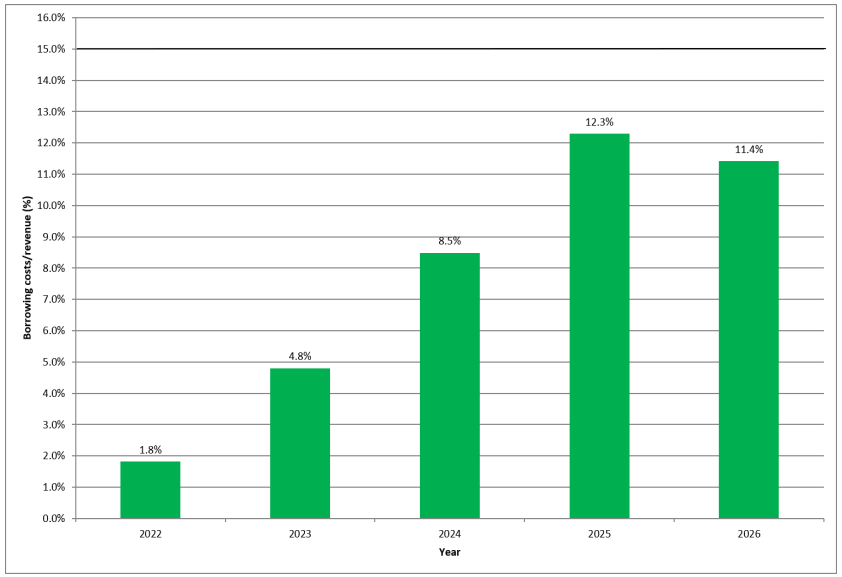
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



**Debt servicing benchmark**

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, and equipment).

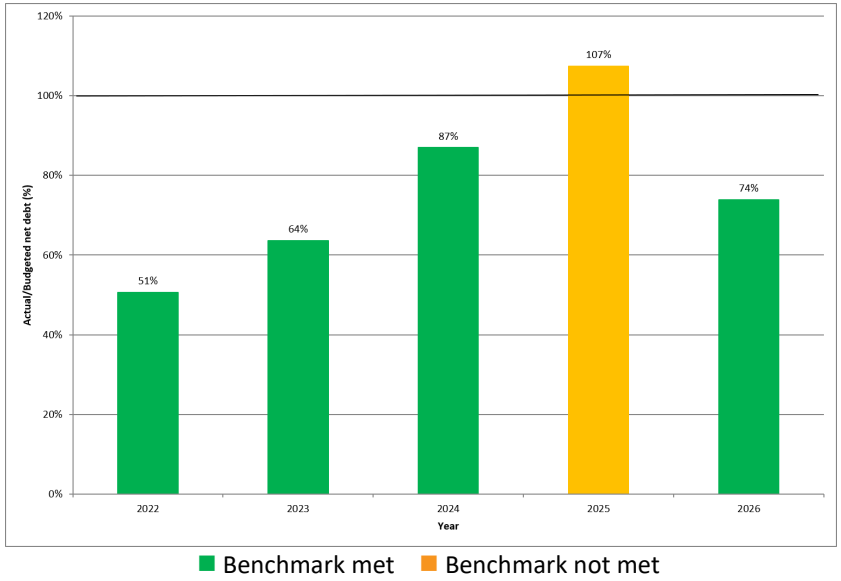
Because Statistics New Zealand projects the Council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15 per cent of its revenue.




**Debt control benchmark**

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, **net debt** means financial liabilities less financial assets (excluding trade and other receivables).

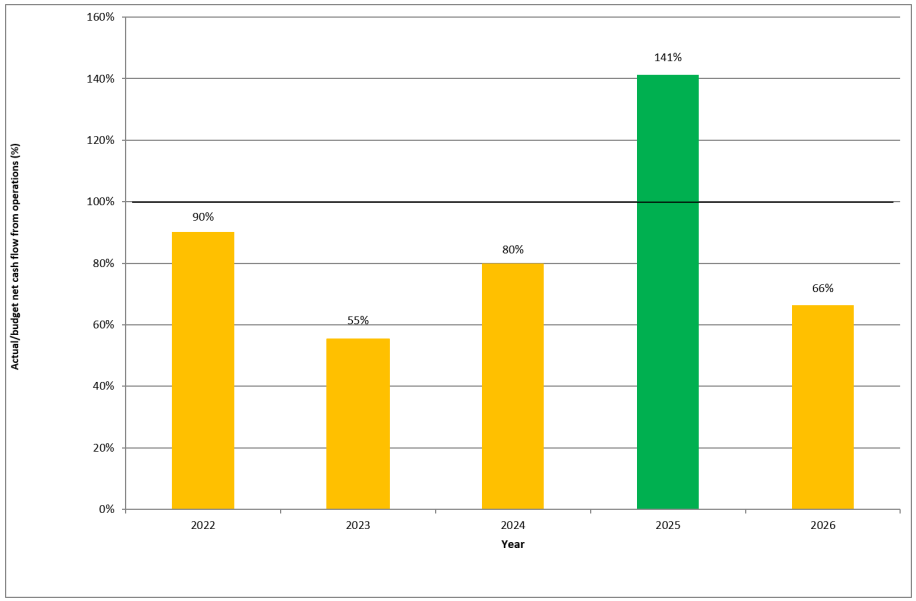
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



**Operations control benchmark**

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

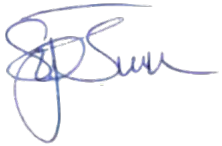
The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



## 5.2 STATEMENT OF COMPLIANCE

The financial statements of the Council and group 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 (NZ GAAP). The Statement of Service Performance has been prepared in accordance with Tier 1 PBE financial reporting standards, which have been applied consistently throughout the period and complies with PBE financial reporting standards.





Mike Pettit
**MAYOR**

Stephanie O'Sullivan
**CHIEF EXECUTIVE**

## 5.3 STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE FOR THE YEAR ENDED 30 JUNE 2026

| | | Council | | | Group | |
|---|---|---|---|---|---|---|
| | Note | Actual 2026 $000 | Budget 2026 $000 | Actual 2025 $000 | Actual 2026 $000 | Actual 2025 $000 |
| **REVENUE** | | | | | | |
| Rates | 3 | 114,460 | 114,179 | 99,341 | 114,460 | 99,341 |
| Fees and charges | 3 | 18,069 | 17,453 | 17,186 | 21,700 | 20,626 |
| Reserve contributions | 3 | 1,421 | 1,344 | 1,182 | 1,421 | 1,182 |
| Development contributions | 3 | 11,200 | 7,022 | 10,132 | 11,200 | 10,132 |
| Gain on revaluation | 4 | 491 | 450 | - | 491 | - |
| Vested assets | 3 | 13,030 | 11,788 | 9,564 | 13,030 | 9,564 |
| Discovered assets | 3 | 1,821 | - | 1,648 | 1,821 | 1,648 |
| Dividends | 3 | 77 | 20 | 7 | 77 | 7 |
| Finance revenue measured using effective interest method | 3 | 1,002 | 880 | 3,352 | 1,088 | 3,455 |
| Subsidies and grants | 3 | 16,996 | 12,097 | 14,441 | 17,000 | 14,509 |
| Other revenue | 3 | 1,287 | 8,998 | 4,968 | 1,288 | 4,973 |
| **Total Revenue** | 32 | **179,854** | **174,231** | **161,821** | **183,576** | **165,437** |
| **OPERATING EXPENDITURE** | | | | | | |
| Employee benefit expenses | 5 | 37,931 | 40,379 | 35,385 | 41,868 | 39,226 |
| Depreciation & amortisation | 13-15 | 45,391 | 42,053 | 42,896 | 45,562 | 43,014 |
| Other expenses | 6 | 69,556 | 60,081 | 82,575 | 68,834 | 81,615 |
| Finance costs | 7 | 17,393 | 20,618 | 17,131 | 17,393 | 17,131 |
| Loss on revaluation | 4 | - | - | 1,132 | - | 1,132 |
| **Total Operating Expenditure** | 2 | **170,271** | **163,131** | **179,119** | **173,657** | **182,118** |
| **OPERATING SURPLUS/(DEFICIT)** | | **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 | | - | - | - | - | - |
| **Total Other Comprehensive Revenue and Expense for the Year** | | (22,042) | - | 129,871 | (22,042) | 129,871 |
| **Total Comprehensive Revenue for the Year** | | (12,459) | 11,100 | 112,573 | (12,123) | 113,190 |

### Explanation of operating surplus and total comprehensive revenue:

*Council achieved an operating surplus of $9.6m this year against a surplus budget of $11.1m. Explanations of the major variations from budget are provided in note 29, page 103-104. The operating surplus includes a number of items of income and expenditure that are non-cash in nature including loss on disposal and impairment of property, plant and equipment $11m and revenue from infrastructure and financial assets vested by developers ($13m).*

The accompanying notes form part of these financial statements, pages 43-104.

## 5.4 STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2026

| | | Council | | | Group | |
|---|---|---|---|---|---|---|
| | Note | 2026 Actual $000 | 2026 Budget $000 | Actual 2025 $000 | 2026 Actual $000 | Actual 2025 $000 |
| Balance at 1 July | | 2,442,472 | 2,451,869 | 2,329,899 | 2,445,987 | 2,332,797 |
| Total Comprehensive Revenue | | (12,459) | 11,100 | 112,573 | (12,123) | 113,190 |
| **Balance at 30 June** | | 2,430,013 | 2,462,969 | 2,442,472 | 2,433,864 | 2,445,987 |
| **Equity represented by:** | | | | | | |
| Retained earnings | 24 | 697,900 | 668,629 | 675,178 | 701,751 | 678,693 |
| Other reserves | 24 | 1,732,113 | 1,794,340 | 1,767,294 | 1,732,113 | 1,767,294 |
| **Total Equity** | | 2,430,013 | 2,462,969 | 2,442,472 | 2,433,864 | 2,445,987 |

The accompanying notes form part of these financial statements, pages 43-104.

## 5.5 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

| | | Council | | | Group | |
|---|---|---|---|---|---|---|
| | Note | Actual 2026 $000 | Budget 2026 $000 | Actual 2025 $000 | Actual 2026 $000 | Actual 2025 $000 |
| **ASSETS** | | | | | | |
| **Current Assets** | | | | | | |
| Cash and cash equivalents | 8 | 55,223 | 46,539 | 51,422 | 57,783 | 54,720 |
| Investments in CCO's & other assets | 10 | 2,253 | 4,970 | 2,074 | 3,989 | 3,156 |
| Assets held for sale | 12 | 85 | 85 | 85 | 85 | 85 |
| Trade and other receivables | 9 | 16,154 | 9,330 | 9,718 | 15,213 | 9,687 |
| Total Current Assets | | 73,715 | 60,924 | 63,299 | 77,070 | 67,648 |
| **Non Current Assets** | | | | | | |
| Property plant and equipment | 13 | 2,731,941 | 2,885,718 | 2,726,992 | 2,732,508 | 2,727,442 |
| Intangible assets | 14 | 3,293 | 2,953 | 5,124 | 3,293 | 5,124 |
| Forestry assets | 17 | 2,411 | 2,520 | 2,160 | 2,411 | 2,160 |
| Investments in CCO's & other assets | 10 | 54,144 | 36,847 | 50,118 | 54,144 | 50,118 |
| Investment property | 18 | 33,419 | 37,063 | 33,057 | 33,419 | 33,057 |
| Other financial assets | 10 | - | - | - | 786 | 77 |
| Trade and other receivables | 9 | 6 | 10 | 7 | 6 | 7 |
| Total 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** | **2,885,633** |
| **LIABILITIES** | | | | | | |
| **Current Liabilities** | | | | | | |
| Trade and other payables | 19 | 16,852 | 42,592 | 23,566 | 17,472 | 24,620 |
| Derivative financial instruments | 23 | - | - | - | - | - |
| Provisions | 20 | 361 | 741 | 6,256 | 361 | 6,256 |
| Employee benefit liabilities | 21 | 3,629 | 3,133 | 3,335 | 3,866 | 3,640 |
| Borrowings | 22 | 215,952 | 91,000 | 144,724 | 215,952 | 144,724 |
| Total Current Liabilities | | 236,794 | 137,466 | 177,881 | 237,651 | 179,240 |
| **Non Current Liabilities** | | | | | | |
| Trade and other payables | 19 | - | - | - | - | - |
| Derivative financial instruments | 23 | - | - | - | - | - |
| Provisions | 20 | 326 | - | 352 | 326 | 352 |
| Borrowings | 22 | 231,796 | 425,600 | 260,052 | 231,796 | 260,052 |
| Total 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** | | | | | | |
| Retained earnings | 24 | 697,900 | 668,629 | 675,178 | 701,751 | 678,694 |
| Other reserves | 24 | 1,732,113 | 1,794,340 | 1,767,294 | 1,732,113 | 1,767,294 |
| **Total Equity** | | **2,430,013** | **2,462,969** | **2,442,472** | **2,433,864** | **2,445,988** |

Explanations of the major variations from budget are provided in note 29, pages 103-104.

The accompanying notes form part of these financial statements, pages 43-104.

# 5.6 STATEMENT OF CASH FLOWS
# FOR THE YEAR ENDED 30 JUNE 2026

| | Note | Council | | | Group | |
|---|---|---|---|---|---|---|
| | | Actual 2026 $000 | Budget 2026 $000 | Actual 2025 $000 | Actual 2026 $000 | Actual 2025 $000 |
| **Cash Flows from Operating Activities** | | | | | | |
| Receipts from rates revenue | | 114,707 | 114,179 | 99,478 | 114,707 | 99,478 |
| Interest received | | 1,002 | 880 | 3,352 | 1,088 | 3,455 |
| Dividends | | 77 | 20 | 7 | 77 | 7 |
| Receipts from other revenue | | 42,800 | 38,454 | 48,627 | 47,684 | 51,893 |
| Payments to suppliers and employees | | (102,628) | (73,756) | (78,744) | (106,607) | (78,313) |
| Interest paid | | (16,421) | (20,618) | (17,131) | (16,421) | (17,131) |
| Goods and service tax (net) | | 287 | - | 575 | 239 | - |
| **Net Cash Flow from Operating Activities** | | 39,824 | 59,159 | 56,164 | 40,767 | 59,389 |
| **Cash Flows from Investing Activities** | | | | | | |
| Proceeds from sale of property, plant and equipment | | 259 | 8,576 | 2,667 | 288 | 2,667 |
| Proceeds from sale of investments | | - | - | - | - | - |
| Purchase of intangible assets | | 1,479 | - | (444) | 1,478 | (444) |
| Purchase of property, plant and equipment | | (79,174) | (166,190) | (125,429) | (79,519) | (125,723) |
| Purchase & development of investment property | | (362) | - | 2,629 | (362) | 2,629 |
| Acquisition of investments | | (225) | - | (2,371) | (1,589) | (2,371) |
| **Net Cash Flow from Investing Activities** | | (78,023) | (157,614) | (122,948) | (79,704) | (123,242) |
| **Cash Flows from Financing Activities** | | | | | | |
| Proceeds from borrowings | | 186,000 | 180,600 | 128,000 | 186,000 | 128,000 |
| Repayment of borrowings | | (144,000) | (81,000) | (52,000) | (144,000) | (52,000) |
| Cash flows from Other Investing and Financing Activites | | - | - | - | - | (2,299) |
| **Net Cash Flow from Financing Activities** | | 42,000 | 99,600 | 76,000 | 42,000 | 73,701 |
| Net (decrease) / increase in cash, cash equivalents and bank overdrafts | | 3,801 | 1,145 | 9,216 | 3,063 | 9,848 |
| Cash, cash equivalents and bank overdrafts at the beginning of the year | | 51,422 | 45,394 | 42,206 | 54,720 | 44,872 |
| **Cash, cash equivalents at the end of the year** | 8 | 55,223 | 46,539 | 51,422 | 57,783 | 54,720 |

The accompanying notes form part of these financial statements, pages 43-104.

| 2026 | Council<br>Debentures & other loans<br>$000 | Group<br>Debentures & other loans<br>$000 |
|---|---|---|
| **Reconciliation of movements of liabilities from financing activities** | | |
| **Balance at 30 June 2026** | 402,000 | 402,661 |
| Cash inflows | 186,000 | 186,000 |
| Cash Outflows | (144,000) | (144,000) |
| **Balance at 30 June 2026** | **444,000** | **444,661** |

| 2025 | Council<br>Debentures & other loans<br>$000 | Group<br>Debentures & other loans<br>$000 |
|---|---|---|
| **Reconciliation of movements of liabilities from financing activities** | | |
| **Balance at 30 June 2025** | 326,000 | 326,661 |
| Cash inflows | 128,000 | 128,000 |
| Cash Outflows | (52,000) | (52,000) |
| **Balance at 30 June 2025** | **402,000** | **402,661** |

# STATEMENT OF CASH FLOWS (CONTINUED) / FOR THE YEAR ENDED 30 JUNE 2026

| | Note | Council 2026 $000 | Council 2025 $000 | Group 2026 $000 | Group 2025 $000 |
|---|---|---|---|---|---|
| Surplus / (deficit) after tax | | 9,583 | (17,298) | 9,919 | (16,681) |
| *Add (less) non cash items* | | | | | |
| Depreciation and amortisation | | 45,391 | 42,896 | 45,562 | 43,014 |
| Asset write-downs | | - | 76 | - | 76 |
| Vested / discovered assets | | (14,851) | (11,212) | (14,851) | (11,212) |
| (Gains) / losses in fair value of investment properties, forestry and intangible assets | | (491) | 1,056 | (491) | 1,056 |
| Accrued interest on borrowings | | 972 | - | 972 | - |
| Add / (less) items classified as investing or financing activities | | 7,032 | (937) | 7,032 | (937) |
| (Gains) / losses on disposal of assets | | 7,169 | 28,298 | 7,177 | 28,298 |
| Impairment (Gain) / Loss | | 3,798 | 1,339 | 3,798 | 1,339 |
| *Add / (less) movements in working capital items* | | | | | |
| Trade and other receivables | | (6,438) | 1,404 | (6,527) | 582 |
| Trade and other payables | | (6,714) | 3,885 | (6,129) | 7,144 |
| Provisions | | (5,921) | 6,072 | (5,921) | 6,072 |
| Employee Benefits | | 294 | 585 | 226 | 638 |
| Net Cash Inflow / (Outflow) from Operating Activities | | 39,824 | 56,164 | 40,767 | 59,389 |

The accompanying notes form part of these financial statements, pages 43-104.

## 5.7 FUNDING IMPACT STATEMENT
## FOR THE YEAR ENDED 30 JUNE 2026 (WHOLE OF COUNCIL)

| | 2024/25 Annual Plan $000 | 2024/25 Annual Report $000 | 2025/26 Long Term Plan $000 | 2025/26 Actual $000 |
|---|---|---|---|---|
| **Sources of operating funding** | | | | |
| General rates, uniform annual general charges, rates penalties | 51,083 | 52,558 | 56,436 | 56,513 |
| Targeted rates | 46,536 | 46,783 | 57,743 | 57,947 |
| Subsidies and grants for operating purposes | 4,636 | 8,174 | 5,323 | 5,235 |
| Fees and charges | 16,629 | 17,186 | 17,215 | 18,069 |
| Interest and dividends from investments | 519 | 3,359 | 900 | 1,079 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 420 | 4,968 | 420 | 1,287 |
| **Total sources of operating funding (A)** | 119,823 | 133,028 | 138,037 | 140,130 |
| | | | | |
| **Applications of operating funding** | | | | |
| Payments to staff and suppliers | 88,093 | 87,138 | 99,397 | 95,212 |
| Finance costs | 14,732 | 17,131 | 20,618 | 17,393 |
| Other operating funding applications | 1,093 | 1,185 | 1,063 | 1,308 |
| **Total applications of operating funding (B)** | 103,918 | 105,454 | 121,078 | 113,913 |
| | | | | |
| **Surplus (deficit) of operating funding (A - B)** | 15,905 | 27,574 | 16,960 | 26,217 |
| | | | | |
| **Sources of capital funding** | | | | |
| Subsidies and grants for capital expenditure | 11,227 | 6,267 | 7,014 | 11,761 |
| Development and financial contributions | 16,253 | 11,314 | 8,366 | 12,621 |
| Increase (decrease) in debt | 105,958 | 76,000 | 99,600 | 42,000 |
| Gross proceeds from sale of assets | 6,978 | 4,456 | 8,576 | 873 |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| **Total sources of capital funding (C)** | 140,416 | 98,037 | 123,556 | 67,255 |
| | | | | |
| **Applications of capital funding** | | | | |
| Capital expenditure | | | | |
| - to meet additional demand | 106,520 | 86,704 | 108,223 | 41,827 |
| - to improve the level of service | 21,685 | 20,265 | 27,597 | 9,369 |
| - to replace existing assets | 24,442 | 14,510 | 30,370 | 15,585 |
| Increase (decrease) in reserves | 3,674 | 4,132 | (25,675) | 26,691 |
| Increase (decrease) of investments | - | - | - | - |
| **Total applications of capital funding (D)** | 156,321 | 125,611 | 140,515 | 93,472 |
| | | | | |
| **Surplus (deficit) of capital funding (C - D)** | (15,905) | (27,574) | (16,959) | (26,217) |
| | | | | |
| **Funding balance ((A - B) + (C - D))** | - | - | - | - |

## 5.8 RECONCILIATION BETWEEN THE FUNDING IMPACT STATEMENT AND STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

The funding impact statement is prepared in compliance with the requirements of clause 15, part 1, schedule 10 of the Local Government Act 2002. Unlike the statement of comprehensive revenue and expense, the funding impact statement is not compliant with generally accepted accounting standards (GAAP).

The funding impact statement is intended to show in a transparent manner how all sources of funding received by Council are applied. It does not include "non-cash" that is classified as income on the statement of revenue and expense (as required by GAAP) such as assets that are vested to Council through the subdivision process, or unrealised gains on assets. The statement of comprehensive revenue and expense also requires "non-cash" expenses such as depreciation, amortisation, and unrealised losses of assets to be reflected, whereas these are excluded from the funding impact statement. The reconciliation below identifies the differences between the two statements.

| | 2024/25 Annual Plan $000 | 2024/25 Annual Report $000 | 2025/26 Long Term Plan $000 | 2025/26 Actual $000 |
|---|---|---|---|---|
| Total revenue and expense wholly attributable to District Council | 145,171 | 112,573 | 11,100 | (12,459) |
| Surplus (deficit) of operating funding per prospective whole of council funding impact statements | 15,905 | 27,574 | 16,959 | 26,217 |
| **Difference** | **129,266** | **84,999** | **(5,859)** | **(38,676)** |
| **The difference is due to:** | | | | |
| Capital income | 34,455 | 17,581 | 23,956 | 24,382 |
| Vested assets | 11,300 | 9,564 | 11,788 | 13,030 |
| Discovered assets | - | 1,648 | - | 1,821 |
| Revaluation of assets | 125,412 | 128,739 | 450 | (21,551) |
| Gain (loss) on sale/disposal of assets & Discounting Charges & Debt Write-offs | (2,153) | (29,637) | - | (10,967) |
| Operating income received in advance | - | - | - | - |
| Depreciation and amortisation | (39,748) | (42,896) | (42,053) | (45,391) |
| **Total explained difference** | 129,266 | 84,999 | (5,859) | (38,676) |

# 5.9NOTES TO THE FINANCIAL STATEMENTS

## 1. Statement of accounting policies for the year ended June 2026

### Reporting entity

Waipa District Council is a territorial local authority established under 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 group consists of the ultimate parent, Waipa District Council, the Waipa Community Facilities Trust and the Cambridge Town Hall Community Trust.

The primary objective of Council and group is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself and the group as public benefit entities (PBEs) for financial reporting purposes.

Section 98 of the Local Government Act 2002 requires that Council adopts its Annual Report within four months of the end of the financial year. The Annual Report was adopted on 28 October 2026.

### Basis of preparation

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

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

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

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($'000), other than part of the remuneration and the severance payment disclosures in Note 5. The remuneration and severance payment disclosures are rounded to the nearest dollar. The functional currency of the group is New Zealand dollars.

### Changes in accounting policies

There have been no changes in accounting policies for the year ended 30 June 2026.

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

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

***2024 Omnibus Amendments to PBE Standards*** (amendments to PBE IPSAS 1): the amendment clarifies the principles for classifying a liability as current or non-current, particularly in relation to loan covenants.

The amendment is effective for the year ended 30 June 2027. The Council is not expecting these amendments to have a significant impact.

***Insurance Contracts in the Public Sector*** (amending standard PBE IFRS 17): the standards add public sector modifications to include public sector entities and to ensure this Standard is suitable for this sector. Modifications include:

- Information on how to identify arrangements to which PBE IFRS 17 should apply
- Specific exemptions relating to sub-growing contracts
- An amendment to the initial recognition requirements
- Guidance on coverage periods
- An accounting policy choice on liability measurement when applying the premium allocation approach
- A specific grandfathering transition requirement.

Application of these is required for accounting periods beginning in or after 1 January 2026 with early adoption permitted. Council plans to apply this standard in preparing its 30 June 2027 financial statements.

## Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

## Basis of consolidation

The consolidated financial statements comprise the financial statements of Waipā District Council and its controlled entities, Waipā Community Facilities Trust (WCFT) and Cambridge Town Hall Community Trust (CTHCT).

Council controls an entity when it has power over the entity, exposure or rights to variable benefits from its involvement with the entity, and the ability to use that power to affect the nature or amount of those benefits. Council has determined that it controls WCFT and CTHCT through its ability to direct their relevant operating and financing activities.

The financial statements of controlled entities are consolidated from the date control is obtained until the date control ceases. In preparing the consolidated financial statements, corresponding assets, liabilities, equity, revenue, expenses and cash flows are combined on a line-by-line basis. All intragroup balances, transactions, revenue and expenses are eliminated in full on consolidation.

Council retains ownership of most of the assets used by WCFT and CTHCT and provides significant funding to the trusts. Assets and liabilities held by the trusts are legally separate from those of Council and are not available for Council's use or settlement of Council's obligations.

Council is unlikely to lose control of WCFT and CTHCT due to Council being a settlor of the trusts and/or irreversibly pre-determining the material operating and financing policies of the trusts.

If Council were to lose control during the reporting period, this would not have a material impact on the Councils performance.

## Goods and services taxation (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables which are stated on a GST inclusive basis.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

## Budget figures

The budget figures are those approved by Council at the beginning of the year in the Annual Plan. Where applicable, other budget figures are those approved as part of the 2025-34 Long Term Plan process. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of these financial statements.

## Critical accounting estimates and assumptions

In preparing these financial statements the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

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

- Estimating the fair value of land, buildings, and infrastructural assets – see Note 13.
- Estimating the landfill aftercare provision – see Note 20.
- Estimating the carrying value of certain capital work in progress projects – see Note 13.
- Estimating the fair value of the equity investment in Waikato Regional Airport Limited – see Note 10.

## Income tax

The Council is tax exempt for income tax purposes.

## 2. Cost allocation

### Accounting policy

#### *Cost allocation*

Council uses the cost allocation system below to track cost of service for each significant activity..

Direct costs are those costs directly attributable and charged to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity. Indirect costs are charged to significant activities using appropriate cost drivers such as computer equipment used, staff numbers and floor area.

There have been no changes to the cost allocation methodology during the year.

Each significant activity is stated net of internal costs and revenues and includes targeted rates attributable to activities. The results are shown in the Funding Impact Statements associated with each Group of Activity in part 6 of this Annual Report.

## 3. Revenue

### Accounting policy

Revenue is measured at the fair value of consideration received.

Revenue may be derived from either exchange or non-exchange transactions.

### Exchange transactions

Exchange transactions are transactions where Council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange.

Specific accounting policies for major categories of exchange revenue transactions are listed below:

### Interest

Interest income is recognised using the effective interest method.

#### *Housing for the Elderly revenue*

Rental revenue arising from tenancy agreements is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of revenue and expenditure due to its operating nature.

#### *Sales of goods*

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

### Non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange, or where the value given or received is not able to be accurately measured.

An inflow of resources from a non-exchange transaction, whether this be an asset or revenue, is only recognised if a liability is not also recognised for that particular asset or revenue.

A liability is only recognised to the extent that the present obligations have not been satisfied. A liability in respect of a transferred asset is recognised only when the transferred asset is subject to a condition, such as a condition for the asset to be consumed as specified and/or that future economic benefits or service potential must be returned to the owner.

Specific accounting policies for major categories of non-exchange revenue transactions are listed below:

### *Rates revenue*

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter) and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.

- Rates arising from late payment penalties are recognised as revenue when rates become overdue.

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

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

### *Development contributions*

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

### *New Zealand Transport Agency Waka Kotahi transportation subsidies*

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

### *Other grants received*

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

### *Direct charges*

Rendering of services at a price that is not approximately equal to the value of the service provided by the Council or Group is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Council to fully recover the cost of providing the service (such as resource consents, building consents, water connections, dog licencing, etc.), and where the shortfall is subsidised by income from other activities, such as rates. Generally, there are no conditions attached to such revenue.

Revenue from such services is recognised when the Council or Group issues the invoice or bill for the service. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that the Council or Group has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from the Council or Group for the service) if the service is not completed.

### *Dividends*

Dividends are recognised when Council's right to receive the payment is established.

### *Building and resource consent revenue*

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

### *Entrance fees*

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

### *Infringement fees and fines*

Infringement fees and fines mostly relate to animal infringements and parking infringements and are recognised when the revenue is received. The fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2-year period.

### *Vested or donated physical assets*

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as income. Assets vested in Council are recognised as revenue when control over the asset is obtained.

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

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

## Other gains and losses

Other gains and losses include fair value gains and losses on financial instruments at fair value through surplus or deficit, unrealised fair value gains and losses on the revaluation of investment properties and realised gains and losses on the sale of Property, Plant and Equipment (PPE) held at cost.

### *i) Breakdown of rates and further information*

Council is required by the New Zealand Local Government Funding Agency Limited (LGFA) Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates income of Council for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below.

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| Rates consist of: | | | | |
| General rates | 37,508 | 34,618 | 37,508 | 34,618 |
| Uniform annual general charge | 20,929 | 18,536 | 20,929 | 18,536 |
| Targeted ward rates | 6,905 | 6,840 | 6,905 | 6,840 |
| Other targeted rates: | | | | |
| Metered Water Supply | 21,080 | 16,926 | 21,080 | 16,926 |
| Other Water Rates | 31 | 23 | 31 | 23 |
| Sewerage | 18,197 | 13,994 | 18,197 | 13,994 |
| Stormwater | 7,284 | 5,555 | 7,284 | 5,555 |
| Recycling | 4,023 | 3,968 | 4,023 | 3,968 |
| Other | 446 | 447 | 446 | 447 |
| *Add* Penalties | 450 | 549 | 450 | 549 |
| *Less* Remissions | (261) | (230) | (261) | (230) |
| | 116,592 | 101,226 | 116,592 | 101,226 |
| Less rates charged to Council properties | (2,132) | (1,885) | (2,132) | (1,885) |
| **Total Rates** | **114,460** | **99,341** | **114,460** | **99,341** |

### *ii) Rate remissions*

The Council's rate remission policy allows the remission of rates under certain conditions and criteria. The following is a breakdown:

| | Council | |
|---|---|---|
| | 2026 $000 | 2025 $000 |
| | | |
| Sport / community organisations | 151 | 141 |
| Maori land | - | - |
| Open space convenanted land | 7 | 7 |
| School waste water | 69 | 49 |
| Other | 34 | 33 |
| Uniform annual general charge | - | - |
| | **261** | **230** |

| | Council | |
|---|---|---|
| | 2026 | 2025 |
| Number of rating units at start of year | 25,965 | 25,609 |

| | Council | |
|---|---|---|
| | 2026 $000 | 2025 $000 |
| Total capital value of rating units at start of year | 34,530,075 | 36,036,193 |
| Total land value of rating units at start of year | 18,951,825 | 20,795,800 |

### *iii) Breakdown of subsidies and grants*

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| New Zealand Transport Agency roading subsidies | 9,354 | 11,260 | 9,354 | 11,260 |
| Grants and Donations | 174 | 59 | 178 | 127 |
| External funding | 7,468 | 3,122 | 7,468 | 3,122 |
| **Total subsidies and grants** | **16,996** | **14,441** | **17,000** | **14,509** |

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

### *iv) Breakdown of fees and charges*

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| Rendering of services | 2,130 | 1,952 | 2,130 | 1,952 |
| User Charges | 5,414 | 5,622 | 9,045 | 9,062 |
| Regulatory revenue | 7,267 | 6,689 | 7,267 | 6,689 |
| Rental income from investment properties | 484 | 457 | 484 | 457 |
| Other Significant Activity revenue | 2,774 | 2,466 | 2,774 | 2,466 |
| **Total fees and charges** | **18,069** | **17,186** | **21,700** | **20,626** |

### *v) Breakdown of other revenue*

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| Profit on Sale | - | - | - | - |
| Insurance recoveries | - | - | - | - |
| Infringements and fines | 61 | 56 | 61 | 56 |
| Petrol tax | 354 | 457 | 354 | 457 |
| Miscellaneous Revenue | 872 | 4,455 | 873 | 4,460 |
| **Total other revenue** | **1,287** | **4,968** | **1,288** | **4,973** |

### *Operating leases as lessor*

Investment property is leased under operating leases. The majority of these are short term leases, however Council also has a small number of non-cancellable long-term leases. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| Not later than one year | 423 | 81 | 423 | 81 |
| Later than one year and not later than five years | 692 | 179 | 692 | 179 |
| Later than five years | 1,898 | 1,408 | 1,898 | 1,408 |
| Total Non-cancellable Operating Leases | **3,013** | **1,668** | **3,013** | **1,668** |

No contingent rents have been recognised during the year.

## 4. Gain / (Loss)

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| Gain / (Loss) on changes in fair value of investment property | 240 | (1,056) | 240 | (1,056) |
| Gain / (Loss) on changes in fair value of forestry assets | 251 | (76) | 251 | (76) |
| | **491** | **(1,132)** | **491** | **(1,132)** |

## 5. Personnel costs

### Accounting policy

Employer contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred. Salaries and wages are recognised as an expense as employees provide a service.

### Breakdown of personnel costs and further information

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| Salaries and wages | 36,562 | 33,845 | 40,567 | 37,633 |
| Defined contribution plan employer contributions | 1,075 | 955 | 1,075 | 955 |
| Increase / (decrease) in employee benefit liabilities | 294 | 585 | 226 | 638 |
| **Total employee benefit expenses** | **37,931** | **35,385** | **41,868** | **39,226** |

### *Chief Executive remuneration*

The Chief Executive is appointed under section 42 of the Local Government Act 2002. The Chief Executive's total remuneration included other benefits as follows:

| | Council | |
|---|---|---|
| | 2026 $ | 2025 $ |
| *Garry Dyet* | | |
| Salary | - | 90,189 |
| Defined contribution plan employer contributions (KiwiSaver) | - | 2,740 |
| Vehicle | - | 1,127 |
| *Stephanie O'Sullivan* | | |
| Salary | 370,068 | 302,114 |
| Defined contribution plan employer contributions (KiwiSaver) | 11,580 | 9,063 |
| Vehicle | 18,273 | 17,015 |
| Insurance | 1,618 | 1,243 |
| Total Chief Executive remuneration | 401,539 | 423,491 |

### *Elected representatives' remuneration*

| | Council | |
|---|---|---|
| | 2026 $ | 2025 $ |
| *Elected representatives received the following remuneration:* | | |
| Mike Pettit, Mayor | 128,085 | 46,597 |
| Susan O'Regan, Mayor * | 44,655 | 150,770 |
| Joeline Davies-Colley, Deputy Mayor | 58,899 | - |
| Liz Stolwyk, Deputy Mayor * | 17,744 | 65,587 |
| Leslie Bennett | 40,261 | - |
| Andrew Brown * | 13,942 | 50,570 |
| Lou Brown * | 15,209 | 49,290 |
| Aidhean Camson | 43,248 | - |
| Philip Coles * | 15,209 | 49,290 |
| Roger Gordon | 54,774 | 43,129 |
| Marcus Gower | 57,824 | 47,237 |
| Philip Kempthorne | 40,261 | - |
| Dale-Maree Morgan | 60,240 | 49,290 |
| Michael Montgomerie | 65,824 | 56,226 |
| Clare St Pierre | 62,141 | 55,452 |
| Dean Taylor | 40,261 | - |
| Bruce Thomas JP * | 15,209 | 51,984 |
| Shane Walsh | 40,261 | - |

* Until 24 September 2025

### *Council employees remuneration by band*

Total annual remuneration by band for employees as at 30 June:

| | 2026 Actual | 2025 Actual |
|---|---|---|
| Total annual remuneration by band for employees as at 30 June: | | |
| < $60,000 | 35 | 47 |
| $60,000 - $79,999 | 84 | 107 |
| $80,000 - $99,999 | 74 | 86 |
| $100,000 - $119,999 | 69 | 48 |
| $120,000 - $139,999 | 46 | 41 |
| $140,000 - $159,999 | 18 | 9 |
| $160,000 -$179,999 | 11 | 13 |
| $180,000 - $199,999 | 15 | 5 |
| $220,000 - $279,999 | 6 | 5 |
| $280,000 - $479,000 | 3 | 1 |
| Total Employees | 361 | 362 |

Total remuneration includes non-financial benefits provided to employees.

At balance date Council employed 288 (2025: 300) full-time employees, with the balance of staff representing 47 (2025: 41) full-time equivalent employees. A full-time employee is determined on the basis of a 40 hour week.

### *Severance payments*

For the year ended 30 June 2026, the Council made two severance payments to employees totalling $64,109 (2025: $7,434). The value of each if the severance payment was $58,109 and $6,000.

## 6. Other expenses

### Accounting policy

### *Grant expenditure*

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria, and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and grants are recognised as expenditure on payment.

### *Operating leases*

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

## Breakdown of other expenses and further information

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| *Fees to the principal auditor:* | | | | |
| Fees to Audit New Zealand for audit or review of the Parent and Group's financial statements | 333 | 321 | 333 | 321 |
| Fees to Audit New Zealand for audit or review of the 2025-34 Long-term Plan | - | 277 | - | 277 |
| Fees to Audit New Zealand for audit or review of the 2024-25 Financial Report | 25 | - | 25 | - |
| Fees to Audit New Zealand for audit or review of the 2023-24 Financial Report | - | 49 | - | 49 |
| Fees to Audit New Zealand for audit or review of the Debenture Trust Deed | 10 | 10 | 10 | 10 |
| Fees for othert audit services | - | - | - | - |
| **Total Audit Fees** | **368** | **657** | **368** | **657** |
| Community grants | 1,308 | 1,185 | 1,308 | 1,185 |
| Loss on disposal property, plant and equipment | 6,647 | 24,360 | 6,655 | 24,360 |
| Assets written off | 522 | 3,938 | 522 | 3,938 |
| Impairment of property, plant and equipment | 3,798 | 1,339 | 3,798 | 1,339 |
| Direct expenses from investment property | 297 | 457 | 297 | 457 |
| Direct expenses from investment property not primarily generating income | 1,322 | 1,272 | 1,322 | 1,272 |
| Lease payments under operating leases | 80 | 177 | 80 | 177 |
| Taxation advisory services | 33 | 9 | 33 | 9 |
| Other operating expenditure | 55,181 | 49,181 | 54,451 | 48,221 |
| **Total Other Expenses** | **69,556** | **82,575** | **68,834** | **81,615** |

Impairment of property, plant and equipment relates to work-in-progress balances where the associated projects are no longer expected to proceed, or where the costs incurred are no longer expected to provide future economic benefits or service potential.

## Operating lease as lessee

Leases can be renewed at the Council and group's option, with rents set by reference to current market rates for items of equivalent age and condition. There are no restrictions placed on the Council and group by any of the lease arrangements.

The Council leases property in the normal course of its business. The majority of these leases have a non-cancellable term. The properties that Council leases are 77 Daphne Street, Te Awamutu, Cambridge (depots and carpark); units 64 and 65 at 230 Berquist Drive, Te Awamutu; and 244 Arawata Street, Te Awamutu; The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| | | | | |
| Not later than one year | 271 | 349 | 271 | 349 |
| Later than one year and not later than five years | 517 | 173 | 517 | 173 |
| Later than five years | 1,214 | - | 1,214 | - |
| **Total Non-cancellable Operating Leases** | **2,002** | **522** | **2,002** | **522** |

## 7. Finance costs

### Accounting policy

In accordance with PBE IPSAS 5 Borrowing Costs, all borrowing costs are recognised as an expense in the period in which they are incurred.

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| Interest on borrowings | 17,461 | 17,250 | 17,461 | 17,250 |
| Discount unwind on provisions (note 20) | (68) | (119) | (68) | (119) |
| **Total** | **17,393** | **17,131** | **17,393** | **17,131** |

## 8. Cash and cash equivalents

### Accounting policy

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

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

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| Cash at bank and in hand | 55,223 | 51,422 | 57,783 | 54,720 |
| **Total** | **55,223** | **51,422** | **57,783** | **54,720** |

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

## 9. Trade and other receivables

### Accounting policy

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

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

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

Rates are “written-off”:

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

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

## Fair Value

Receivables are generally short-term and non-interest bearing. Therefore, the carrying value of receivables approximates their fair value.

## Assessment of expected credit loss

The Council does not provide for ECLs on rates receivable. Council has various powers under the Local Government (Rating) Act 2002 (LG(R)A 2002) to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

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

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

- Section 90A: $NIL (2025: NIL)
- Section 90B: $NIL (2025: NIL)

The ageing profile of receivables at year-end is detailed below:

## Breakdown of receivables and further information

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| Rates receivables | 1,395 | 1,304 | 1,395 | 1,304 |
| Community loans | 6 | 7 | 6 | 7 |
| Trade Receivables | 8,401 | 8,554 | 7,460 | 8,508 |
| Waikato Waters Limited - Establishment Funding | 6,532 | - | 6,532 | - |
| less provision for uncollectability | (174) | (140) | (174) | (140) |
| | 16,160 | 9,725 | 15,219 | 9,679 |
| *Less non current portion* | | | | |
| Community loans | 6 | 7 | 6 | 7 |
| Loans to Other Entities | - | - | - | - |
| Total Non-current Portion | 6 | 7 | 6 | 7 |
| Current Portion | 16,154 | 9,718 | 15,213 | 9,672 |
| Total receivables comprise: | | | | |
| Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates | 3,886 | 4,937 | 3,886 | 4,937 |
| Receivables from exchange transactions - this includes oustanding amounts for fees and charges that have not been subsidised by rates | 12,274 | 4,788 | 11,333 | 4,757 |

Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

The status of the current portion of receivables as at 30 June is detailed below:

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| Not past due | 13,902 | 8,196 | 13,948 | 8,149 |
| Past due 1 - 60 days | 571 | 626 | 571 | 626 |
| Past due 61 - 120 days | 1,116 | 558 | 1,116 | 558 |
| Past due > 120 days | 565 | 338 | 565 | 338 |
| **Total** | **16,154** | **9,718** | **16,200** | **9,671** |

### Allowance for expected credit losses (ECL)

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

| | Council and Group | |
|---|---|---|
| | 2026 $000 | 2025 $000 |
| Individual uncollectability | 140 | 141 |
| Collective uncollectability | 34 | (1) |
| **Total** | **174** | **140** |

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

| | Council and Group 2026 $000 | 2025 $000 |
|---|---|---|
| Past due 1 - 60 days | - | |
| Past due 61-120 days | - | - |
| Past due >120 days | 140 | 141 |
| **Total** | **140** | **141** |

**Movements in the allowance for credit losses are as follows:**

| | Council and Group 2026 $000 | 2025 $000 |
|---|---|---|
| Balance at 1 July | 140 | 141 |
| Additional provision made during the year | - | - |
| Provisions during the year | 34 | (1) |
| Debts written off during the period | - | - |
| **Total** | **174** | **140** |

# 10. Other financial assets

## Accounting policy

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

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD)

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

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

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

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

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

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

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

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

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. Debt instruments in this category are the Council and group's listed bonds.

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

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

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue. Other than for derivatives, the Council and group has no instruments in this category.

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

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

## Breakdown of other financial assets and further information

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| *Current* | | | | |
| Investment in CCO | 2,253 | 2,074 | 2,253 | 2,074 |
| Term Deposits | - | - | 1,736 | 1,082 |
| **Total current portion** | **2,253** | **2,074** | **3,989** | **3,156** |
| *Non-Current* | | | | |
| Term deposits with maturities greather than 12 months | - | - | 709 | - |
| Other non-current assets | - | - | 77 | 77 |
| Investment in CCO | 54,144 | 50,117 | 54,144 | 50,117 |
| **Total non-current portion** | **54,144** | **50,117** | **54,930** | 50,194 |
| **Total Other Financial Assets** | **56,397** | **52,191** | **58,919** | **53,350** |

Summary Investment in CCOs and other entities

| | Number of Shares | % Holding | Balance Date | Council 2026 $000 | Council 2025 $000 |
|---|---|---|---|---|---|
| | | | | | |
| Waikato Regional Airport Limited | 777,110 | 15.63 | 30 June | 45,790 | 41,809 |
| Civic Financial Services Limited | 149,082 | 1.35 | 31 Dec | 141 | 141 |
| Waikato Local Authority Shared Services Limited - called | 1 | 8.33 | 30 June | 1 | 1 |
| Waikato Regional Transport Model - called | 11,250 | 5 | 30 June | 112 | 112 |
| LGFA - unlisted shares | 200,000 | 0.4 | 30 June | 100 | 100 |
| LGFA - borrower notes | | | 30 June | 8,000 | 7,954 |
| **Total non current portion of shares and investments in other organisations** | | | | **54,144** | **50,117** |

### *Fair value*

The carrying amount of term deposits approximates their fair value.

### *Waikato Regional Airport Limited*

The investment in Waikato Regional Airport Limited (WRAL) is measured at fair value through other comprehensive revenue and expenditure. The fair value of the investment in WRAL has been determined based on Council's proportion of ownership of WRAL's net assets (15.63 per cent). Net assets is considered to provide an appropriate estimate of the WRAL's fair value, this is because WRAL's fair value derives mainly from the underlaying fair value of its assets net of liabilities.

### *Impairment*

There are no impairment expenses or provisions for other financial assets. At balance date, none of these financial assets are either past due or impaired.

## 11. Investments in subsidiaries, associates, and joint ventures

### Accounting policy

Further information about the initial adoption of these standards is provided in note 29.

### *Subsidiaries*

The Council consolidates in the group financial statements those entities it controls. Control exists where the Council is exposed, or has rights, to variable benefits (either financial or non-financial) and has the ability to affect the nature and amount of those benefits from its power over the entity. Power can exist over an entity if, by virtue of its purpose and design, the relevant activities and the way in which the relevant activities of the entity can be directed has been predetermined by the Council.

### *Associate*

An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are accounted for in the group financial statements using the equity method of accounting.

Investments in associates are measured at cost in the Council's parent financial statements.

### *Equity method of accounting in group financial statements*

Investments in associates and joint ventures are accounted for in the group financial statements using the equity method of accounting.

Under the equity method of accounting, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the group's share of the change in net assets of the entity after the date of acquisition. The group's share of the surplus or deficit is recognised in the group surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in the group financial statements.

If the share of deficits of the entity equals or exceeds the interest in the entity, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the entity. If the entity subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

## 12. Assets held for sale

### Accounting policy

Assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

These assets are not depreciated or amortised.

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

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| Assets held for sale - Land | 85 | 85 | 85 | 85 |
| **Total assets held for sale** | **85** | **85** | **85** | **85** |

Council is still proposing to sell 263m2 of land being part of the Karapiro Hall site at Karapiro Road to Karapiro Motors (1975) Limited.

## 13. Property, plant and equipment

### Accounting policy

Property, plant and equipment consists of:

- Operational assets which include land, buildings, library books, plant, furniture and equipment, and motor vehicles.
- Restricted assets including parks and reserves owned by Council that provide a benefit to the community and cannot be disposed of because of legal or other restrictions.
- Infrastructural assets which are the fixed utility systems. Each asset class includes all items that are required for the network to function, for example sewer reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

#### *Additions*

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. Additions are generally recognised at cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value at the date of acquisition. Work in progress is recognised at cost less impairment and is not depreciated.

### *Disposals*

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the Statement of Comprehensive Revenue and Expense. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

### *Subsequent costs*

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

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

### *Depreciation*

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

| | Components | Years |
|---|---|---|
| Water Treatment | Structures | 25 – 108 |
| | Plant | 5 – 199 |
| | Pipes | 10 - 90 |
| Water Reticulation | Pipes | 6 – 184 |
| | Fittings | 6 – 139 |
| Sewage Treatment | Structures | 15 – 100 |
| | Plant | 5 – 110 |
| | Pipes | 12 - 90 |
| Sewerage Reticulation | Pipes | 6 – 145 |
| | Fittings | 5 - 101 |
| | Manholes | 6 - 141 |
| Stormwater | Structures | 14 – 101 |
| | Pipes | 14 – 135 |
| | Manholes | 14 – 90 |
| | | |
| Formation/carriageway and shoulder | | Infinite |
| Pavement structure | | 12 – Infinite |
| Pavement surface (seal) | | 2 – 82 |
| Catchpits and culverts | | 3 – 128 |
| Bridges | | 33 – 146 |
| Kerb and channel | | 3 – 109 |
| Lighting | | 12 – 47 |
| Footpaths | | 2 – 137 |
| Signs | | 7 – 25 |
| Railings | | 4 – 64 |
| Islands | | 3 - Infinite |
| Traffic Signals | | 12 – 50 |
| | | |
| Buildings – not componentised | | 5 – 100 |
| Building – structure | | 28 – 100 |
| Building – fit-out | | 5 – 46 |
| Building – services | | 8 – 46 |
| Plant/motor vehicles | | 4 – 50 |
| Furniture, fittings and equipment | | 3 – 100 |
| Computer equipment | | 3 – 10 |
| Intangibles | | 0 – 7 |
| Library Books | | 7 |

### *Revaluation*

Infrastructure assets are valued on a two-yearly cycle and Operational Land and Buildings are valued every three years, on the basis described below.

The carrying values of all revalued assets are either revalued on the frequencies noted above, or where not revalued they are assessed each balance date to ensure that the carrying values do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

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

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

### *Operational land and buildings*

At fair value as determined from market-based evidence where there is a market, or depreciated replacement cost for specialised assets, by an independent valuer. The most recent valuation was performed by Quotable Value Limited (registered valuers) and the valuation is effective as at 30 June 2025.

### *Infrastructural assets*

At fair value determined on a Depreciated Replacement Cost (DRC) basis by an independent valuer. The valuation of the utility assets and roading assets was performed by Beca Valuations Limited (Beca) and is effective as at 30 June 2025.

### *Land under roads and road reserves*

Valued by Opus International Consultants Limited (registered valuers) using estimates provided by Quotable Value at current market prices ($/ha) for land use categories through which the roads pass. The valuation is effective as at 1 July 2006. On transition to New Zealand equivalents to International Financial Reporting Standards on 1 July 2006, the Council elected to use the fair value of land under roads as at 1 July 2006 at deemed cost. Land under roads is no longer revalued.

### *Impairment of property, plant and equipment and intangible assets*

Property, plant, and equipment are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

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

### *Value in use for non-cash-generating assets*

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

### *Value in use for cash-generating assets*

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

### *Critical judgements in applying accounting policies*

The Council owns a number of properties held to provide housing to pensioners. The receipt of market based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. Therefore, the properties are accounted for as property, plant, and equipment rather than as investment property.

### *Critical accounting estimates and assumptions*

#### *Infrastructural assets*

There are a number of assumptions and estimates used when performing DRC valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating the replacement cost of the asset. The replacement cost is derived using construction indices, current contract unit rates, and other comparable Council unit rates.
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the assets, then Waipa District Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense. To minimise this risk Waipa District Council's infrastructural assets useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and

have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Waipa District Council's asset management planning activities, which gives Waipa District Council further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

The total fair value of infrastructure assets is determined on a DRC basis at 30 June 2025.

### *Operational land and buildings*

There are a number of assumptions and estimates used when performing market valuations over operational land and buildings assets. These include:

#### *Land (operational)*

- Land is valued as vacant and incorporates the influences of size, contour, quality, location, zoning, designation and current and potential usage.
- Assumption of an open market "willing buyer willing seller" scenario. This is effectively the price an informed purchaser would have to pay to acquire a similar property.
- Where there is a designation held against the land, adjustments have been made to reflect that designation.

#### *Buildings (operational)*

- All buildings have been valued on either a fair market basis or depreciated replacement cost approach.
- Where the fair value of an asset can be determined by reference to the price in an active market for the same asset or a similar asset, the fair value of the asset is determined using this information. Where fair value of the asset is not able to be reliably determined using market-based evidence, depreciated replacement cost is considered to be the most appropriate basis for determination of the fair value.
- The highest and best use of the property is considered when formulating which approach to undertake the building valuation. Where market-based evidence exists, structures have been valued on a market basis in relation to market-based net rates per square metre.

Experienced independent valuers perform the Council's Operational Land and Buildings asset revaluations.

| Operational Buildings | 2026 $000 | 2025 $000 |
|---|---|---|
| Depreciated Replacement Cost | 98,775 | 98,775 |
| Market-based evidence | 29,793 | 29,793 |
| Total Carrying amount of opertional buildings per revaluation | 128,568 | 128,568 |

### *Other*

Work in progress shows the amount of capital projects that are in the course of construction and will be capitalised once completed in future years.

Property plant and equipment assets are not pledged as security for liabilities.

The Local Government Act 2002 requires Council to separate treatment from reticulation for water and sewage assets but Council still considers this to be one class of asset.

### *Treatment of bore drilling costs*

The outcome for projects such as bore drilling are largely unknown until the project is substantially complete. It is only then that the future economic benefits or service potential of such assets can be determined. Council assesses each borehole in the light of the future economic benefits or service potential to Council. Costs associated with bores that show no evidence of yielding future economic benefits or service potential are treated as impairment losses.

Council has impaired any boreholes that show no evidence of yielding future economic benefits or service potential to Council. Council believes it appropriate for the remaining costs to sit in work in progress until these are put to use and further assessment for capitalisation/impairment at that point.

The total amount of property, plant and equipment for the Group as at 30 June 2026 is $2,732,508,000. This is made up of total operational and infrastructure assets valued at $598,536,000 and $2,133,971,000 respectively (2025: $2,727,442,000, with $598,537,000 and $2,128,905,000 respectively).

| Council 2026 | Land | Restricted Land | Buildings | Restricted Buildings | Landfills post closure | Library books | Plant | Furniture and equipment | Total operational assets |
|---|---|---|---|---|---|---|---|---|---|
| | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 |
| **Operational assets** | | | | | | | | | |
| Balance at 1 July 2025 | | | | | | | | | |
| Cost/valuation | 186,048 | 220,005 | 126,869 | 5,936 | 418 | 2,348 | 14,181 | 61,029 | 616,834 |
| Accumulated depreciation and impairment charges | - | - | 1,403 | - | (418) | (981) | (5,599) | (13,152) | (18,747) |
| Opening carrying amount | 186,048 | 220,005 | 128,272 | 5,936 | - | 1,367 | 8,582 | 47,877 | 598,087 |
| **Year Ended 30 June 2026** | | | | | | | | | |
| Transfers | | - | - | - | - | - | - | - | - |
| Additions | 3,694 | - | 7,427 | - | - | 372 | 632 | 6,198 | 18,323 |
| Additions (vested to Council) | 10 | 276 | - | - | - | - | - | 9 | 295 |
| Disposals | (305) | - | (121) | - | - | (347) | (318) | (325) | (1,416) |
| Accumulated depreciation write off on disposal | - | - | 5 | - | - | 347 | 247 | 249 | 848 |
| Current year depreciation | - | - | (5,495) | (342) | - | (336) | (1,083) | (2,450) | (9,706) |
| Accumulated depreciation write off on revaluation | - | - | - | - | - | - | - | - | - |
| Revaluation Surplus / (deficit) | | - | - | - | - | - | - | - | - |
| Reversal of impairment | - | - | - | - | - | - | - | - | - |
| Loss on Accumulated Impairment on revaluation | - | - | - | - | - | - | - | - | - |
| Work in progress (net transfers) | (261) | - | (3,101) | - | - | - | (10) | (5,087) | (8,459) |
| Total movement | 3,138 | 276 | (1,285) | (342) | - | 36 | (532) | (1,406) | (115) |
| **Balance 30 June 2026** | | | | | | | | | |
| Cost/valuation | 189,186 | 220,281 | 131,074 | 5,936 | 418 | 2,373 | 14,485 | 61,824 | 625,577 |
| Accumulated depreciation and impairment charges | - | - | (4,087) | (342) | (418) | (970) | (6,435) | (15,353) | (27,605) |
| **Council Closing Carrying Amount** | 189,186 | 220,281 | 126,987 | 5,594 | - | 1,403 | 8,050 | 46,471 | 597,972 |

| Group 2026 | Land | Restricted Land | Buildings | Restricted Buildings | Landfills post closure | Library books | Plant | Furniture and equipment | Total operational assets |
|---|---|---|---|---|---|---|---|---|---|
| | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 |
| **Operational assets** | | | | | | | | | |
| Balance at 1 July 2025 | | | | | | | | | |
| Cost/valuation | 186,048 | 220,005 | 126,830 | 5,936 | 418 | 2,348 | 15,083 | 61,512 | 618,180 |
| Accumulated depreciation and impairment charges | - | - | 1,403 | - | (418) | (981) | (6,172) | (13,475) | (19,643) |
| Opening carrying amount | 186,048 | 220,005 | 128,233 | 5,936 | - | 1,367 | 8,911 | 48,037 | 598,537 |
| **Year Ended 30 June 2026** | | | | | | | | | |
| Transfers | - | - | - | - | - | - | - | - | - |
| Additions | 3,694 | - | 7,433 | - | - | 372 | 914 | 6,224 | 18,637 |
| Additions (vested to Council) | 10 | 276 | - | - | - | - | - | 9 | 295 |
| Disposals | (305) | - | (121) | - | - | (347) | (347) | (325) | (1,445) |
| Accumulated depreciation write off on disposal | - | - | 5 | - | - | 347 | 247 | 249 | 848 |
| Current year depreciation | - | - | (5,495) | (342) | - | (336) | (1,212) | (2,492) | (9,877) |
| Accumulated depreciation write off on revaluation | - | - | - | - | - | - | - | - | - |
| Revaluation Surplus / (deficit) | - | - | - | - | - | - | - | - | - |
| Reversal of impairment | - | - | - | - | - | - | - | - | - |
| Loss on Accumulated Impairment on revaluation | - | - | - | - | - | - | - | - | - |
| Work in progress (net transfers) | (261) | - | (3,101) | - | - | - | (10) | (5,087) | (8,459) |
| Total movement | 3,138 | 276 | (1,279) | (342) | - | 36 | (408) | (1,422) | (1) |
| **Balance 30 June 2026** | | | | | | | | | |
| Cost/valuation | 189,186 | 220,281 | 131,041 | 5,936 | 418 | 2,373 | 15,640 | 62,333 | 627,208 |
| Accumulated depreciation and impairment charges | - | - | (4,087) | (342) | (418) | (970) | (7,137) | (15,718) | (28,672) |
| **Group Closing Carrying Amount** | 189,186 | 220,281 | 126,954 | 5,594 | - | 1,403 | 8,503 | 46,615 | 598,536 |

| Council 2025 | Land | Restricted Land | Buildings | Restricted Buildings | Landfills post closure | Library books | Plant | Furniture and equipment | Total operational assets |
|---|---|---|---|---|---|---|---|---|---|
| | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 |
| **Operational assets** | | | | | | | | | |
| Balance at 1 July 2024 | | | | | | | | | |
| Cost/valuation | 198,760 | 230,129 | 116,564 | 5,990 | 418 | 2,336 | 14,788 | 50,854 | 619,839 |
| Accumulated depreciation and impairment charges | - | - | (11,180) | (572) | (418) | (986) | (5,766) | (11,371) | (30,293) |
| Opening carrying amount | 198,760 | 230,129 | 105,384 | 5,418 | - | 1,350 | 9,022 | 39,483 | 589,546 |
| **Year Ended 30 June 2025** | | | | | | | | | |
| Transfers | (245) | - | (480) | - | - | - | - | - | (725) |
| Additions | 677 | - | 8,078 | - | - | 351 | 1,494 | 11,634 | 22,234 |
| Additions (vested to Council) | 262 | - | - | - | - | - | - | - | 262 |
| Disposals | (738) | - | (714) | - | - | (339) | (1,482) | (110) | (3,383) |
| Accumulated depreciation write off on revaluation | - | - | 98 | - | - | 339 | 1,314 | 67 | 1,818 |
| Current year depreciation | - | - | (5,240) | (313) | - | (334) | (1,147) | (1,848) | (8,882) |
| Accumulated depreciation write off on disposal | - | - | 14,725 | 885 | - | - | - | - | 15,610 |
| Revaluation Surplus / (deficit) | (8,339) | (10,124) | 2,558 | (54) | - | - | - | - | (15,959) |
| Reversal of Impairment | - | - | 3,000 | - | - | - | - | - | 3,000 |
| Loss on Accumulated Impairment on revaluation | - | - | - | - | - | - | - | - | - |
| Work in progress (net transfers) | (4,329) | - | 863 | - | - | - | (619) | (1,349) | (5,434) |
| Total movement | (12,712) | (10,124) | 22,888 | 518 | - | 17 | (440) | 8,394 | 8,541 |
| **Balance 30 June 2025** | | | | | | | | | |
| Cost/valuation | 186,048 | 220,005 | 126,869 | 5,936 | 418 | 2,348 | 14,181 | 61,029 | 616,834 |
| Accumulated depreciation and impairment charges | - | - | 1,403 | - | (418) | (981) | (5,599) | (13,152) | (18,747) |
| **Closing Carrying Amount** | 186,048 | 220,005 | 128,272 | 5,936 | - | 1,367 | 8,582 | 47,877 | 598,087 |

| Group 2025 | Land | Restricted Land | Buildings | Restricted Buildings | Landfills post closure | Library books | Plant | Furniture and equipment | Total operational assets |
|---|---|---|---|---|---|---|---|---|---|
| | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 |
| **Operational assets** | | | | | | | | | |
| Balance at 1 July 2024 | | | | | | | | | |
| Cost/valuation | 198,760 | 230,129 | 116,565 | 5,990 | 418 | 2,336 | 15,526 | 51,210 | 620,934 |
| Accumulated depreciation and impairment charges | - | - | (11,180) | (572) | (418) | (986) | (6,250) | (11,665) | (31,071) |
| Opening carrying amount | 198,760 | 230,129 | 105,385 | 5,418 | - | 1,350 | 9,276 | 39,545 | 589,863 |
| **Year Ended 30 June 2025** | | | | | | | | | |
| Transfers | (245) | - | (480) | - | - | - | - | - | (725) |
| Additions | 677 | - | 8,078 | - | - | 351 | 1,662 | 11,761 | 22,529 |
| Additions (vested to Council) | 262 | - | - | - | - | - | - | - | 262 |
| Disposals | (738) | - | (714) | - | - | (339) | (1,486) | (110) | (3,387) |
| Accumulated depreciation write off on disposal | - | - | 98 | - | - | 339 | 1,314 | 67 | 1,818 |
| Current year depreciation | - | - | (5,240) | (313) | - | (334) | (1,236) | (1,877) | (9,000) |
| Accumulated depreciation write off on revaluation | - | - | 14,725 | 885 | - | - | - | - | 15,610 |
| Revaluation Surplus / (deficit) | (8,339) | (10,124) | 2,558 | (54) | - | - | - | - | (15,959) |
| Reversal of Impairment | - | - | 3,000 | - | - | - | - | - | 3,000 |
| Loss on Accumulated Impairment on revaluation | - | - | - | - | - | - | - | - | - |
| Work in progress (net transfers) | (4,329) | - | 823 | - | - | - | (619) | (1,349) | (5,474) |
| Total movement | (12,712) | (10,124) | 22,848 | 518 | - | 17 | (365) | 8,492 | 8,674 |
| **Balance 30 June 2025** | | | | | | | | | |
| Cost/valuation | 186,048 | 220,005 | 126,830 | 5,936 | 418 | 2,348 | 15,083 | 61,512 | 618,180 |
| Accumulated depreciation and impairment charges | - | - | 1,403 | - | (418) | (981) | (6,172) | (13,475) | (19,643) |
| **Group Closing Carrying Amount** | 186,048 | 220,005 | 128,233 | 5,936 | - | 1,367 | 8,911 | 48,037 | 598,537 |

| 2026 | Sewerage system treatment | Sewerage system reticulation | Water system treatment | Water system reticulation | Drainage network | Roading network | Land under roads | Total infrastructural assets |
|---|---|---|---|---|---|---|---|---|
| | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 |
| **Council infrastructural assets** | | | | | | | | |
| **Balance at 1 July 2025** | | | | | | | | |
| Cost/valuation | 78,034 | 246,711 | 67,061 | 271,071 | 222,090 | 1,009,239 | 234,699 | 2,128,905 |
| Accumulated depreciation and impairment charges | - | - | - | - | - | - | - | - |
| **Opening carrying amount** | 78,034 | 246,711 | 67,061 | 271,071 | 222,090 | 1,009,239 | 234,699 | 2,128,905 |
| **Year Ended 30 June 2026** | | | | | | | | |
| Transfers | - | - | - | - | - | - | - | - |
| Additions (constructed by Council) | 102,160 | 3,669 | 5,166 | 17,360 | 28,842 | 30,337 | - | 187,534 |
| Additions (vested to Council) | - | 1,387 | - | 1,482 | 2,242 | 4,275 | 3,350 | 12,736 |
| Disposals/ write off | (21,476) | (78) | (496) | (5,503) | (61) | (2,090) | - | (29,704) |
| Accumulated depreciation write off on disposal | 995 | 2 | 28 | 195 | 1 | 229 | - | 1,450 |
| Current year depreciation | (3,721) | (3,886) | (2,744) | (5,567) | (3,337) | (15,679) | - | (34,934) |
| Accumulated depreciation write off on revaluation | - | - | - | - | - | - | - | - |
| Impairment | - | - | (6,074) | - | - | - | - | (6,074) |
| Revaluation Surplus / (deficit) | - | - | - | - | - | - | - | - |
| Work in progress (net transfers) | (616) | (70,602) | 1,741 | (11,894) | (29,523) | (15,047) | - | (125,941) |
| Total movement | 77,342 | (69,508) | (2,379) | (3,927) | (1,836) | 2,025 | 3,350 | 5,067 |
| **Balance 30 June 2026** | | | | | | | | |
| Cost/valuation | 158,102 | 181,087 | 73,472 | 272,516 | 223,590 | 1,026,714 | 238,049 | 2,173,530 |
| Accumulated depreciation and impairment charges | (2,726) | (3,884) | (8,790) | (5,372) | (3,336) | (15,450) | - | (39,558) |
| **Closing carrying amount** | 155,376 | 177,203 | 64,682 | 267,144 | 220,254 | 1,011,264 | 238,049 | 2,133,972 |

Impairment losses of $6,074,000 (2025 $NIL) have been recognised for a water system treatment plant damaged due to the severe weather event in February 2026. The recoverable amount was based on the value in use of the treatment plant and was determined by service potential expected from the plant. A contingent asset is disclosed in note 26 relating to the insurance claim associated with this damage. The impairment loss has been recognised in the statement of comprehensive revenue and expense in the property, plant and equipment revaluation gains/(losses) taken to equity line item.

| 2025 | Sewerage system treatment | Sewerage system reticulation | Water system treatment | Water system reticulation | Drainage network | Roading network | Land under roads | Total infrastructural assets |
|---|---|---|---|---|---|---|---|---|
| | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 |
| **Council infrastructural assets** | | | | | | | | |
| **Balance at 1 July 2024** | | | | | | | | |
| Cost/valuation | 79,981 | 177,611 | 71,027 | 228,468 | 211,879 | 978,579 | 234,638 | 1,982,183 |
| Accumulated depreciation and impairment charges | (3,153) | (3,186) | (2,148) | (5,231) | (2,790) | (14,179) | - | (30,687) |
| **Opening carrying amount** | 76,828 | 174,425 | 68,879 | 223,237 | 209,089 | 964,400 | 234,638 | 1,951,496 |
| **Year Ended 30 June 2025** | | | | | | | | |
| Transfers | - | - | - | - | - | - | - | - |
| Additions (constructed by Council) | 8,831 | 4,503 | 8,097 | 9,753 | 4,487 | 40,051 | - | 75,722 |
| Additions (vested to Council) | (1,825) | 1,167 | - | 2,232 | 2,194 | 5,481 | 61 | 9,310 |
| Disposals | (424) | (786) | (638) | (7,982) | (9,532) | (8,145) | - | (27,507) |
| Accumulated depreciation write off on disposal | 114 | 36 | 70 | 527 | 247 | 468 | - | 1,462 |
| Current year depreciation | (3,477) | (3,250) | (2,304) | (5,175) | (2,782) | (16,466) | - | (33,454) |
| Accumulated depreciation write off on revaluation | 6,516 | 6,400 | 4,382 | 9,879 | 5,325 | 30,177 | - | 62,679 |
| Revaluation Surplus / (deficit) | (4,550) | 20,611 | (5,242) | 40,377 | (217) | 7,181 | - | 58,160 |
| Work in progress (net transfers) | (3,979) | 43,605 | (6,183) | (1,777) | 13,279 | (13,908) | - | 31,037 |
| Total movement | 1,206 | 72,286 | (1,818) | 47,834 | 13,001 | 44,839 | 61 | 177,409 |
| **Balance 30 June 2025** | | | | | | | | |
| Cost/valuation | 78,034 | 246,711 | 67,061 | 271,071 | 222,090 | 1,009,239 | 234,699 | 2,128,905 |
| Accumulated depreciation and impairment charges | - | - | - | - | - | - | - | - |
| **Closing carrying amount** | 78,034 | 246,711 | 67,061 | 271,071 | 222,090 | 1,009,239 | 234,699 | 2,128,905 |

### *Core infrastructure asset disclosure*

The table below shows the most recent replacement cost estimate for Council's revalued infrastructure assets.

| | Council | |
|---|---|---|
| | 2026 $000 | 2025 $000 |
| Sewerage system - treatment | 181,643 | 100,959 |
| Sewerage system - reticulation | 286,940 | 285,770 |
| Water system - treatment | 132,058 | 127,388 |
| Water system - reticulation | 360,453 | 347,114 |
| Drainage network | 281,773 | 250,750 |
| Roading network | 1,332,995 | 1,300,473 |
| Total | 2,575,862 | 2,412,454 |

### *Work in progress*

Property, plant and equipment in the course of construction by class of asset is detailed below:

| | Council | |
|---|---|---|
| | 2026 $000 | 2025 $000 |
| Land and buildings | 8,596 | 11,959 |
| Plant | 111 | 121 |
| Furniture and equipment | 4,218 | 9,305 |
| Wastewater treatment and disposal | 12,146 | 83,363 |
| Water treatment and supply | 9,775 | 19,928 |
| Drainage network | 16,417 | 45,940 |
| Roading network | 27,273 | 42,320 |
| Total | 78,536 | 212,936 |

### *Capital commitments*

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

| | 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 |

At 30 June 2026, Council had certain commitments relating to its water and wastewater services activities. Management has assessed whether these matters are expected to transfer to Waikato Waters Limited and details are disclosed in note 26.

# 14. Intangible assets

## Accounting policy

### *Software acquisition and development*

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

### *Amortisation*

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Revenue and Expense. The useful lives and associated amortisation rates of computer software have been estimated at 3-10 years (33 per cent - 10 per cent).

### *Impairment of intangible assets*

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite life are reviewed for indicators of impairment and tested annually for impairments each balance date.

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

### *Emissions trading scheme*

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount of the New Zealand Units (NZU). Gains and losses on disposals are reported in the surplus or deficit. If at the end of any financial year there has been some deforestation (such as harvesting) that is yet to be replanted, a contingent liability will be disclosed until such time as replanting has occurred. After initial recognition, Emission Trading Scheme credits are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit. NZUs are not amortised and have an indefinite life.

## Financial risk management strategies

Compensation has been provided to forestry owners, via the allocation of compensation units, known as NZUs in two tranches. Council received the first tranche of 6,256 units in November 2012, and the second tranche of 10,064 units in April 2013. The value of these NZUs as at 30 June 2026 is $859,738 (2025: $961,574).

## Breakdown of intangible assets and further information

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

| 2026 | Council Computer Software $000 | Council NZ Units $000 | Total $000 |
|---|---|---|---|
| Balance at 1 July 2025 | | | |
| Cost | 8,839 | 962 | 9,801 |
| Accumulated amortisation and impairment | (4,677) | - | (4,677) |
| Opening carrying amount | 4,162 | 962 | 5,124 |
| | | | |
| Year ended 30 June 2026 | | | |
| Additions | 290 | - | 290 |
| WIP Movement | (1,203) | - | (1,203) |
| Intangible gains / (losses) | - | (102) | (102) |
| Disposals | (90) | - | (90) |
| Accumulated depreciation write off on disposal/revaluation | 24 | - | 24 |
| Amortisation charge | (751) | - | (751) |
| Closing carrying amount | 2,432 | 860 | 3,292 |
| | | | |
| Balance at 30 June 2026 | | | |
| Cost | 7,836 | 860 | 8,696 |
| Accumulated amortisation and impairment | (5,404) | - | (5,404) |
| Closing carrying amount | 2,432 | 860 | 3,292 |

| 2025 | Council Computer Software $000 | Council NZ Units $000 | Total $000 |
|---|---|---|---|
| Balance at 1 July 2024 | | | |
| Cost | 8,668 | 823 | 7,797 |
| Accumulated amortisation and impairment | (4,116) | - | (3,470) |
| Opening carrying amount | 4,552 | 823 | 4,327 |
| | | | |
| Year ended 30 June 2025 | | | |
| Additions | 1,694 | - | 1,694 |
| WIP Movement | (1,523) | - | (1,523) |
| Intangible gains / (losses) | - | 139 | 139 |
| Disposals | - | - | - |
| Accumulated depreciation write off on disposal/revaluation | - | - | - |
| Amortisation charge | (561) | - | (561) |
| Closing carrying amount | 4,162 | 962 | 4,076 |
| | | | |
| Balance at 30 June 2025 | | | |
| Cost | 8,839 | 962 | 9,801 |
| Accumulated amortisation and impairment | (4,677) | - | (4,677) |
| Closing carrying amount | 4,162 | 962 | 5,124 |

There are no restrictions over the title of Council's intangible assets, nor are intangible assets pledged as security for liabilities.

## 15. Depreciation and amortisation expense by group of activity

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| Directly attributable depreciation and amortisation expense by group of activity | | | | |
| Governance | 3 | 3 | 3 | 3 |
| Planning and Regulatory | 15 | 13 | 15 | 13 |
| Community Services and Facilities | 7,874 | 6,830 | 8,045 | 6,948 |
| Roads and Footpaths | 15,876 | 16,670 | 15,876 | 16,670 |
| Stormwater | 3,337 | 2,782 | 3,337 | 2,782 |
| Water Treatment and Supply | 8,324 | 7,491 | 8,324 | 7,491 |
| Wastewater Treatment and Disposal | 7,608 | 6,727 | 7,608 | 6,727 |
| Support Services | 2,354 | 2,380 | 2,354 | 2,380 |
| **Total depreciation and amortisation expense** | **45,391** | **42,896** | **45,562** | **43,014** |

## 16. Insurance of assets

The total value of all assets of Council that are covered by insurance contracts is $1,650,130,481 (2025: $1,672,625,905) and the maximum amount to which they are insured, on a per loss basis, is $237,587,589 (2025: $237,091,161).

| Insurance Class | Total Declared Value $ | Policy Limit $ |
|---|---|---|
| **Infrastructure** | 1,018,279,204 | $80,000,000 per loss |
| **Material Damage** | 624,263,688 | $150,000,000 each and every loss and in the annual aggregate ($35,000,000 any one loss and in the aggregate for the period of insurance for fire) |
| **Motor Vehicle** | 7,587,589 | 7,587,589 |
| **Total** | **1,650,130,481** | **237,587,589** |

The total value of all assets of Council that are covered by financial risk sharing arrangements is nil, and the maximum amount available to Council under this arrangement is nil.

The total value of all assets of the local authority that are self-insured is nil, and the value of any fund maintained by Council for that purpose is nil.

Council maintains insurance reserves to cover the cost of excesses for both material damage and infrastructure claims. The reserve will also be used to minimise fluctuations in premium costs due to external markets.

# 17. Forestry assets

## Accounting policy

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs, and from a change in fair value less estimated point of sale costs, are recognised in the Statement of Comprehensive Revenue and Expense. The costs to maintain the forestry assets are included in the Statement of Comprehensive Revenue and Expense.

## Breakdown of forestry assets and further information

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| Balance at 1 July | 2,160 | 2,236 | 2,160 | 2,236 |
| Decrease due to harvest and thinnings | - | (76) | - | (76) |
| Gains / (losses) arising from changes in fair value less estimated point of sale costs | 251 | - | 251 | - |
| **Balance 30 June** | **2,411** | **2,160** | **2,411** | **2,160** |

Council owns 284 hectares of forest land with 188.1 hectares of mainly pinus radiata and 45.7 hectares of mixed species. The pinus radiata is at varying stages of maturity ranging from 13 years to 40 years.

There was no harvesting in the 2025/26 financial year.

Forestry experts P F Olsen Limited have valued the forestry assets as at 30 June 2026. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- A post-tax discount rate of 7.5 per cent has been used in discounting the present value of expected cash flows.
- Log prices are based on a three-year historical rolling average.

A peer review of the P F Olsen Limited's valuation was completed by Interpine Group Limited.

## Financial risk management strategies

Council is exposed to financial risks arising from changes in timber prices. Council is a long-term forestry investor and forestry interests form only a small part of Council's business activity and asset base, therefore, it has not taken any measures to manage the risks of a decline in timber prices.

# 18. Investment property

## Accounting policy

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

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value as determined annually by an independent valuer. Gains and losses on revaluation, acquisition and disposal are recognised in the Statement of Comprehensive Revenue and Expense.

## Breakdown of investment property and further information

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| Balance at 1 July | 33,057 | 35,686 | 33,057 | 35,686 |
| Additions | 164 | 17 | 164 | 17 |
| Disposals | (99) | (2,615) | (99) | (2,615) |
| Transfers | - | 725 | - | 725 |
| Gain / (loss) on sale | - | - | - | - |
| Revaluation loss on Disposal | - | - | - | - |
| Revaluation loss on Impairment | - | - | - | - |
| Fair value gains / (losses) on revaluation | 297 | (756) | 297 | (756) |
| **Balance 30 June** | **33,419** | **33,057** | **33,419** | **33,057** |

Investment properties are valued annually at fair value effective 30 June.

The valuation was performed by L Musson, Registered Valuer, MNZIV, Quotable Value Limited. Quotable Value Limited are experienced valuation experts with extensive market knowledge in the types of investment properties owned by Council.

The valuation methodology and assumptions used were:

- All land has been valued on a fair market, highest and best use basis determined from market-based evidence and conditions that prevailed as at 30 June 2026. Each site has been individually considered and valued in accordance with current market conditions;
- Highest and best use of the property has been considered when formulating the building valuation approach;
- External works or other improvements relating to various land assets have been assessed on a fair market value basis where relevant. Items in this group of assets include fencing, landscaping, paving and driveways. In the absence of conclusive market evidence the improvements have been valued by the depreciated replacement cost approach.

The fair value of investment property has been determined under a highest and best use scenario. “Fair Value” is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Other commonly used terms to describe fair value include “market value” and “open market value”. Highest and Best Use is defined as the most probable use of the asset that is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value. Information about the direct operating revenue and expenses in relation to investment property is detailed below:

| | Council | |
|---|---|---|
| | 2026 $000 | 2025 $000 |
| Rental income | 899 | 838 |
| Direct operating expenses from investment property generating income | 297 | 457 |
| Direct operating expenses from investment property not primarily generating income | 1,472 | 1,402 |

## 19. Trade and other payables

### Accounting policy

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

### Breakdown of payables and other information

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| Trade payables | 7,179 | 8,075 | 7,799 | 7,970 |
| Deposits and bonds | 20 | - | 20 | - |
| Accrued expenses | 4,202 | 10,837 | 4,202 | 11,948 |
| Income in advance | 4,485 | 3,975 | 4,485 | 3,975 |
| Taxes payable (e.g. GST and FBT) | 966 | 679 | 966 | 727 |
| | 16,852 | 23,566 | 17,472 | 24,620 |
| *Less non current portion* | | | | |
| Income in advance | - | - | - | - |
| Total Non-current Portion | - | - | - | - |
| Current Portion | 16,852 | 23,566 | 17,472 | 24,620 |
| Total payables comprise: | | | | |
| Payables under non-exchange transactions - | 3,468 | 3,601 | 3,468 | 6,426 |
| Payables under exchange transactions - | 13,384 | 19,965 | 14,004 | 18,194 |

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

## 20. Provisions

### Accounting policy

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs" (see note 7).

## Breakdown of provisions and further information

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| *Current provisions are represented by:* | | | | |
| C3 Stormwater Outlet Provision | - | 5,971 | - | 5,971 |
| Landfill aftercare provision | 361 | 284 | 361 | 284 |
| Total Current Provisions | 361 | 6,255 | 361 | 6,255 |
| *Non current provisions are represented by:* | | | | |
| Landfill aftercare provisions | 326 | 352 | 326 | 352 |
| Total Non-current Provisions | 326 | 352 | 326 | 352 |

### *Provisions for landfill aftercare costs*

Council has operated the Cambridge, Te Awamutu, Kihikihi and Pirongia landfills. Council has the responsibility under the resource consents to provide on-going maintenance and monitoring of the landfills after the sites are closed.

### *Capacity of the sites*

The Cambridge, Te Awamutu, Kihikihi and Pirongia landfills have all been closed and capped. The cash flows for landfills post-closure are expected to continue as far out as 2039.

The long term nature of the liability means that there are inherent uncertainties in estimating the costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 4.74 per cent (2025: 5.02 per cent).

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| Opening balance | 636 | 536 | 6,607 | 536 |
| Amounts used | (377) | (298) | (377) | (298) |
| Unused amounts reversed | 496 | 517 | 496 | 517 |
| Discounting changes | (68) | (119) | (68) | (119) |
| Closing Balance | 687 | 636 | 6,658 | 636 |
| *Represented by:* | | | | |
| Current portion | 361 | 284 | 361 | 6,255 |
| Term portion | 326 | 352 | 326 | 352 |
| | 687 | 636 | 687 | 6,607 |

## 21. Employee benefit liabilities

### Accounting policy

Employee benefits expected to be settled within twelve months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave. A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that it is anticipated it will be used by staff to cover those future absences.

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| Accrued pay | 908 | 851 | 908 | 851 |
| Annual leave | 2,053 | 2,388 | 2,290 | 2,693 |
| Sick leave | 252 | 96 | 252 | 96 |
| Time in Lieu | 416 | - | 416 | - |
| Total Employee Benefit Liabilities | 3,629 | 3,335 | 3,866 | 3,640 |
| *Comprising:* | | | | |
| Current | 3,629 | 3,335 | 3,866 | 3,640 |
| Total Employee Benefit Liabilities | 3,629 | 3,335 | 3,866 | 3,640 |

## 22. Borrowings

### Accounting policy

Borrowings are initially recognised at the amounts borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowing balance. Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

### *Internal borrowings*

Information about internal borrowings is provided on pages 120 to 153 of Council's annual report. Internal borrowings are eliminated on consolidation of activities in Council's financial statements.

## Breakdown of borrowings

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| *Current* | | | | |
| Secured loans | 214,000 | 144,000 | 214,000 | 144,000 |
| Interest accrual | 1,952 | 724 | 1,952 | 724 |
| Total Current Borrowings | 215,952 | 144,724 | 215,952 | 144,724 |
| *Non-Current* | | | | |
| Secured loans | 230,000 | 258,000 | 230,000 | 258,000 |
| Interest accrual | 1,796 | 2,052 | 1,796 | 2,052 |
| Total Non-current Borrowings | 231,796 | 260,052 | 231,796 | 260,052 |
| Total Borrowings | 447,748 | 404,776 | 447,748 | 404,776 |
| Consisting of: | | | | |
| Fixed rate borrowings | 444,000 | 348,000 | 444,000 | 348,000 |
| Floating rate borrowings | - | 54,000 | - | 54,000 |
| Total Borrowings | 444,000 | 402,000 | 444,000 | 402,000 |

| Loan Amount | Repayable in Full |
|---|---|
| $99m | 15 July 2026 |
| $42m | 29 September 2026 |
| $73m | 15 April 2027 |
| $10m | 15 April 2028 |
| $35m | 15 May 2028 |
| $99m | 20 April 2029 |
| $71m | 15 May 2030 |
| $15m | 15 May 2033 |

### *Fixed rate debt*

Council currently has $444m of secured debt issued at fixed rates of interest excluding interest accruals.

### *Committed cash advance facilities*

Council has the following committed cash advance facilities in place:

- A $5m revolving committed cash advance facility with ANZ Bank New Zealand Limited, (2025: $5m)

There was no drawdown of this facility at balance date (2025: no draw down of this facility at balance date).

### *Security*

Council's loans and committed cash advance facilities are secured by a charge on rates by way of security stock issuances under a debenture trust deed.

### *Maturity analysis and effective interest rates*

The following is a maturity analysis of Council's borrowings. There are no finance leases.

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| Less than one year | 214,000 | 144,000 | 214,000 | 144,000 |
| *average interest rate* | *3.58%* | *3.36%* | *3.58%* | *3.36%* |
| *weighted average effective interest rate* | *1.58%* | *1.23%* | *1.58%* | *1.53%* |
| Later than one year but not more than five years | 215,000 | 258,000 | 215,000 | 258,000 |
| *average interest rate* | *5.00%* | *4.76%* | *5.00%* | *4.76%* |
| *weighted average effective interest rate* | *2.41%* | *3.18%* | *2.41%* | *3.18%* |
| More than five years | 15,000 | 0 | 15,000 | 0 |
| *average interest rate* | *4.81%* | *0.00%* | *4.81%* | *0.00%* |
| *weighted average effective interest rate* | *0.16%* | *0.00%* | *0.16%* | *0.00%* |
| | 444,000 | 402,000 | 444,000 | 402,000 |

## 23. Equity

### Accounting policy

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves, the components are:

- Retained earnings
- Council created reserves
- Revaluation Reserves
- Cash flow hedge reserve

### *Council created reserves*

Council created reserves are a component of equity representing a particular use to which various parts of equity have been assigned. Council may alter them without reference to any third party or the Courts. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

### *Revaluation reserves*

This reserve relates to the revaluation of property, plant and equipment to fair value.

### *Cash flow hedge reserves*

This reserve comprises the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges.

## Breakdown of equity and further information

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| *Retained earnings* | | | | |
| As at 1 July | 675,178 | 675,123 | 678,694 | 678,022 |
| Transfers to: | | | | |
| Reserves and special funds | (103,197) | (113,652) | (103,197) | (113,652) |
| Transfers from: | | | | |
| Asset Revaluation reserve on disposal of property, plant and equipment | 8,819 | 21,505 | 8,819 | 21,505 |
| Reserves and special funds | 107,517 | 109,500 | 107,517 | 109,500 |
| Surplus / (deficit) for the year | 9,583 | (17,298) | 9,919 | (16,681) |
| **Total retained earnings as at 30 June** | **697,900** | **675,178** | **701,752** | **678,694** |
| | | | | |
| *Council created reserves* | | | | |
| As at 1 July | 39,968 | 35,816 | 39,968 | 35,816 |
| Transfers to: | | | | |
| Retained earnings | (107,517) | (109,500) | (107,517) | (109,500) |
| Transfers from: | | | | |
| Retained earnings | 103,197 | 113,652 | 103,197 | 113,652 |
| **As at 30 June** | **35,648** | **39,968** | **35,648** | **39,968** |
| | | | | |
| **Asset Revaluation Reserves** | | | | |
| As at 1 July | 1,727,326 | 1,618,960 | 1,727,326 | 1,618,960 |
| Revaluation gain / (losses) | (22,042) | 129,871 | (22,042) | 129,871 |
| Transfer of revaluation reserve to retained earnings on disposal of property plant and equipment | (8,819) | (21,505) | (8,819) | (21,505) |
| **As at 30 June** | **1,696,465** | **1,727,326** | **1,696,465** | **1,727,326** |
| *Asset revaluation reserves consist of:* | | | | |
| **Operational assets** | | | | |
| Land | 304,044 | 304,109 | 304,044 | 304,109 |
| Buildings | 83,446 | 83,536 | 83,446 | 83,536 |
| Intangible Assets | 859 | 962 | 859 | 962 |
| Investments | 42,326 | 38,345 | 42,326 | 38,345 |
| **Infrastructural Assets** | | | | |
| Sewerage System | 108,149 | 128,573 | 108,149 | 128,573 |
| Water System | 171,621 | 184,212 | 171,621 | 184,212 |
| Drainage network | 105,290 | 105,341 | 105,290 | 105,341 |
| Roading network | 880,730 | 882,248 | 880,730 | 882,248 |
| **Total Asset Revaluation Reserves** | **1,696,465** | **1,727,326** | **1,696,465** | **1,727,326** |
| *Cash Flow Hedge Reserves* | | | | |
| Opening balance 1 July | - | - | - | - |
| Fair value gains / (losses) in the year | - | - | - | - |
| **Total Cash Flow Hedge Reserve** | **-** | **-** | **-** | **-** |
| | | | | |
| **Total other reserves as at 30 June** | **1,732,113** | **1,767,294** | **1,732,113** | **1,767,294** |

Information about reserve funds held for a specific purpose is provided below:

| | Council | | | |
|---|---|---|---|---|
| | Opening Balance 2025/26 $000 | Transfer to Reserve 2025/26 $000 | Transfer From Reserve 2025/26 $000 | Closing Balance 2025/26 $000 |
| *Council created reserves consist of:* | | | | |
| **Property Reserves** | | | | |
| Asset Sales Cambridge | - | - | - | - |
| Asset Sales Te Awamutu | 169 | 4 | - | 173 |
| Asset Sales General | 1,160 | 104 | (544) | 720 |
| Endowment Land Cambridge | - | - | - | - |
| Endowment Land Pirongia | 4 | - | - | 4 |
| Endowment Land Te Awamutu | 281 | 6 | - | 287 |
| Endowment Land Waipa District | 14 | - | - | 14 |
| Pensioner Housing Reserve | - | 342 | (341) | 1 |
| **Reserve Contributions & Development Contributions** | | | | |
| Cambridge North | - | - | - | - |
| District Wide Stormwater | 511 | 2,610 | (2,608) | 513 |
| District Wide Waste Water | 4,142 | 2,841 | (6,983) | - |
| District Wide Water Treatment and Supply | 4,418 | 1,195 | (5,613) | - |
| District Wide Roading | 719 | 4,691 | (4,133) | 1,277 |
| District Wide Reserve Developments | 1,007 | 226 | (37) | 1,196 |
| District Wide Land Purchase | 337 | 1,182 | (1,519) | - |
| Te Awamutu Library/Museum | 112 | 7 | - | 119 |
| | | | | |
| **Special Funds** | | | | |
| Cemetery Paterangi | 5 | - | - | 5 |
| Project Funding Reserve | 4,665 | 4,873 | (3,107) | 6,431 |
| General Insurance Reserve | 67 | 1 | - | 68 |
| Infrastructure Insurance Reserve | 601 | 13 | - | 614 |
| Te Awamutu 110kv Compensation Reserve | 356 | 7 | (182) | 181 |
| Pavement Levies | 119 | 2 | - | 121 |
| Road Asset Technical Accord (RATA) | 11 | - | - | 11 |
| Waste Minimisation Reserve | 2,037 | 694 | (150) | 2,581 |
| **Separate Balances** | | | | |
| Roading Reserve | 2,494 | 26,265 | (28,656) | 103 |
| Stormwater Reserve | 4,870 | 7,858 | (5,886) | 6,842 |
| Water Supply Reserve | - | 23,020 | (23,020) | - |
| Waste Water Reserve | 3,630 | 19,749 | (20,426) | 2,953 |
| Depreciation Reserve - Long Term Assets | 5,740 | 3,556 | (1,915) | 7,381 |
| Depreciation Reserve - Medium Term Assets | 2,498 | 3,951 | (2,397) | 4,052 |
| **Total Council Created Reserves** | **39,967** | **103,197** | **(107,517)** | **35,647** |

The table below sets out the purpose of the reserves held by Council and the related activities for these reserves.

| Reserve | Purpose | Activity |
|---|---|---|
| **Property reserves** | | |
| Asset sales Cambridge | Proceeds from Cambridge asset sales held in reserve to fund future asset purchases | Property |
| Asset sales Te Awamutu | Proceeds from Te Awamutu asset sales held in reserve to fund future asset purchases | Property |
| Asset sales general | Proceeds from district wide asset sales held in reserve to fund future asset purchases | Property |
| Endowment land Cambridge | Proceeds from sale of Cambridge endowment land held in reserve for endowment purposes | Property |
| Endowment land Pirongia | Proceeds from sale of Pirongia endowment land held in reserve for endowment purposes | Property |
| Endowment land Te Awamutu | Proceeds from sale of Te Awamutu endowment land held in reserve for endowment purposes | Property |
| Endowment land Waipa district | Proceeds from sale of district wide endowment land held in reserve for endowment purposes | Property |
| Forestry reserve | Proceeds from forestry harvesting to fund future forestry activities | Forestry |
| Pensioner housing reserve | Proceeds from residential housing rental revenue to fund the operating and capital expenditure of that activity. | Housing for the Elderly & Own Your Own Housing |
| **Reserve contributions and development contributions** | | |
| Cambridge North | Proceeds from development contributions to fund growth related expenditure | Transportation / Stormwater / Wastewater Treatment & Disposal / Water Treatment & Supply |
| District wide stormwater | Proceeds from development contributions to fund growth related expenditure | Stormwater |
| District wide wastewater | Proceeds from development contributions to fund growth related expenditure | Wastewater Treatment & Disposal |
| District wide water treatment and supply | Proceeds from development contributions to fund growth related expenditure | Water Treatment & Supply |
| District wide roading | Proceeds from development contributions to fund growth related expenditure | Transportation |
| District wide reserve developments | Proceeds from development contributions to fund growth related expenditure | Parks & Reserves |

| Reserve | Purpose | Activity |
|---|---|---|
| District wide land purchase | Proceeds from development contributions to fund growth related expenditure | Parks & Reserves |
| Te Awamutu library/museum | Proceeds from development contributions to fund growth related expenditure for Te Awamutu Library / Museum | District Libraries / Museums |
| **Special funds** | | |
| Cemetery Paterangi | Proceeds held in reserve to fund future capital works | Cemeteries |
| Project funding reserve | Funding for specific projects to be completed in the following year | All activities |
| General insurance reserve | Provision to pay call-ups and to fund increase in deductibles of claims as well as to help to pay future premium increases | All activities |
| Infrastructure insurance reserve | Provision to help cover the insurance deductible if a major event happens in the Waipa district. | Stormwater / Wastewater Treatment & Disposal / Water Treatment & Supply |
| Te Awamutu 110kv compensation reserve | Proceeds from the granting of easement rights for the Waipa Networks 110kv line, held in reserve for appropriate future utilisation with due regard to the source of these funds. | Properties |
| Pavement levies | Levies collected from land use consents for future pavement rehabilitation | Transportation |
| Road Asset Technical Accord (RATA) | Funds held in reserve for future works | Transportation |
| Waste minimisation | Net funds from waste minimisation levy held for use on waste minimisation activities. | Waste minimisation |
| **Separate balances** | | |
| Roading reserve | Funds held in reserve for capital works expenditure | Transportation |
| Stormwater reserve | Funds held in reserve for capital works expenditure | Stormwater |
| Water supply reserve | Funds held in reserve for capital works expenditure | Water Treatment & Supply |
| Wastewater reserve | Funds held in reserve for operating and capital works expenditure | Wastewater Treatment & Disposal |
| Depreciation reserve long term assets | Funds held in reserve for capital works expenditure | Community Services & Facilities |
| Depreciation reserve medium term assets | Funds held in reserve for capital works expenditure | Community Services & Facilities |
| **Asset revaluation reserves** | | |
| **Operational** | | |
| Land | Non cash reserve to record appreciation values arising from asset revaluations | Community Services & Facilities |

| Reserve | Purpose | Activity |
|---|---|---|
| Buildings | Non cash reserve to record appreciation values arising from asset revaluations | Community Services & Facilities |
| **Infrastructural assets** | | |
| Sewerage system | Non cash reserve to record appreciation values arising from asset revaluations | Wastewater Treatment & Disposal |
| Water system | Non cash reserve to record appreciation values arising from asset revaluations | Water Treatment & Supply |
| Drainage network | Non cash reserve to record appreciation values arising from asset revaluations | Stormwater |
| Roading network | Non cash reserve to record appreciation values arising from asset revaluations | Transportation |

## Capital management

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

The Local Government Act 2002 [the Act] requires Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

An objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires Council to make adequate and effective provision in its Long Term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's Long Term Plan.

Waipa District Council has the following Council created reserves:

- reserves for different areas of benefit;
- insurance reserves; and
- reserves and special funds.

Reserves for different areas of benefit are used where there is a separate rate set as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Special reserves are set up where Council has received funds that are restricted for particular purposes. Interest is added to these reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

# 24. Contingencies

## 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's bank loan and bank overdraft. The Council is obligated under 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.

## Loan guarantee for New Zealand Sports Hall of Fame

In June 2022, Council confirmed its willingness 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.

## 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 mutal 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 Waipa District Council (design and construction). Waipa District Council is one of a large 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 not yet granted. Category 2 is where consent has been granted but a Certificate Code Compliance (CCC) is 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 was also the subject of a Police investigation that resulted in the conviction and jailing of Jon Hall.

## *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.

## 25. Related party transactions

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.

### *Related party transaction to be disclosed*

Council entered into a lease arrangement with Waipa Community Facilities Trust in 2013, for the Trust to occupy and manage 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*

| | 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.

## 26. 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.

## 27. Financial instruments

The accounting policies for financial instruments have been applied to the line items below:

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| **Financial Assets** | | | | |
| **Amortised Cost** | | | | |
| Cash and cash equivalents excluding term deposits | 55,223 | 51,422 | 57,783 | 54,720 |
| Trade and other receivables | 14,759 | 8,414 | 13,818 | 8,368 |
| Other financial assets: | | | | |
| - term deposits | - | - | 709 | 1,082 |
| - community loans | 6 | 7 | 6 | 7 |
| - loans to other entities | - | - | - | - |
| **Total amortised cost** | **69,988** | **59,843** | **72,316** | **64,177** |
| **Fair value through other comprehensive revenue and expense (FVTOCRE)** | | | | |
| - Borrower notes | 10,253 | 10,028 | 10,253 | 10,028 |
| - Investments in CCO's | 46,144 | 42,163 | 46,144 | 42,163 |
| **Total FVTOCRE** | **56,397** | **52,191** | **56,397** | **52,191** |
| **Financial Libilities** | | | | |
| **FVTSD** | | | | |
| Derivative financial instrument liabilities | - | - | - | - |
| **Financial liabilities at amortised cost** | | | | |
| Trade and other payables | 11,381 | 18,912 | 12,001 | 21,998 |
| Borrowings: | | | | |
| - secured loans | 447,748 | 404,776 | 447,748 | 404,776 |
| **Total financial liabilities at amortised cost** | **459,129** | **423,688** | **459,749** | **426,774** |

### Financial instrument risk

Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established Liability Management and Investment policies which do not allow any transactions that are speculative in nature.

### *Price risk*

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in the market prices. Council is not exposed to price risk as it does not enter into widely held equity security transactions.

### *Currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. It is rare for Council to enter into foreign currency transactions of any significant value.

### *Interest rate risk*

Interest rates on borrowings are disclosed in note 22.

### *Fair value interest rate risk*

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing at fixed rates exposes Council to fair value interest rate risk and the Liability Management Policy outlines the level of borrowing that is to be secured using fixed rate instruments. Fixed to floating interest rate swaps may be entered into to hedge the fair value interest rate risk arising from borrowing at fixed rates. . In addition investments at fixed interest rates give an exposure to fair value interest rate risk.

### *Cash flow interest rate risk*

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Council to cash flow interest rate risks.

Generally, the Council raises long-term borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if the Council borrowed at fixed rates directly. Under the interest rate swaps, the Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

### *Credit risk*

Credit risk is the risk that a third party will default on its obligation, causing Council to incur a loss. There are no specific concentrations of credit risk. Council only invests funds in bank deposits and local authority stock and the Investment Policy limits the exposure to any one organisation.

Council is exposed to credit risk as a guarantor of community organisation loans and all of LGFA's guaranteed borrowings. Information about this exposure is explained in note 24.

*Maximum exposure to credit risk*

Council's maximum credit risk exposure for each class of financial instrument is as follows:

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| Cash at bank and term deposits | 55,223 | 51,422 | 58,492 | 55,802 |
| Receivables | 16,154 | 9,718 | 15,213 | 9,679 |
| Community and related party loans | 6 | 7 | 6 | 7 |
| Financial guarantees | 150 | 150 | 150 | 150 |
| Total | 71,533 | 61,297 | 73,861 | 65,638 |

## Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to credit ratings (if available) or to historical information about counterparty default rates.

| | Council | | Group | |
|---|---|---|---|---|
| | 2026 $000 | 2025 $000 | 2026 $000 | 2025 $000 |
| **COUNTERPARTIES WITH CREDIT RATINGS** | | | | |
| **Cash at bank and term deposits** | | | | |
| AA- | 55,223 | 51,422 | 58,492 | 55,802 |
| Total cash at bank and term deposits | 55,223 | 51,422 | 58,492 | 55,802 |
| **COUNTERPARTIES WITHOUT CREDIT RATINGS** | | | | |
| **Community and related party loans** | | | | |
| Existing counterparty with no defaults in the past | 6 | 7 | 6 | 7 |
| Total community and related party loans | 6 | 7 | 6 | 7 |

Debtors and other receivables arise mainly from the Council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. The Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers. The Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

## Liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash,
the availability of funding through an adequate amount of committed credit facilities, and the ability
to close out market positions.

The Council aims to maintain flexibility in funding by keeping committed credit lines available. Council maintains a minimum liquidity buffer of $1.5 million and has a committed cash advance facility of $5.0 million. There are no funds drawn as at 30 June 2026.

As part of meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months. The Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management Policy.

Council is exposed to liquidity risk as a guarantor of all of the LGFA's guaranteed borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 24.

### *Contractual maturity analysis of financial liabilities excluding derivatives:*

The table below analyses the Council and group's financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

| | Carrying Amount $000 | Contractual Cash Flows $000 | Less than 1 Year $000 | 1-2 Years $000 | 2-5 Years $000 | 5+ Years $000 |
|---|---|---|---|---|---|---|
| **Council 2026** | | | | | | |
| Creditors and other payables | 11,381 | 11,381 | 11,381 | - | - | - |
| Secured loans | 447,748 | 502,131 | 18,417 | 228,303 | 238,333 | - |
| Financial guarantees | - | 150 | 150 | - | - | - |
| Total | 459,129 | 513,662 | 29,948 | 228,303 | 238,333 | - |
| **Group 2026** | | | | | | |
| Creditors and other payables | 12,001 | 12,001 | 12,001 | - | - | - |
| Secured loans | 447,748 | 502,131 | 18,417 | 228,303 | 238,333 | - |
| Financial guarantees | - | 150 | 150 | - | - | - |
| Total | 459,749 | 514,282 | 30,568 | 228,303 | 238,333 | - |

| | Carrying Amount $000 | Contractual Cash Flows $000 | Less than 1 Year $000 | 1-2 Years $000 | 2-5 Years $000 | 5+ Years $000 |
|---|---|---|---|---|---|---|
| **Council 2025** | | | | | | |
| Creditors and other payables | 18,912 | 18,912 | 18,912 | - | - | - |
| Secured loans | 404,776 | 449,756 | 159,517 | 65,272 | 224,966 | - |
| Financial guarantees | - | 150 | 150 | - | - | - |
| Total | 423,688 | 468,818 | 178,579 | 65,272 | 224,966 | - |
| **Group 2025** | | | | | | |
| Creditors and other payables | 21,998 | 21,998 | 21,998 | - | - | - |
| Secured loans | 404,776 | 449,756 | 159,517 | 65,272 | 224,966 | - |
| Financial guarantees | - | 150 | 150 | - | - | - |

### *Contractual maturity analysis of financial assets:*

The table below analyses the Council and group's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

| | Carrying Amount $000 | Contractual Cash Flows $000 | Less than 1 Year $000 | 1-2 Years $000 | 2-5 Years $000 | 5+ Years $000 |
|---|---|---|---|---|---|---|
| **Council 2026** | | | | | | |
| Cash at bank and term deposits | 55,223 | 55,223 | 55,223 | - | - | - |
| Debtors and other receivables | 16,154 | 16,154 | 16,154 | - | - | - |
| Community loans | 6 | 7 | 1 | 2 | 4 | - |
| Total | 71,383 | 71,384 | 71,378 | 2 | 4 | - |
| **Group 2026** | | | | | | |
| Cash at bank and term deposits | 57,783 | 57,783 | 57,783 | - | - | - |
| Debtors and other receivables | 15,213 | 15,213 | 15,213 | - | - | - |
| Community loans | 6 | 7 | 1 | 2 | 4 | - |
| Total | 73,002 | 73,003 | 72,997 | 2 | 4 | - |

| | Carrying Amount $000 | Contractual Cash Flows $000 | Less than 1 Year $000 | 1-2 Years $000 | 2-5 Years $000 | 5+ Years $000 |
|---|---|---|---|---|---|---|
| **Council 2025** | | | | | | |
| Cash at bank and term deposits | 51,422 | 51,422 | 51,422 | - | - | - |
| Debtors and other receivables | 9,718 | 9,718 | 9,718 | - | - | - |
| Community loans | 7 | 8 | 1 | 2 | 5 | - |
| Total | 61,147 | 61,148 | 61,141 | 2 | 5 | - |
| **Group 2025** | | | | | | |
| Cash at bank and term deposits | 55,802 | 55,802 | 55,802 | - | - | - |
| Debtors and other receivables | 9,679 | 9,679 | 9,679 | - | - | - |
| Community loans | 7 | 8 | 1 | 2 | 5 | - |
| Total | 65,488 | 65,489 | 65,482 | 2 | 5 | - |

## Sensitivity analysis

The tables below illustrate the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on the Council's financial instrument exposures at the balance date.

| | | 2026 Actual $000 | | | | 2025 Actual $000 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | -100 bps | | +100 bps | | -100 bps | | +100 bps | |
| | Notes | Profit | Other Equity | Profit | Other Equity | Profit | Other Equity | Profit | Other Equity |
| **Council** | | | | | | | | | |
| **Interest rate risk** | | | | | | | | | |
| *Financial assets* | | | | | | | | | |
| Cash and cash equivalents | 1 | (552) | - | - | 552 | (514) | - | - | 514 |
| *Financial liabilties* | | | | | | | | | |
| Derivatives-hedge accounted | 2 | - | - | - | - | - | - | - | - |
| **Total sensitivity on interest rates** | | (552) | - | - | 552 | (514) | - | - | 514 |

***Explanation of sensitivity analysis:***

1. Cash and cash equivalents – Cash and cash equivalents include deposits at call totalling $55,223,000 (2025: $51,422,000) which are at floating rates. A movement in interest rates of plus or minus 1.0 per cent has an effect on interest income of $552,200 (2025: $514,200).
2. Derivatives – hedge accounted – Financial Liabilities – Derivative financial liabilities hedge accounted includes interest rate swap fair value hedges totalling Nil (2024: NIL). A movement in interest rates plus 100 bps has an effect of Nil (2025: NIL) and minus 100 bps has an effect of Nil (2025: NIL).

## 28. Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

There were no transfers between the different levels of the fair value hierarchy.

| | | Valuation technique | | |
|---|---|---|---|---|
| | Total $000 | Quoted market price $000 | Observable inputs $000 | Significant non-observable inputs $000 |
| **Council** | | | | |
| *30 June 2026* | | | | |
| **Financial assets** | | | | |
| Investments in CCO's | 56,397 | - | 10,253 | 46,144 |
| **Financial liabilities** | | | | |
| Derivatives | - | - | - | - |
| **Council** | | | | |
| *30 June 2025* | | | | |
| **Financial assets** | | | | |
| Investments in CCO's | 52,191 | - | 10,028 | 42,163 |
| **Financial liabilities** | | | | |
| Derivatives | - | - | - | - |

### Valuation techniques with significant non-observable inputs (level 3)

The fair value for the investment in Waikato Regional Airport (WRAL) has been determined based on Council's

proportion of ownership of the airport's net assets. In this case the replacement cost of the service potential embodied in the investment is a proxy to fair value. Given most of WRAL's assets are carried at fair value, this can easily be derived using Councils shareholding percentage of WRAL's balance sheet. This approach is supported by the conceptual framework and by analogy of other standards for PBE assets.

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

| | Council | |
|---|---|---|
| | 2026 $000 | 2025 $000 |
| Balance at 1 July | 42,163 | 36,224 |
| Investment Gain - recognised in other comprehensive revenue and expense | 3,980 | 5,939 |
| Impairment - recognised in comprehensive revenue and expense | - | - |
| Balance 30 June | 46,143 | 42,163 |

## 29. Explanation of major variances against budget

Explanations for major variances from the 2025/26 budgeted figures are as follows:

### 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 $9.5million 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.

## Statement of financial position

- The higher cash balance at year end is due to the timing of capital work, particularly development related projects and as well as the higher liquidity requirement to meet debt covenant.
- Borrowings at year end are $69 million lower than budget. This is mainly due to the timing of capital works.

# 30. INVOLVEMENT IN COUNCIL CONTROLLED ORGANISATIONS AND COUNCIL ORGANISATIONS

The Local Government Act 2002 requires Council to include in the Annual Report information on Council controlled organisations and Council organisations in which it is a stakeholder. In particular, Council must include:

- Its significant policies and objectives regarding ownership and control of the organisation;
- The nature and scope of the activities to be provided by the organisation; and,
- The key performance targets and other measures by which performance may be judged.

We are a shareholder in three organisations that are classified as Council controlled organisations as defined by the Local Government Act 2002. The organisations are:

- Waikato Regional Airport Limited, also known as Hamilton International Airport;
- Local Government Funding Agency Limited; and
- Waikato Local Authority Shared Services Limited (trading as Co-Lab Limited).
- Waikato Waters Limited

Further detail on each of these organisations can be found in our 2025-34 Long Term Plan and on pages 105 to 116 of this Annual Report.

# Waikato Regional Airport Limited

Waikato Regional Airport Limited is jointly owned by five local authorities – Hamilton City Council, Waipa District, Waikato District, Matamata-Piako District and Otorohanga District Councils.

Waipa District Council's shareholding is 15.63 percent.

## Corporate mission

The mission of Waikato Regional Airport Limited is to operate a successful commercial business providing safe, appropriate and efficient services for the transportation of people and freight in and out of Hamilton Airport.

## Goal

The retention of the Airport as a major infrastructural facility is important to the Waikato economy.

## Policies and objectives

Council intends to maintain its current shareholding for the foreseeable future. There are no formal policies or objectives relating to ownership and control of Waikato Regional Airport.

## Nature and scope of activities to be undertaken as per 2025/26 statement of intent

### *Operate an efficient and compliant airport*

- Operate a first class safe and compliant regional airport by providing for essential projects for essential projects, together with any compliance expenditure warranted.

### *Enhance the traveller experience*

- Maximise traveller satisfaction and airport experience through continued investment in passenger facilities and technologies that also assist to drive sustainable outcomes.

### *Maintain a viable aeronautical business*

- Assist airlines to identify opportunities to increase flight schedules and passenger numbers.
- Identify and activate new development opportunities within the general aviation sector.
- Promote the airport as an efficient, cost-effective international port for both commercial and private operations.
- Continue active engagement with prospective international airlines and pair city airports to grow air connectivity.
- Promote and secure additional tenants for the former flight training academy facilities to further enhance a vibrant general aviation community.

### *Future-proof the airport*

- Ensure the airport retains sufficient future protections for growth to meet future demands of international air connectivity, tourism, economic development and resilience.
- Remain collaborative with local authorities and central government agencies for joint infrastructure and transport initiatives.

### *Maximise long-term income from diverse non-aeronautical business opportunities stemming from optimisation of land and property holdings*

- Titanium Park will continue marketing for sale, development and optimised investment, all available non-aeronautically strategic land in a planned and coordinated approach.
- Support the development of land within the bounds of a sound, strategic approach to long-term planning as defined in the 2022 updated aeronautical master plan.

### *People*

- Invest in an organisation-wide strategy that takes a holistic view of employee wellbeing, recognising wellbeing as a measure of our organisation's success.
- Provide training and development to personnel to ensure individually and collectively, our personnel remain leaders of best practice in their respective fields.
- Retain a high performing team to build resilience, capability and responsiveness to growth and change opportunities.

### *Sustainability*

- Maintain the Jet Park Hotel's Qualmark Silver Enviro rating.
- Continue to align initiatives in the HLZERO50 sustainability framework, and to the global Airport Carbon Accreditation program and re-accreditation of our current Level 4 status.
- Plan and design infrastructure to facilitate energy reduction, sustainable energy use and alternative fuels in new developments around the airport.

### *Assist in the development and marketing of the Hamilton and Waikato region as a destination to domestic and international visitors*

- Maintain and strengthen support for regional tourism through partnerships with local government, the tourism industry and the wider community to promote the region as a gateway to the North Island in concert with promotion of relaunched international services.

### *Te Tiriti and Te Ao Maori*

- Create a cultural legacy that authentically embraces and values Māori tikanga (customs) and te reo (the language) meaningfully in our organisation, and that respects the kaitiakitanga (guardianship) of mana whenua and principles of te tiriti o Waitangi.

### *Dividend policy*

The Directors will review the performance and outlook for the group annually before declaring any dividend.

## Performance results as per 2025/26 Annual Report

| Financial Performance Targets | 2026 Actual $000 | 2026 Target $000 | Results |
|---|---|---|---|
| **Earnings and profitability performance targets** | | | |
| Net profit before tax no less than | 13,521 | 3,000 | Achieved |
| EBITDA excl Land Sales of at least | 7,861 | 6,000 | Achieved |
| EBITDA incl Land Sales of at least | 7,861 | 6,000 | Achieved |
| Percentage of non-airline revenue to total operating revenue of at least | 48% | 60% | Not achieved |
| Interest coverage of at least | 2.6 | 2.0 | Achieved |
| **Cash flow and funding performance targets** | | | |
| Net operating cash flow excl Land sales and development of at least | 3,451 | 4,500 | Not achieved |
| Net debt a maximum of | 62,600 | 70,000 | Achieved |
| **Shareholder value performance targets** | | | |
| Shareholder value | 292,277 | 254,000 | Achieved |

The 2025/26 Annual Report for Waikato Regional Airport Limited is published on the organisation's website.

# New Zealand Local Government Funding Agency Limited

The New Zealand Local Government Funding Agency Limited (LGFA), which is a council controlled trading organisation, has been established by the Local Government sector and the Crown to enable local authorities to borrow at lower interest margins than would otherwise be available.

The main objectives of LGFA will be to:

- Achieve the objectives of the Shareholders (both commercial and non- commercial) as specified in the Statement of Intent. The Shareholders agree that the Company shall carry on its business with a view to making a profit sufficient to pay a dividend in accordance with the Dividend Policy, but that the primary objective of the Shareholders with respect to the Company is that it optimises the terms and conditions of the debt funding it provides to Participating Local Authorities;
- Be a good employer;
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
- Conduct its affairs in accordance with sound business practice.

## Policies and objectives

Council intends to maintain its current shareholding for the foreseeable future. There are no formal policies or objectives relating to ownership and control of LGFA.

## Nature and scope of activities to be undertaken as per 2025/26 Statement of Intent

LGFA raises debt funding for the purpose of providing debt financing to New Zealand local authorities and CCOs (members).

In August 2024, LGFA confirmed that it will provide financing to support water CCOs established under Local Water Done Well.

LGFA may raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency.

LGFA only lends to members that have completed required relevant legal and operational arrangements and comply with the LGFA's lending policies.

In addition, LGFA may undertake any other activities considered by the LFGA Board to be reasonably related, incidentally to, or in connection with, that business.

LGFA Board has agreed subject to receiving Shareholder approval to support the development of the Ratepayer Assistance Scheme (RAS).

## Dividend policy

LGFA primary objective is to maximise benefits to participating borrowers rather than shareholders. Consequently, it is intended to pay a limited dividend to shareholders.

The board's policy is to pay a dividend that provides an annual rate of return to shareholders equal to LGFA's fixed rate bond cost of funds plus 2.00 per cent over the medium term.

At all times payment of any dividend will be discretionary and subject to the Board's legal obligations and views on appropriate capital structure.

## Performance targets as per 2025/26 Annual Report

New Zealand Local Government Funding Agency Limited has the following performance targets:

| Performance targets: | 2025/26 target | Performance to 30 June 2026 |
|---|---|---|
| Comply with the Shareholder Foundation Polices and the Board-approved Treasury Policy at all times | No breaches | Achieved |
| Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency. | LGFA credit ratings equivalent to NZ Sovereign | Achieved |
| LGFA's total operating income, excluding unrealised gains/(losses) on financial instruments, for the period to 30 June 2026. | >$44.7 million | Achieved |
| LGFA's total operating expenses (excluding AIL) for the period to 30 June 2026. | <$12.1 million | Not achieved |
| Health and Safety. | No notifiable incidents | Achieved |
| Maintain Toitu Carbon Zero Certificate | Carbon-zero certification maintained | Achieved |
| Meet reduction targets outlined in our carbon reduction management plan. | <8.7 tCO2e annual per person GHG emissions. | Achieved. 3.2tCO2e |
| Increase our GSS lending book and Climate Action Loans (CALs). | Two new GSS loans undertaken. Two new borrowers enter into CALs | Partially achieved |
| Develop a sustainable financing option for the water sector | New sustainable financing option is available to water entities. | Achieved |
| Enhance our insight into climate-related risks through council lending | Climate change is incorporated into LGFA's credit risk assessments. | Achieved |
| Assess required governance skills for LGFA's climate=related risks and opportunities | Develop a director skills matrix. | Achieved |
| Review each Participating Borrower's financial position. | 100% | Achieved |

| Performance targets: | 2025/26 target | Performance to 30 June 2026 |
|---|---|---|
| Arrange to meet each Participating Borrower over a 15-month period, including meeting with elected officials as required, or if requested. | 100% | Achieved |
| Provide quarterly updates to shareholders and borrowers on sector developments that are impacting LGFA. | Four quarterly updated to councils and CCOs | Achieved |
| Meet annually with Infrastructure Commission, Local Government New Zealand, Taituara, Water New Zealand, Infrastructure New Zealand, Crown Infrastructure Partners, Department of Internal Affairs, Treasury and Minister's office to discuss sector issues from an LGFA perspective. | Nine meetings across stakeholders | Achieved |
| Support councils with Local Water Done Well by providing timely and responsible advise for on-boarding water CCOs. | On-boarding process is underway for all water CCOs who have requested it. | Achieved |
| Provide a governance opportunity for a council or CCO staff member under the LGFA Future Director Programme. | One Future Director appointed for an 18 month term | Achieved |

The 2025/26 Annual Report for New Zealand Local Government Funding is published on the organisation's website.

# Waikato Local Authority Shared Services Limited (Trading as Co-Lab Limited)

## Shareholders

Waikato Local Authority Shared Services Limited is jointly owned by 12 local authorities.Hamilton City Council

- Hauraki District Council
- Matamata-Piako District Council
- Otorohanga District Council
- Rotorua Lakes Council
- South Waikato District Council
- Thames-Coromandel District Council
- Waikato District Council
- Waikato Region Council
- Waipa District Council
- Waitomo District Council
- Western Bay of Plenty District

## Background

The local authorities within the boundaries of the Waikato region have adopted shared services as a mechanism for providing back office type services in a coordinated manner across the region to leverage opportunities and deliver benefits. Over the period that Waikato Local Authority Shared Services Limited has been operating, the following positive outcomes have been achieved:

- Improved level and quality of service.
- Coordinated approach to the provision of services.
- Reductions in the cost of services.
- Opportunities to develop new initiatives.
- Standardisation of service levels.
- Opportunities for all councils, irrespective of location or size, to benefit from joint initiatives.
- Economies of scale, resulting in cost saving, have been achieved in procurement.

## Council policies and objectives relating to Council Controlled Organisations

The Constitution of Waikato Local Authorities Shared Services Limited sets out the principles and expectations around how the company will be governed and operated. While council has no formal policies and objectives, it has become a shareholder on the basis that the Waikato Local Authority Shared Services Limited will develop products and services of significant benefit to Waipa residents and ratepayers.

The objectives of WLASS are to:

- achieve effectiveness and efficiency gains
- reduce duplication of effort and eliminate waste through repetition
- helping the councils achieve an appropriate balance in risk and return
- promote and contribute to the development of best practice
- make it easier for communities to engage with councils in the Waikato region on a consistent basis
- promote business transformation to improve communities' experiences.

## Policies and objectives

Council intends to maintain its current shareholding for the foreseeable future. There are no formal policies or objectives relating to ownership and control of Waikato Local Authority Shared Services Limited.

## Benefits of WLASS

Over the period that the company has been operating benefits have been delivered in the form of:

- Improved level and quality of services;
- Co-ordinated approach to the provision of services;
- Reductions in the cost of services;
- Development of new initiatives;
- Opportunities for all councils (irrespective of their location or size) to benefit from joint initiatives; and,
- Economies of scale resulting from a single entity representing all Councils and leveraging procurement opportunities.

Based on feedback from the shareholding Councils and the Mayoral Forum, the WLASS Directors continue to discuss opportunities to develop shared services at Board meetings. The Directors see the continuing investigation of possible future shared services as a key focus of their role.

Waikato Local Authority Shared Services Limited has the following priorities and performance measures:

| Strategic goal | 3-year Objective | Annual KPI | FY25*26 |
|---|---|---|---|
| Shareholding councils understand we provide them value | ▪ We know the value we provide shareholders has improved by 15% by 30 June 2027* *(baseline y/e 30 June 24)*.<br>▪ By 30 June 2027,80% of shareholders agree they get value for money from Co-Lab.<br>▪ All shareholders take up at least one additional shared service.<br>**Based on the regional benefits of collaboration (not an individual councils' benefit from collaboration).* | ▪ Year-on-year increase in the value we provide to councils.<br>▪ 80%+ of council survey respondents believe those Co-Lab services they received meet or exceed their expectations (evidenced by an annual survey).<br>▪ Year-on-year increases in the utilisation of services we provide to councils. | ▪ $14.7m in value we provide councils as measured by our benefit analysis.<br>▪ 85% of council survey respondents believe those Co-lab services they received met or exceeded their expectations. The survey response rate was 32% (307 were invited and 99 responses were received.<br>▪ 8 existing services taken up. |

| Strategic goal | 3-year Objective | Annual KPI | FY25*26 |
|---|---|---|---|
| Deliver value by growing the scale of our shared service function. | 24 new instance of Co-Lab shared services being utilised by June 2027 *(baseline y/e 30 June 24)* | ▪ Year-on-year increase in the utilisation of services we provide to councils. Year-on-year increase in the number of services available to councils. | ▪ 2 Co-Lab Water Services<br>▪ 1 RIMU Service<br>▪ 6 Co-Lab Building Services<br>▪ 3 Professional Services Panel<br>▪ Introduced RIMU |
| Diverse, talented and motivated people work for us | ▪ Maintain staff engagement above 85%<br>▪ Staff turnover is less than 15%<br>▪ Our vacancies are filled by suitable candidates within 3 months<br><br>*(All baselined y/e 30 June 2024)* | • Maintain staff engagement above 85%<br>• Staff turnover is less than 15%<br>• Vacancies are filled by suitable candidates within 3 months | • The overall engagement score was 90%. The survey response rate was 40% (61 were invited to participate with 25 responses received).<br>• 16.7% staff turnover<br>• Target met for most vacancies. Three exceptions arose due to unsuccessful recruitment rounds or recruitment being placed on hold. |

The 2025/26 Annual Report for Co-Lab is published on the organisation's website.

## Waikato Waters Limited

Waikato Waters Limited is a council-controlled organisation established during 2025/2026 under the Local Water Done Well framework to deliver drinking water and wastewater services for participating Waikato councils. The company was incorporated following agreement between six Waikato councils: Hauraki District Council, Matamata-Piako District Council, Ōtorohanga District Council, South Waikato District Council, Waipā District Council and Waitomo District Council.

Waipā District Council is a shareholder in Waikato Waters Limited. At incorporation, each participating council held 100 Stage 1 shares.

## Nature and scope of activities

Waikato Waters Limited has been established to provide safe, reliable, sustainable and financially responsible drinking water and wastewater services across the participating council areas. Its activities include operating and maintaining water supply and wastewater networks, planning and delivering renewals and capital investment, supporting compliance with water quality and environmental requirements, and providing customer-focused water services.

The establishment of Waikato Waters Limited enables participating councils to retain local ownership while working together regionally to deliver water services. The model is intended to support long-term affordability, access to financing, consistent service delivery, and compliance with the regulatory requirements applying to water service providers.

During the 2025/26 year, Waikato Waters Limited activities were focused primarily on establishment, governance, and transition planning in preparation for assuming responsibility for drinking water and wastewater services from 1 July 2026. Accordingly, the nature and scope of activities undertaken during the year were consistent with the company's establishment purpose and implementation programme.

## Council policies and objectives relating to ownership and control

Council's objective in becoming a shareholder in Waikato Waters Limited is to ensure drinking water and wastewater services are delivered in a way that is financially sustainable, compliant with regulatory standards, responsive to growth, and accountable to local communities.

Council's ownership interest is exercised through the shareholder arrangements set out in the Waikato Waters Limited Constitution and Shareholders' Agreement.

A Shareholder Representative Forum has been established to provide shareholder oversight, set shareholder expectations, appoint directors, and monitor the company's performance. Council intends to use these arrangements to ensure that Waikato Waters Limited operates consistently with the expectations of its shareholding councils and in the long-term interests of the communities it serves.

## Key performance targets and measures

As Waikato Waters Limited was established during the 2025/26 year and did not assume responsibility for Waipā's drinking water and wastewater services until 1 July 2026, no operational full-year performance targets or measures for water service delivery were included in this Annual Report.

Future performance will be assessed through the company's accountability documents, including its statement of intent, half-yearly reports and annual reports. Performance measures are expected to include service reliability, drinking water compliance, wastewater compliance, customer service, delivery of renewals and capital works, financial sustainability, and progress against agreed shareholder expectations.

# PART 6 – NGĀ TAIPITOPITO O Ā MĀTOU MAHI / OUR PERFORMANCE IN DETAIL

**In this section**

This section describes in detail how we performed in each of our groups of activities. Each activity area includes an overview of the activities from the year, and a summary of financials and performance measures.

**How to read this section:**

What's being reported:

- **Overview of the year:** includes the summary of our financial and non-financial information.
- **Activity information:** outlines what is delivered, contribution to community outcomes and identified effects on community wellbeing.
- **Financial information:** capital expenditure and operational expenditure for each activity area.
- **Performance information:** overview of level of service performance measures. Performance measures cover quality, timeliness, utilisation and satisfaction.

**How we measure performance**

For each group of activities, a range of targets and measures were included in the 2025-34 Long Term plan to show the standard of performance expected over the next ten years and the means by which we intend to measure that performance. The measures, when considered collectively, are intended to provide a general view of the overall performance in each area.

**How we group activities**

Our services in this Annual Report are gathered within eight groups, each containing a number of activities.

Seven of the groups of activities are focused on public service delivery, with the contents of four of these set by legislation, while the remaining three have been grouped according to Council's corporate structure of related activities. The remaining group of activities, support services, is internally focused and is not an official group of activities as defined in the Local Government Act 2002. However, it is included in the Annual Report as it contains a significant number of our activities and, together with the other groups, provides a complete picture of the activities Council provides. Support services support the delivery of community services within each group of activities. While the costs of support services are included within each group, they are also shown separately at the end of the section to show the total indirect costs.

The accompanying notes form part of the statement of service performance informaion. The groups of activities covered in this section are:


- Governance **Section 6.1**
- Planning and Regulatory **Section 6.2**
- Community Services and Facilities **Section 6.3**
- Transportation **Section 6.4**
- Stormwater **Section 6.5**
- Wastewater Treatment and Disposal **Section 6.6**
- Water Treatment and Supply **Section 6.7**
- Support Services **Section 6.8**

## 6.1 GOVERNANCE

**What we do**

The Governance group of activities represents the decision-making function of elected officials who are supported by communications specialists, strategy advisors and the governance business unit to manage democratic processes.

Governance activities include performance measures for:

- Representation
- Communications and engagement

Additionally, the Governance group of activities is responsible for ensuring Māori involvement in decision-making, developing strategy and enhancing community relationship.

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**The level of service we will deliver**

The level of service was maintained as planned within this group of activities as outlined in the 2025-34 Long Term Plan (LTP).

**How the Governance group of activities helps deliver our community outcomes**

**Economically progressive**

- *Provide value for money from services, promotion and a great place to invest and do business.*
- *Financially sustainable decision-making.*

**Social wellbeing**

- *Great place to live, work and play and invest.*
- *High quality of life.*
- *Invest in health and well-being and support community groups.*

**Cultural champions**

- *Unique history cultural awareness.*
- *Tangata Whenua partnership.*
  *Respect cultural diversity.*

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**Identified effects on community wellbeing**

The Governance group of activities is the key area for the democratic processes of Council. A significant amount of work goes into ensuring clear communication is achieved (both to and from Council) via the formal community representative groups – including Council's Committees and Community Boards.

Council uses community engagement strategies which ensure that the public is able to participate in the consultation and decision-making processes of Council. We will continue to use a large number of engagement channels including social media as well as traditional methods to reach as many people as possible. This focus on engagement with residents is aimed at both educating people about what Council does as well as gathering feedback to gauge the most acceptable way forward in terms of decision making. This helps Council to achieve the current and future needs of our communities in an effective manner for households, businesses, and Council.

Strategic planning processes are also included in this group of activities. The development, sharing and implementation of effective plans and policies are the foundation of good governance. Of special importance is our participation in the Waikato Mayoral Forum, which works to ensure consistent local government application across communities, cost cutting through sharing of services and the provision of cohesive community leadership. Within this strategic planning role are a number of planning initiatives, including the Waipa 2050 Growth Strategy, the Future Proof Sub-Regional Strategy, noting the recent adoption of Ahu Ake, our district-wide Community Spatial Plan. The operative Waipa District Plan is a key document that provides Council with resource management planning controls that give effect to National, Regional, and Sub-regional directives, while enabling appropriate development of the district and helping to protect our highly productive land. Council's other strategies, policies and bylaws all help to ensure that we successfully deliver on our vision to build connected communities.

**Statement of service performance: Governance**

What to expect from us:

**Representation**

- The Community have access to timely and accurate information.
- We provide opportunities for our communities to engage with Council and participate in decision-making processes.

**Communications and Engagement**

- We provide regular communication to the district enabling community sharing and engagement.
- We showcase how we're building champion communities.




**Statement of service performance overview**

This Group of Activity is responsible for 5 percent of Council's performance measures.

Refer to section 6.8 for detailed tracking against service performance measures.

## Waipa District Council funding impact statement for year ended 30 June 2026 for Governance

| | | 2024/25 Long-term Plan $000 | 2025/26 Long-term Plan $000 | 2025/26 Actual $000 |
|---|---|---|---|---|
| **Sources of operating funding** | | | | |
| General rates, uniform annual general charges, rates penalties | | 8,266 | 11,900 | 11,940 |
| Targeted rates | | 1,102 | 1,321 | 1,328 |
| Subsidies and grants for operating purposes | | 58 | 122 | 165 |
| Fees and charges | | - | - | 210 |
| Internal charges and overheads recovered | | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | | - | - | - |
| **Total sources of operating funding (A)** | | 9,426 | 13,343 | 13,643 |
| | | | | |
| **Applications of operating funding** | | | | |
| Payments to staff and suppliers | 1 | 4,316 | 6,261 | 4,812 |
| Finance costs | | 39 | 73 | 73 |
| Internal charges and overheads applied | | 3,635 | 6,348 | 5,554 |
| Other operating funding applications | | 1,127 | 677 | 808 |
| **Total applications of operating funding (B)** | | 9,117 | 13,359 | 11,247 |
| | | | | |
| **Surplus (deficit) of operating funding (A - B)** | | 309 | (16) | 2,396 |
| | | | | |
| **Sources of capital funding** | | | | |
| Subsidies and grants for capital expenditure | | - | - | - |
| Development and financial contributions | | - | - | - |
| Increase (decrease) in debt | | - | 18 | (324) |
| Gross proceeds from sale of assets | | - | - | - |
| Lump sum contributions | | - | - | - |
| Other dedicated capital funding | | - | - | - |
| **Total sources of capital funding (C)** | | - | 18 | (324) |
| | | | | |
| **Applications of capital funding** | | | | |
| Capital expenditure | | | | |
| - to meet additional demand | | - | - | - |
| - to improve the level of service | | - | | 2 |
| - to replace existing assets | | - | 15 | 10 |
| Increase (decrease) in reserves | | 309 | (13) | 2,060 |
| Increase (decrease) of investments | | - | - | - |
| **Total applications of capital funding (D)** | | 309 | 2 | 2,072 |
| | | | | |
| **Surplus (deficit) of capital funding (C - D)** | | (309) | 16 | (2,396) |
| | | | | |
| **Funding balance ((A - B) + (C - D))** | | - | - | - |

## Internal borrowing statement

| | Opening Balance 1 July 2025 $000 | Loan Repayments $000 | Loans Raised $000 | Closing Balance 30 June 2026 $000 | Interest $000 |
|---|---|---|---|---|---|
| Activity Loans | 1,650 | (327) | - | 1,323 | 73 |
| **Total** | 1,650 | (327) | - | 1,323 | 73 |

Explanation of significant costs of service variances between LTP and Actual

1. Actual expenditure was below budget mainly due to $345,000 for Ahu Ake – Waipā Community Spatial Plan implementation and $294,000 for Annual Plan and LTP costs being deferred to 2026/27. Staff and employee benefit costs were also $219,000 below budget due to vacant positions.

## 6.2 PLANNING AND REGULATORY

**What we do**

We provide planning and regulatory services to manage the natural and physical resources of the district, and to promote and protect the health and safety of our communities.

Planning and Regulatory activities include:

- Animal Control
- Building Compliance
- Development Engineering
- Environmental Health
- Resource consents, enforcement and land information memorandums

As our district continues to experience significant development and population growth, robust planning and regulatory services will be integral to the creation of liveable communities. Our planning and regulatory activities are governed and directed by national legislation, national directions, and regional and local policies and bylaws. These policies and bylaws are subject to regular reviews and link to other Waikato councils when appropriate. Public health and safety activities are fundamental to the protection of life and property in the community.

We will continue to monitor the various legislative development and review processes, with significant changes considered and responded to as part of future annual and long term plans.
The current and projected growth increases the pressures on: our town character and outstanding landscapes; internationally significant peat lakes; stands of indigenous trees; natural features; rural character; and historically significant sites.

**The level of service we will deliver**

The level of service was maintained as planned within this group of activities as outlined in the 2025-34 Long Term Plan (LTP).

**How the Planning and Regulatory group of activities helps deliver our community outcomes**

**Environmental champions**

- *Promote awareness and responsibilities.*
- *Responsive to climate change.*

**Cultural champions**

- *Unique history;*
- *Cultural awareness.*

**Socially resilient**

- *High quality of life.*

**Identified effects on community wellbeing**

The planning and regulatory group of activities guide, enhance and maintain the quality of the district's natural and physical environment and ensures that communities are safe in a district that is developed in a sustainable way.

Maintaining Public Health and Safety are important components of this group of activities. Complaints about aggressive dogs are investigated and actioned. Dog owner education is undertaken where appropriate. This minimises danger, distress and nuisance to the public, and keeps people safe and educated about their responsibilities.

Environmental services teams operate under the Food Act, Health Act and other legislation where public health is the focus, and the Sale and Supply of Alcohol Act 2012 has reduction of alcohol related harm as its aim.

The building compliance team manage building consents with the aim that building work will comply with the requirements of the Building Code, and buildings will be safe. They also administer earthquake prone building processes, warrants of fitness and insanitary building processes."

**Statement of service performance: Planning and Regulatory**

What to expect from us:

**Animal control**

- Animal control is managed in a way that ensures support is provided to both animals and the community in a timely manner.

**Building compliance**

- We ensure that buildings, including earthquake-prone buildings, are safe and fit for purpose.

**Development engineering**

- We are responsive to enquiries.

**Environmental health**

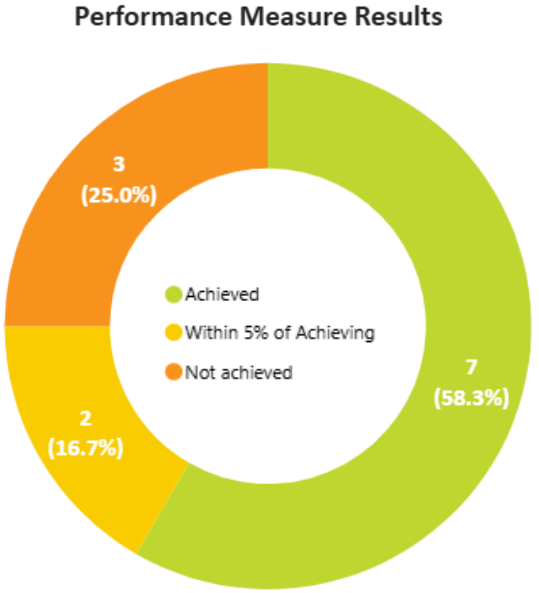
- We ensure the public sale and supply of alcohol is undertaken safely and responsibly.
- Noise and smoke control is provided to the community in a timely manner
- Food premises maintain a high level of food safety.

**Resource consents and monitoring, and land information memorandums**

- We respond to all general enquiries and process all applications within agreed timeframes.
- We ensure we investigate compliance with the District Plan when requested.
- We complete the required safety inspections of swimming pools and associated fencing.

**Statement of service performance overview**
This Group of Activity is responsible for 12 percent of Council's performance measures.

Refer to section 6.8 for detailed tracking against service performance measures.



**Capital expenditure table**

| | Notes | 2024/25 Long-term Plan $000 | 2025/26 Long-term Plan $000 | 2025/26 Actual $000 |
|---|---|---|---|---|
| **To Improve Level of Service** | | | | |
| Dog Pound Development | | - | - | (103) |
| Body Worn Camera - Compliance teams | | - | - | - |
| TOTAL CAPITAL EXPENDITURE | | - | - | (103) |

**Internal borrowing statement**

| | Opening Balance 1 July 2025 $000 | Loan Repayments $000 | Loans Raised $000 | Closing Balance 30 June 2026 $000 | Interest $000 |
|---|---|---|---|---|---|
| | | | | | |
| Activity Loans | 5,418 | (352) | 270 | 5,336 | 248 |
| **Total** | 5,418 | (352) | 270 | 5,336 | 248 |

## Waipa District Council funding impact statement for year ended 30 June 2026 for Planning and Regulatory

| | Notes | 2024/25 Long-term Plan $000 | 2025/26 Long-term Plan $000 | 2025/26 Actual $000 |
|---|---|---|---|---|
| **Sources of operating funding** | | | | |
| General rates, uniform annual general charges, rates penalties | | 4,201 | 5,886 | 5,905 |
| Targeted rates | | - | - | - |
| Subsidies and grants for operating purposes | | 1 | - | 1 |
| Fees and charges | | 6,281 | 7,051 | 7,266 |
| Internal charges and overheads recovered | | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | | - | - | 61 |
| **Total sources of operating funding (A)** | | 10,483 | 12,937 | 13,233 |
| | | | | |
| **Applications of operating funding** | | | | |
| Payments to staff and suppliers | | 7,652 | 8,961 | 8,503 |
| Finance costs | | 31 | 298 | 248 |
| Internal charges and overheads applied | | 3,273 | 4,202 | 4,302 |
| Other operating funding applications | | - | - | 166 |
| **Total applications of operating funding (B)** | | 10,956 | 13,461 | 13,219 |
| | | | | |
| **Surplus (deficit) of operating funding (A - B)** | | (473) | (524) | 14 |
| | | | | |
| **Sources of capital funding** | | | | |
| Subsidies and grants for capital expenditure | | - | - | |
| Development and financial contributions | | - | - | - |
| Increase (decrease) in debt | | - | 367 | (78) |
| Gross proceeds from sale of assets | | - | - | - |
| Lump sum contributions | | - | - | - |
| Other dedicated capital funding | | - | - | - |
| **Total sources of capital funding (C)** | | - | 367 | (78) |
| | | | | |
| **Applications of capital funding** | | | | |
| Capital expenditure | | | | |
| - to meet additional demand | | - | - | - |
| - to improve the level of service | | - | - | (103) |
| - to replace existing assets | | - | - | - |
| Increase (decrease) in reserves | | (473) | (157) | 39 |
| Increase (decrease) of investments | | - | - | - |
| **Total applications of capital funding (D)** | | (473) | (157) | (64) |
| | | | | |
| **Surplus (deficit) of capital funding (C - D)** | | 473 | 524 | (14) |
| | | | | |
| **Funding balance ((A - B) + (C - D))** | | - | - | - |

## 6.3 COMMUNITY SERVICES AND FACILITIES

**What we do**

We provide recreational benefits and promote the social and environmental wellbeing of our communities. Community services and facilities activities include;

- Parks & Reserves (including Public Toilets and Cemeteries)
- Libraries
- Heritage
- Property
- Public Swimming Pools
- Waste Management and Minimisation
- Emergency Management

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**The level of service we will deliver**

The level of service was maintained as planned within this group of activities as outlined in the 2025-34 Long Term Plan (LTP).

**How the Community Services and Facilities group of activities helps deliver our community outcomes**

**Economically progressive**

- *Provide value for money from services, promotion and a great place to invest and do business, and;*
- *Financially sustainable decision making and work programmes.*

**Environmental champions**

- *Promote awareness and responsibilities.*

**Cultural champions**

- *Promote awareness and responsibilities.*

**Social wellbeing**

- *Great place to live, work, play and invest, and;*
- *High quality of life.*

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**Identified effects on community wellbeing**

The community services and facilities group of activities provide recreational benefit and promotes the social and physical wellbeing and engagement of our communities. Parks and reserves (including Public Toilets and Cemeteries), cycleways and swimming pools provide for physical and environmental wellbeing, while libraries, museums and housing for the elderly cater for social and cultural wellbeing.

The Waipā Community Facilities Trust (swimming pools, and Te Awamutu Events Centre) and Cambridge Town Hall Trust were established to ensure Levels of Service for our large facilities are maintained and enhanced.

**Statement of service performance: Community Services and Facilities**

What to expect from us:

**Parks, Reserves & Open Spaces**

- Provision of an adequate network of multi-purpose open spaces which provide for passive and active recreation and sporting activities.

**Playgrounds**

- Provision of an adequate network of playgrounds which provide for safe and stimulating play.

**Public Toilets**

- Provision of an adequate and accessible network of public toilets which meets the needs of the community and visitors while minimising public health risks and environmental impact, in a way that is most cost effective.

**Cemeteries**

- Provision of accessible cemeteries and interment services which meets the needs of the community.

**Libraries**

- Provision of library facilities with sufficient resources and services which provide the necessary support for the communities' learning and leisure needs.

**Property**

- Council is responsive to community requests related to Council owned and operated land and buildings.
- Council provides suitable housing for the elderly of limited financial means.
- Council provides suitable facilities to support social and recreational interaction.

**Heritage**

- The district's community and visitors are provided with appropriate opportunities to experience the district's heritage through interpretation, education and conservation delivered directly by Council and through partnerships.

**Public swimming pools**

- Safe and pleasant aquatic facilities are provided which offer a variety of casual and programmed activities which cater for the needs of the community.

**Waste management & minimisation**

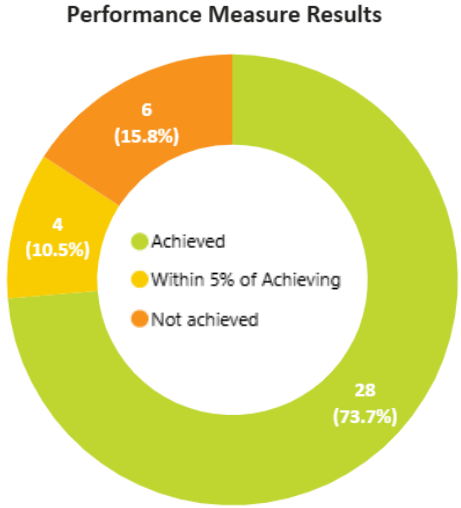
- Provision of an effective waste minimisation education programme.
- Provision of a convenient kerbside recycling service.

**Emergency Management**

- We remain suitably capable to provide a high-level response in the event of a Civil Defence Emergency.

**Statement of service performance overview**
This Group of Activity is responsible for 31 percent of Council's performance measures.

Refer to section 6.8 for detailed tracking against service performance measures.



## Capital expenditure table

| | Notes | 2024/25 Long-term Plan $000 | 2025/26 Long-term Plan $000 | 2025/26 Actual $000 |
|---|---|---|---|---|
| **To Meet Additional Demand** | | | | |
| Reserve Purchases - Developments | | - | - | 28 |
| Kotare Park Playground Reserve | | - | - | - |
| Playground Reserve Land CB North LTP Yr3 | | - | - | - |
| Cambridge North Land Acquisition and Development | 1 | 703 | 490 | - |
| C2 Reserves including Active | | - | 196 | - |
| C3 Reserves | 2 | - | 1,785 | - |
| C8 Hautapu Industrial Land Acquisition and Development | | 1,572 | - | - |
| T1 Land Acquistion | 3 | - | 932 | - |
| Ngahinapouri Land Acquistion and Development | | - | 29 | - |
| T8 Land Acquisition and Development: Structure Plan Areas | | - | - | (15) |
| **Total Capital Expenditure to Meet Additional Demand** | | 2,275 | 3,432 | 13 |
| **To Improve Level of Service** | | | | |
| Cambridge Town Belt Development | | - | - | - |
| Reserve Developments | | 179 | 18 | 6 |
| Karapiro Domain Improvements | | 86 | 280 | 86 |
| Peat Lake Programme | | 26 | 51 | 102 |
| Te Awamutu War Memorial Park | | - | - | - |
| Cambridge Water Tower - Upgrade | 4 | - | 660 | 123 |
| Roof replacement - TAW Event Centre | | - | 196 | - |
| 1070 Rewi Street, TA Development | | - | - | - |
| Pukemako A & B - Planning & Restoration | | 66 | 57 | 2 |
| Cycling - Te Awamutu/Ngaroto/Pirongia Connection | | - | - | 4 |
| Public Conveniences - New Toilet Blocks | | 57 | - | 4 |
| Lake Rotopiko - Heritage Development | | 57 | - | (26) |
| Lake Mangakaware - Restoration & Development | | 8 | 50 | 2 |
| Housing for the Elderly- Upgrade and New Buildings | | - | 362 | 478 |
| Sheehan Street Development Property | 5 | - | 1,100 | - |
| Erosion Control and Amenity Enhancement | | 187 | 58 | 3 |
| Design and Build Te Ara Wai | | 12,717 | - | - |
| District Wide Skateparks | | - | - | 5 |
| TAW Events Centre Air Heating Unit | | - | 29 | - |
| Resource Recovery Centre | 6 | 1,773 | 1,025 | 150 |
| Purchase of new investment property | | - | - | - |
| Lake Ngaroto Mgmt Plan Hertiage Restoration | | - | 176 | - |
| Leamington Domain Reserve Concept plans implementation | | - | - | - |
| Cambridge Town Pool Development | | - | - | - |
| Memorial Park | | 341 | - | 100 |
| Ngaroto Hertitage Restoration | | 34 | - | - |
| Te Awamutu Bypass | | - | 200 | - |

Explanation of capital expenditure variances between LTP and Actual

1. Land acquisition remains aligned to the development programme, with expenditure reprofiled to FY2027/28 to reflect revised delivery timing.
2. Development activities are currently limited to concept design, with physical works deferred. Associated expenditure has been reprofiled to future financial years.
3. Land acquisition for local purpose reserves has been completed; subsequent development activities have been rescheduled, with expenditure reprofiled to future financial years.
4. Additional time is being taken to consider community feedback and heritage implications for the Cambridge Water Tower Upgrade. Funding has been reprofiled to FY2026/27.
5. The Sheehan Street property development remains in the planning phase, with funding reprofiled to FY2027/28 to align with the revised delivery programme.
6. The Resource Recovery Centre remains dependent on the timing of the Matos Segedin Subdivision, with scope refinement underway. Expenditure has been reprofiled to future financial years.
7. Revised consenting timeframes have adjusted the Matos Segedin Drive Subdivision delivery programme, with associated funding reprofiled to FY2026/27.

| | Opening Balance 1 July 2025 $000 | Loan Repayments $000 | Loans Raised $000 | Closing Balance 30 June 2026 $000 | Interest $000 |
|---|---|---|---|---|---|
| Activity Loans | 58,280 | (2,987) | 2,489 | 57,782 | 2,621 |
| **Total** | 58,280 | (2,987) | 2,489 | 57,782 | 2,621 |

| | | | | |
|---|---|---|---|---|
| Matos Segedin Dr Subdivision | 7 | - | 1,553 | 209 |
| Cambridge Town Hall Upgrades | | - | 522 | 503 |
| Pirongia Halls Renewals and Upgrades | | - | 220 | - |
| Cambridge Town Hall Clock Tower Repairs | | - | - | 5 |
| Castleton Park | | 148 | - | - |
| Sports Fields Improvements | | 851 | - | - |
| Ngahinapouri Land Acquisition and Development | | - | - | - |
| Kihikihi Historic Precinct Renewals and Upgrades | | - | 75 | - |
| Te Awamutu Cemetery Building Renewals | | - | - | - |
| Property Development/Disposals | | - | 358 | - |
| Kihikihi Town Hall | | 81 | - | - |
| Lake Te Ko Utu | | 863 | 262 | 48 |
| Cemetery Capacity Developments | | 151 | - | 571 |
| Cemetery Improvements | | - | 654 | - |
| Cemetery Structure | | 86 | - | - |
| Collective Hydro Lakes | | 54 | - | - |
| Other Minor Assets | | - | - | (594) |
| Play provision outside of Structure Plans | | - | - | 10 |
| Automatic Gates For Urban Cemeteries | | - | - | 90 |
| Exhibition Planning, Design, Development and Install | | - | - | - |
| **Total Capital Expenditure to Improve Level of Service** | | 17,765 | 7,906 | 1,881 |
| **To Replace Existing Assets** | | | | |
| Karapiro/Arapuni Lakes Programme | | 162 | 95 | 34 |
| Housing for the Elderly Renewals | | 324 | 233 | - |
| Playground Equipment & Safety Surfaces Renewal | | 224 | - | - |
| Parks Structure Renewals | | 108 | - | - |
| Parks Renewals | | 325 | 1,158 | 1,103 |
| Plant Replacement - Mighty River Domain | | 7 | - | - |
| Parks Plant & Equipment Replacement | | 9 | - | - |
| Carpark Renewals | | 151 | 19 | - |
| Library Books Te Awamutu | | 191 | 182 | 186 |
| Library Books Cambridge | | 192 | 183 | 186 |
| District Pools Plant Renewals | | 114 | 259 | 321 |
| Cemeteries Renewals | | 19 | 55 | 33 |
| Public Conveniences Renewals | | 486 | 161 | 68 |
| Roof Replacement - Cambridge Menzshed | | - | - | 40 |
| Mighty River Domain Facility Renewals | | - | 105 | 24 |
| Te Awamutu Community Property Minor Assets | | - | - | 5 |
| Te Awamutu Little Theatre Repairs | | - | - | - |
| **Total Capital Expenditure to Replace Existing Assets** | | 2,312 | 2,450 | 2,000 |
| **TOTAL CAPITAL EXPENDITURE** | | **22,352** | **13,788** | **3,894** |

## Internal borrowing statement

| | Opening Balance 1 July 2025 $000 | Loan Repayments $000 | Loans Raised $000 | Closing Balance 30 June 2026 $000 | Interest $000 |
|---|---|---|---|---|---|
| Activity Loans | 58,280 | (2,987) | 2,489 | 57,782 | 2,621 |
| **Total** | 58,280 | (2,987) | 2,489 | 57,782 | 2,621 |

**Waipa District Council funding impact statement for year ended 30 June 2026 for Community Services and Facilities**

| | Notes | 2024/25 Long-term Plan $000 | 2025/26 Long-term Plan $000 | 2025/26 Actual $000 |
|---|---|---|---|---|
| **Sources of operating funding** | | | | |
| General rates, uniform annual general charges, rates penalties | | 20,285 | 25,043 | 25,152 |
| Targeted rates | | 7,248 | 9,947 | 9,991 |
| Subsidies and grants for operating purposes | | 22 | 299 | 90 |
| Fees and charges | | 4,678 | 6,793 | 7,281 |
| Internal charges and overheads recovered | | - | - | |
| Local authorities fuel tax, fines, infringement fees, and other receipts | | - | 40 | - |
| **Total sources of operating funding (A)** | | 32,233 | 42,122 | 42,514 |
| | | | | |
| **Applications of operating funding** | | | | |
| Payments to staff and suppliers | 1 | 24,444 | 27,313 | 25,906 |
| Finance costs | 2 | 750 | 3,692 | 2,621 |
| Internal charges and overheads applied | | 4,665 | 5,713 | 5,254 |
| Other operating funding applications | | 304 | 381 | 308 |
| **Total applications of operating funding (B)** | | 30,163 | 37,099 | 34,089 |
| | | | | |
| **Surplus (deficit) of operating funding (A - B)** | | 2,070 | 5,023 | 8,425 |
| | | | | |
| **Sources of capital funding** | | | | |
| Subsidies and grants for capital expenditure | | 1,340 | 176 | - |
| Development and financial contributions | | 2,800 | 1,344 | 1,421 |
| Increase (decrease) in debt | 3 | - | 5,129 | 1,602 |
| Gross proceeds from sale of assets | 4 | 1,758 | 8,576 | 813 |
| Lump sum contributions | | - | - | - |
| Other dedicated capital funding | | - | - | - |
| **Total sources of capital funding (C)** | | 5,898 | 15,225 | 3,836 |
| | | | | |
| **Applications of capital funding** | | | | |
| Capital expenditure | | | | |
| - to meet additional demand | | 2,275 | 3,432 | 13 |
| - to improve the level of service | | 17,765 | 7,906 | 1,881 |
| - to replace existing assets | | 2,312 | 2,450 | 2,000 |
| Increase (decrease) in reserves | | (14,384) | 6,460 | 8,367 |
| Increase (decrease) of investments | | - | - | - |
| **Total applications of capital funding (D)** | | 7,968 | 20,248 | 12,261 |
| | | | | |
| **Surplus (deficit) of capital funding (C - D)** | | (2,070) | (5,023) | (8,425) |
| | | | | |
| **Funding balance ((A - B) + (C - D))** | | - | - | - |

Explanation of funding impact statement operating variances between LTP and Actual

1. Decrease in operating expenditure mainly due to a reduction in employee benefits of $352,000 driven by vacant positions, lower recycling costs of $256,000, a reduction in costs for Te Ara Wai of $135,000 and residential housing of $96,000, it also includes lower cost associated with in vehicle reallocation costs of $127,000 due to less fleet vehicles.
2. A decrease in finance costs due to lower interest rates.
3. Lower than anticipated debt movement due to lower than capital spend during the financial year.
4. Decrease in proceeds of sale due to the timing on asset sales.

## 6.4 TRANSPORTATION

**What we do**
The Transportation group is the primary service provider for the provision of the local transport network including roads, footpaths and cycleways, as well as road safety interventions and education.

---

**The level of service we will deliver**
The level of service was maintained as planned within this group of activities as outlined in the 2025-34 Long Term Plan (LTP).

**How the Transport group of activities helps deliver our community outcomes**

**Economically progressive**

- *Financially sustainable decision-making.*
- *Provide economic stimulus through new infrastructure.*
- *Provide value for money from services, promotion and a great place to invest and do business.*

**Environmental champions**

- *Responsive to climate change.*

**Cultural champions**

- *Tangata whenua partnerships.*

**Social wellbeing**

- *High quality of life.*

---

**Identified effects on community wellbeing**

The transportation group of activities provides the means for the transport of goods and people throughout the district and provides major social and economic benefits. It connects communities to many destinations such as work, shopping, leisure, education, and entertainment.

Roads and footpaths require on-going maintenance and eventually renewal when they reach end of life. Roads are also the corridors for water, drainage, electricity supply and other utilities. In delivering road maintenance and utility services there may be disruption and effects caused to residents and road users through road closures, noise and dust generation. Although staff endeavour to minimise the negative impacts as much as possible and provide regular information about projects, parts of the community will always be inconvenienced in various ways.

During the 2025/2026 year, significant storm events washed out roads and bridges which cut off resident access. Temporary and permanent repairs were made to restore access in multiple locations.

Council continues to promote road safety initiatives and accessible forms of transport such as walking, cycling and public transport.

**Statement of service performance: Transportation**

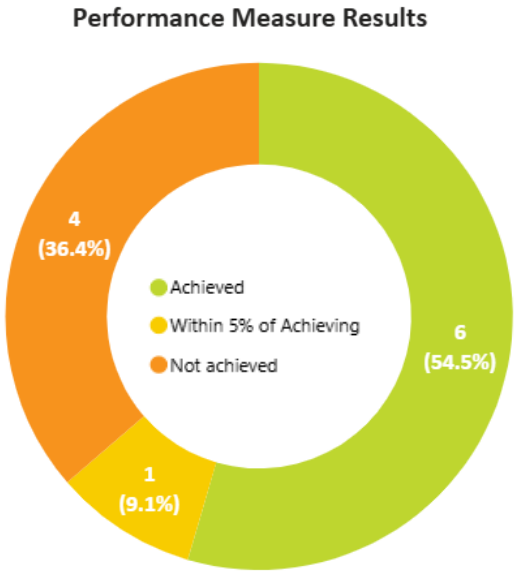
What to expect from us:

- Roads and road usage is managed to reduce the risk of harm to users.
- Provision of road and footpath networks which support usability and user comfort both now and in the future.
- We are responsive to roading issues raised by the community.
- Alternative transport options are available and user friendly.

**Statement of service performance overview**

This Group of Activity is responsible for 9 percent of Council's performance measures.

Refer to section 6.8 for detailed tracking against service performance measures.



**Capital expenditure table**

| | Notes | 2024/25 Long-term Plan $000 | 2025/26 Long-term Plan $000 | 2025/26 Actual $000 |
|---|---|---|---|---|
| **To Meet Additional Demand** | | | | |
| Cambridge Growth Cells (C1,C2 and C3) incls Land Purchase | 1 | 6,582 | 5,593 | 2,921 |
| Hautapu Structure Plan and Cycleway | 2 | 3,602 | 14,243 | 961 |
| Picquet Hill Plan Change Roading | 3 | - | 3,207 | 68 |
| Frontier Road Plan Change | | - | 291 | 139 |
| Cambridge Growth Cell C4/C11 | 1 | - | 4,484 | 2,026 |
| T11 and T9/T10 New Collector Road and Walkway | 3 | 1,207 | 2,600 | - |
| **Total Capital Expenditure to Meet Additional Demand** | | 11,391 | 30,418 | 6,115 |
| **To Improve Level of Service** | | | | |
| Seal Extensions | | 549 | - | - |
| New Footpaths | | 110 | 27 | (27) |
| Road to Zero Projects | | - | 92 | 68 |
| Town Concept Plans Implementation | | 439 | - | - |
| Stormwater Quality Improvements | | - | 27 | |
| Minor Improvements | | - | 521 | - |
| Street Light Improvements | | 165 | - | - |
| Cycling Projects District Wide | | 1,646 | 150 | 183 |
| Associated & Minor Improvements | | 1,081 | - | 78 |
| Te Reti Rd - Storm Damage | | - | - | 266 |
| EW Febraury Strom Event | 4 | - | - | 692 |
| **Total Capital Expenditure to Improve Level of Service** | | 3,990 | 817 | 1,260 |
| **To Replace Existing Assets** | | | | |
| Footpath Renewals | | 439 | 315 | 259 |
| Amenity Lighting Renewals | | 3 | 3 | 1 |
| Car Park Renewals | | 60 | 35 | - |
| Drainage Renewals | | 427 | 461 | 505 |
| Sealed Road Resurfacing | | 3,620 | 4,170 | 3,798 |
| Unsealed Road Metalling | | 66 | 65 | 3 |
| Pavement Rehabilitation | 4 | 1,972 | 3,260 | 2,235 |
| Structures Component Renewal | | 329 | 359 | 39 |
| Traffic Services Renewals | | 55 | 104 | 122 |
| Guardrail Renewals | | 60 | 65 | 14 |
| **Total Capital Expenditure to Replace Existing Assets** | | 7,031 | 8,837 | 6,976 |
| **TOTAL CAPITAL EXPENDITURE** | | **22,412** | **40,072** | **14,351** |

Explanation of significant capital variances between LTP and Actual

1. Cambridge Growth Cell expenditure has been reprofiled to future financial years to align with revised development and delivery timeframes.
2. Land acquisition timeframes at Hautapu have necessitated a staged delivery approach, enabling parts of the programme to proceed while acquisition matters are resolved. This has resulted in the overall programme being rescheduled, with associated expenditure reprofiled to future financial years. Council delivery is dependent on developer readiness and land acquisition timing. Associated expenditure has been reprofiled to future financial years to align with the revised programme.
3. Progression of these Te Awamutu Growth Cell projects remains dependent on land acquisition outcomes and development agreements. As acquisition negotiations have taken longer than anticipated, the delivery programme has been revised and associated expenditure reprofiled to future years.
4. Resources were redirected to weather and storm recovery works, resulting in pavement rehabilitation activities being rescheduled and associated funding reprofiled to future financial years

## Internal borrowing statement

| | Opening Balance 1 July 2025 $000 | Loan Repayments $000 | Loans Raised $000 | Closing Balance 30 June 2026 $000 | Interest $000 |
|---|---|---|---|---|---|
| Activity Loans | 17,869 | (4,904) | - | 12,965 | 813 |
| **Total** | 17,869 | (4,904) | - | 12,965 | 813 |

Explanation of funding impact statement operating variances between LTP and Actual

1. Increase in expenditure for minor events including $1 million for emergency works from the February storm event and $112,000 culvert repair from the November weather event, an increase in expenditure for sealed pavement maintenance of $427,000 offset by a reduction is employee benefits of $288,000 due to vacant positions.
2. Reduction in finance costs due to lower than anticipated interest rates and borrowings.
3. Increase in subsidies and grants of $4.7 million mainly due to external funding received from developer for C10 Victoria Road southern roundabout and new collector Road.
4. Development and financial contributions were higher than budget due to timing of developments.
5. Decrease in debt movement due to a reduction in capital spend and additional subsidies and grants received.

## Waipa District Council funding impact statement for year ended 30 June 2026 for Transportation

| | Notes | 2024/25 Long-term Plan $000 | 2025/26 Long-term Plan $000 | 2025/26 Actual $000 |
|---|---|---|---|---|
| **Sources of operating funding** | | | | |
| General rates, uniform annual general charges, rates penalties | | 14,668 | 16,269 | 16,320 |
| Targeted rates | | 530 | 60 | 54 |
| Subsidies and grants for operating purposes | | 3,890 | 4,466 | 4,931 |
| Fees and charges | | 1,412 | 1,306 | 1,445 |
| Internal charges and overheads recovered | | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | | - | 52 | - |
| **Total sources of operating funding (A)** | | 20,500 | 22,153 | 22,750 |
| **Applications of operating funding** | | | | |
| Payments to staff and suppliers | 1 | 10,417 | 11,595 | 12,801 |
| Finance costs | 2 | 432 | 4,296 | 813 |
| Internal charges and overheads applied | | 1,848 | 3,152 | 3,484 |
| Other operating funding applications | | - | - | 27 |
| **Total applications of operating funding (B)** | | 12,697 | 19,043 | 17,125 |
| **Surplus (deficit) of operating funding (A - B)** | | 7,803 | 3,110 | 5,625 |
| **Sources of capital funding** | | | | |
| Subsidies and grants for capital expenditure | 3 | 5,029 | 5,564 | 10,224 |
| Development and financial contributions | 4 | 9,732 | 2,658 | 4,691 |
| Increase (decrease) in debt | 5 | - | 25,363 | (4,737) |
| Gross proceeds from sale of assets | | - | - | - |
| Lump sum contributions | | - | - | - |
| Other dedicated capital funding | | - | - | - |
| **Total sources of capital funding (C)** | | 14,761 | 33,585 | 10,178 |
| **Applications of capital funding** | | | | |
| Capital expenditure | | | | |
| - to meet additional demand | | 11,391 | 30,419 | 6,115 |
| - to improve the level of service | | 3,990 | 817 | 1,260 |
| - to replace existing assets | | 7,031 | 8,836 | 6,976 |
| Increase (decrease) in reserves | | 152 | (3,377) | 1,452 |
| Increase (decrease) of investments | | - | - | - |
| **Total applications of capital funding (D)** | | 22,564 | 36,695 | 15,803 |
| **Surplus (deficit) of capital funding (C - D)** | | (7,803) | (3,110) | (5,625) |
| **Funding balance ((A - B) + (C - D))** | | - | - | - |

# 6.5 STORMWATER

**What we do**
We are the primary service provider for managing stormwater in urban areas. Council maintains all public rural drains in Waipa.

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**The level of service we will deliver**
The level of service was maintained as planned within this group of activities as outlined in the 2025-34 Long Term Plan (LTP).

**How the Stormwater group of activities helps deliver our community outcomes**

**Economically progressive**

- *Provide value for money from services and promotion;*
- *A great place to invest and do business.*

**Environmental champions**

- *Promote awareness and responsibilities.*

**Social wellbeing**

- *High quality of life.*

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**Identified effects on community wellbeing**

Effective Stormwater systems are important in managing the effects of high intensity rainfall in urban environments to avoid regular flooding. Some of our stormwater systems were designed in the 1950's and are insufficient to deal with the effects of the higher intensity rainfall events expected with climate change. Improvements to these systems are built into Council's Long-Term Plans and a District Wide Stormwater Comprehensive Consent application was lodged in 2022. Stormwater discharges from urban and industrial areas into rivers can also have potentially negative consequences for environment wellbeing, for example from oil or diesel spills. However, the likelihood of these occurrences is managed by dedicated Trade Waste Officers that work with commercial and industrial entities on a regular basis to ensure there are mechanisms in pace to minimise the likelihood of spills reaching the environment. Planning and monitoring is also underway to ensure Council maintains its current stormwater discharge consent.

**Statement of service performance: Stormwater**

What to expect from us:

- Provision of a safe and reliable stormwater system which minimises flooding and environmental impact.

**Statement of service performance overview**
This Group of Activity is responsible for 7 percent of Council's performance measures.

Refer to section 6.8 for detailed tracking against service performance measures.



**Capital expenditure table**

| | Notes | 2024/25 Long-term Plan $000 | 2025/26 Long-term Plan $000 | 2025/26 Actual $000 |
|---|---|---|---|---|
| **To Meet Additional Demand** | | | | |
| Cambridge Growth Cells (C1,C2 and C3) incls Land Purchase | 1 | 9,741 | 18,053 | 1,595 |
| Cambridge Deferred Residential Stormwater Works | | - | - | 32 |
| Hautapu Industrial Stormwater | 2 | - | 5,358 | 266 |
| Bond Road Stormwater Culvert | | - | - | 68 |
| C4 Stormwater Provision | | - | 419 | 204 |
| Kihikihi Stormwater Works | | - | 235 | 19 |
| **Total Capital Expenditure to Meet Additional Demand** | | 9,741 | 24,065 | 2,184 |
| **To Improve Level of Service** | | | | |
| Stormwater Upgrades | | - | - | - |
| Consent, Remedial and Flood Mitigation Work | 3 | 194 | 3,786 | 998 |
| **Total Capital Expenditure to Improve Level of Service** | | 194 | 3,786 | 998 |
| **To Replace Existing Assets** | | | | |
| Renewals | 4 | 1,177 | 2,403 | 798 |
| **Total Capital Expenditure to Replace Existing Assets** | | 1,177 | 2,403 | 798 |
| **TOTAL CAPITAL EXPENDITURE** | | **11,112** | **30,254** | **3,980** |

Explanation of significant capital variances between LTP and Actual

1. Cambridge Growth Cell expenditure has been reprofiled to future financial years to align with revised developer timing. For C1, land required for stormwater management remains subject to formal acquisition processes, resulting in expenditure being reprofiled to align with the updated programme.
2. Design delivery delays for the Hautapu Industrial Stormwater project have resulted in expenditure being reprofiled to FY2026/27.
3. Scope readiness not achieved in time for delivery. Associated funding reprofiled to future financial years.
4. Scope readiness not achieved in time for delivery. Associated funding reprofiled to future financial years.

| | Opening Balance 1 July 2025 $000 | Loan Repayments $000 | Loans Raised $000 | Closing Balance 30 June 2026 $000 | Interest $000 |
|---|---|---|---|---|---|
| Activity Loans | 1,298 | (136) | - | 1,162 | 59 |
| **Total** | 1,298 | (136) | - | 1,162 | 59 |

**Waipa District Council funding impact statement for year ended 30 June 2026 for Stormwater**

| | Notes | 2024/25 Long-term Plan $000 | 2025/26 Long-term Plan $000 | 2025/26 Actual $000 |
|---|---|---|---|---|
| **Sources of operating funding** | | | | |
| General rates, uniform annual general charges, rates penalties | | 451 | 450 | 474 |
| Targeted rates | | 5,509 | 7,260 | 7,284 |
| Subsidies and grants for operating purposes | | - | - | - |
| Fees and charges | | 4 | 16 | 2 |
| Internal charges and overheads recovered | | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | | - | 83 | - |
| **Total sources of operating funding (A)** | | 5,964 | 7,809 | 7,760 |
| | | | | |
| **Applications of operating funding** | | | | |
| Payments to staff and suppliers | 1 | 2,236 | 3,640 | 2,119 |
| Finance costs | | 2 | 3,881 | 59 |
| Internal charges and overheads applied | | 747 | 631 | 1,077 |
| Other operating funding applications | | - | - | - |
| **Total applications of operating funding (B)** | | 2,985 | 8,152 | 3,255 |
| | | | | |
| **Surplus (deficit) of operating funding (A - B)** | | 2,979 | (343) | 4,505 |
| | | | | |
| **Sources of capital funding** | | | | |
| Subsidies and grants for capital expenditure | | - | - | - |
| Development and financial contributions | 2 | 13,330 | 2,027 | 2,598 |
| Increase (decrease) in debt | 3 | - | 25,796 | 284 |
| Gross proceeds from sale of assets | | - | - | - |
| Lump sum contributions | | - | - | - |
| Other dedicated capital funding | | - | - | 20 |
| **Total sources of capital funding (C)** | | 13,330 | 27,823 | 2,902 |
| | | | | |
| **Applications of capital funding** | | | | |
| Capital expenditure | | | | |
| - to meet additional demand | | 9,741 | 24,066 | 2,184 |
| - to improve the level of service | | 194 | 3,786 | 998 |
| - to replace existing assets | | 1,177 | 2,403 | 798 |
| Increase (decrease) in reserves | | 5,197 | (2,775) | 3,427 |
| Increase (decrease) of investments | | | - | - |
| **Total applications of capital funding (D)** | | 16,309 | 27,480 | 7,407 |
| | | | | |
| **Surplus (deficit) of capital funding (C - D)** | | (2,979) | 343 | (4,505) |
| | | | | |
| **Funding balance ((A - B) + (C - D))** | | - | - | - |

Explanation of funding impact statement operating variances between LTP and Actual

1. Reduction in expenditure for district wide maintenance & district drainage of $646,000, district wide devices and structures management of $123,000 and district wide pipe condition and asset assessment of $117,000.
2. Development and financial contributions were higher than budget due to timing of developments.
3. Debt movement was lower due the reduction in capital spend.

## 6.6 WASTEWATER TREATMENT AND DISPOSAL

**What we do**

We provide a safe, effective and reliable system for managing wastewater in urban areas to maintain public health and protect land and waterways from contamination.

The wastewater treatment and disposal activity includes the reticulation network for the collection of sewage and trade waste and its treatment and disposal.

Wastewater treatment and disposal is a core service of Council and is recognised by our Significance and Engagement Policy. The Infrastructure Strategy outlines the strategic intent of this activity and this is supported by the Activity Management Plan.

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**The level of service we will deliver**

The level of service was maintained as planned within this group of activities as outlined in the 2025-34 Long Term Plan (LTP).

**How the Wastewater group of activities helps deliver our community outcomes**

**Economically progressive**

- *Provide economic stimulus through new infrastructure.*
- *Provide value for money from services and promotion and a great place to invest and do business.*

**Environmental champions**

- *Responsive to climate change.*

**Cultural champions**

- *Tangata whenua partnerships.*

**Social wellbeing**

- *High quality of life.*

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**Identified effects on community wellbeing**

Wastewater treatment and disposal is a cornerstone of public health. Waipa District Council continue to work closely with Waikato Regional Council and Iwi partners to ensure best for river outcomes. Council has a new 35 year wastewater discharge consent for the Cambridge wastewater treatment plant and construction of a new plant which was completed in June 2026. The Cambridge and Te Awamutu plants have been generally compliant over the past 12 months.

**Statement of service performance: Wastewater Treatment and Disposal**

What can you expect from us:

- Provision of a safe and reliable system for the treatment and disposal of wastewater, which minimises public health risks and
- Environmental impact, in a way that is most cost effective.

**Statement of service performance overview**

This Group of Activity is responsible for 7 percent of Council's performance measures.

Refer to section 6.8 for detailed tracking against service performance measures.



## Capital expenditure table

| | Notes | 2024/25 Long-term Plan $000 | 2025/26 Long-term Plan $000 | 2025/26 Actual $000 |
|---|---|---|---|---|
| **To Meet Additional Demand** | | | | |
| Cambridge Growth Cells (C1,C2 and C3) | 1 | - | 2,768 | 8 |
| Hautapu Industrial Wastewater | 1 | 421 | 2,675 | 139 |
| Cambridge Wastewater Treatment Plant Upgrades | 2 | 3,323 | 34,012 | 27,915 |
| Te Awamutu Wastewater Treatment Plant Upgrade | | 339 | 200 | 17 |
| District Wide Wastewater Pump Station Upgrades | | - | 1,046 | 621 |
| District Wide Wastewater Pipe Upgrades | 3 | - | 2,428 | 1,429 |
| Cambridge Wastewater Pipe Upgrades Stage 3 | | - | 350 | 2 |
| T11 Wastewater Provision | | - | 376 | - |
| Turere Lane WW PS Capacity Increase and Storage | | - | 568 | 84 |
| **Total Capital Expenditure to Meet Additional Demand** | | 4,083 | 44,423 | 30,215 |
| **To Improve Level of Service** | | | | |
| District Wide Waste Water Modeling | | - | 154 | 91 |
| Consent/Rehab Templeview WW Pomd Structures/Weir | | | 914 | 55 |
| Judd Lane Upgrade Storage | 4 | - | 1,122 | 154 |
| Turere Lane Pump Station Capacity & Storage | | 161 | - | - |
| District Wide Modelling and Condition Assessment | | 39 | - | 36 |
| **Total Capital Expenditure to Improve Level of Service** | | 200 | 2,190 | 336 |
| **To Replace Existing Assets** | | | | |
| Plant and Pumps | 5 | 1,076 | 3,059 | 1,811 |
| **Total Capital Expenditure to Replace Existing Assets** | | 1,076 | 3,059 | 1,811 |
| **TOTAL CAPITAL EXPENDITURE** | | **5,359** | **49,672** | **32,362** |

Explanation of significant capital expenditure variances between LTP and Actual

1. Growth cell delivery remains dependent on land acquisition, developer timing and the staged delivery of investment in Hautapu. Associated wastewater funding has been reprofiled to future years and will transition to WWL.
2. Cambridge Wastewater Treatment Plant expenditure was lower than budget due to delivery occurring earlier than planned, with spend brought forward into FY2024/25.
3. Scope changes and delayed receipt of the delivery programme have resulted in expenditure being reprofiled to FY2026/27 and transitioning to WWL.
4. Storage capacity delivery has been rephased to align with development demand and just-in-time delivery principles. Funding has been reprofiled to future years and transitions to WWL.
5. Scope refinements and revised delivery planning have resulted in expenditure being reprofiled to FY2026/27 and transitioning to WWL.

## Internal borrowing statement

| | Opening Balance 1 July 2025 $000 | Loan Repayments $000 | Loans Raised $000 | Closing Balance 30 June 2026 $000 | Interest $000 |
|---|---|---|---|---|---|
| Activity Loans | 53,823 | (1,398) | 16,887 | 69,312 | 2,460 |
| **Total** | 53,823 | (1,398) | 16,887 | 69,312 | 2,460 |

**Waipa District Council funding impact statement for year ended 30 June 2026 for Wastewater Treatment and Disposal**

| | Notes | 2024/25 Long-term Plan $000 | 2025/26 Long-term Plan $000 | 2025/26 Actual $000 |
|---|---|---|---|---|
| **Sources of operating funding** | | | | |
| General rates, uniform annual general charges, rates penalties | | 664 | - | 256 |
| Targeted rates | | 13,128 | 18,056 | 18,197 |
| Subsidies and grants for operating purposes | | | - | - |
| Fees and charges | | 1,421 | 1,555 | 1,475 |
| Internal charges and overheads recovered | | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | | - | 64 | - |
| **Total sources of operating funding (A)** | | 15,213 | 19,675 | 19,928 |
| | | | | |
| **Applications of operating funding** | | | | |
| Payments to staff and suppliers | | 7,449 | 8,422 | 8,207 |
| Finance costs | 1 | 288 | 5,364 | 2,460 |
| Internal charges and overheads applied | | 1,076 | 2,578 | 2,572 |
| Other operating funding applications | | - | - | - |
| **Total applications of operating funding (B)** | | 8,813 | 16,364 | 13,239 |
| | | | | |
| **Surplus (deficit) of operating funding (A - B)** | | 6,400 | 3,311 | 6,689 |
| | | | | |
| **Sources of capital funding** | | | | |
| Subsidies and grants for capital expenditure | | - | - | - |
| Development and financial contributions | 2 | 5,944 | 1,662 | 2,786 |
| Increase (decrease) in debt | 3 | - | 42,040 | 22,032 |
| Gross proceeds from sale of assets | | - | - | - |
| Lump sum contributions | | - | - | - |
| Other dedicated capital funding | | - | - | - |
| **Total sources of capital funding (C)** | | 5,944 | 43,702 | 24,818 |
| | | | | |
| **Applications of capital funding** | | | | |
| Capital expenditure | | | | |
| - to meet additional demand | | 4,083 | 44,422 | 30,215 |
| - to improve the level of service | | 200 | 2,190 | 336 |
| - to replace existing assets | | 1,076 | 3,059 | 1,811 |
| Increase (decrease) in reserves | | 6,985 | (2,658) | (855) |
| Increase (decrease) of investments | | - | - | - |
| **Total applications of capital funding (D)** | | 12,344 | 47,013 | 31,507 |
| | | | | |
| **Surplus (deficit) of capital funding (C - D)** | | (6,400) | (3,311) | (6,689) |
| | | | | |
| **Funding balance ((A - B) + (C - D))** | | - | - | - |

Explanation of funding impact statement operating variances between LTP and Actual

1. Finance costs less that budget due to lower interest costs and borrowings.
2. Development and financial contributions were higher than budget due to the timing of developments.
3. Debt movement was lower than budget due to lower capital spend and the utilisation of reserves.

## 6.7 WATER TREATMENT AND SUPPLY

**What we do**

The water treatment and supply group of activities includes all the services involved in abstracting, treating, storing and distributing water to users through the reticulation network.

We provide reticulated water supplies to Cambridge, Te Awamutu, Kihikihi, Pirongia, Ōhaupō, Pukerimu and Karāpiro and operate seven water treatment plants. We are responsible for maintaining water supply assets worth $232.6million including 607km of water pipes plus pump stations, reservoirs and treatment plants. Water infrastructure remains a significant challenge facing our district over the coming decade, particularly given our projected population growth.

Our water supply and treatment challenges are;

- Some of our water infrastructure is old and needs replacing.
- We have water pressure, taste and odour issues to resolve.
- Compliance with new resource consent conditions, including restrictions on how much water we can take from water sources.
- Compliance with new rules to protect the environment.
- Compliance with drinking water standards.

Council has developed a Three Waters Master Plan to inform the work programme for the water treatment and supply activity, along with stormwater and wastewater activities. The Master Plan operates in conjunction with the subregional three waters strategy, which was prepared by the Future Proof partnership to provide an overarching framework for the development and maintenance of the Three Waters network of the Waipā and Waikato districts and Hamilton City. Waipā is continuing to deliver the Smart Water demand management programme.

**The level of service we will deliver**

The level of service was maintained as planned within this group of activities as outlined in the 2025-34 Long Term Plan (LTP).

**How the Water Treatment and Supply group of activities helps deliver our community outcomes**

**Economically progressive**

- *Financially sustainable decision making.*
- *Provide economic stimulus through new infrastructure.*
- *Provide value for money from services and promotion and a great place to invest and do business.*

**Environmental champions**

- *Responsive to climate change.*

**Cultural champions**

- *Tangata whenua partnerships.*

**Social wellbeing**

- *High quality of life.*

**Identified effects on community wellbeing**

Growth within the district continues, and Council has completed significant scheduled infrastructure upgrades aimed at ensuring continuity of supply.

Demand is managed through universal water metering, and water education conservation strategies throughout the year, as well as imposing water alert restrictions across the district and sub-region in conjunction with partners Hamilton City Council.

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**Statement of service performance: Water treatment and supply**

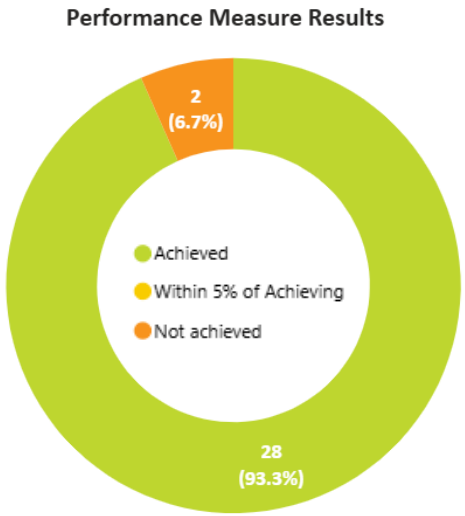
What can you expect from us:

- The community is provided with safe and wholesome drinking water within specified areas in a way that is most cost effective.
- The supply and demand are managed to ensure prudent use of water.

**Statement of service performance overview**

This Group of Activity is responsible for 26 percent of Council's performance measures.

Refer to section 6.8 for detailed tracking against service performance measures.



**Capital expenditure table**

| | Notes | 2024/25 Long-term Plan $000 | 2025/26 Long-term Plan $000 | 2025/26 Actual $000 |
|---|---|---|---|---|
| **To Meet Additional Demand** | | | | |
| T11 Water Provision | | - | 419 | 41 |
| Cambridge North to Hautapu Pipeline | 1 | - | 1,972 | 9 |
| Cambridge Growth Cells (C1,C2,C3,C4 and C7) | 1 | 1,377 | 2,168 | 558 |
| C4 Water Provision | | - | 335 | - |
| Pukerimu Water Supply | | 1,885 | - | - |
| Alpha Street Water Treatment Plant Upgrade | | 306 | - | - |
| Te Awamutu Internal CBD Rising Main | 2 | - | 991 | 2,692 |
| **Total Capital Expenditure to Meet Additional Demand** | | 3,568 | 5,885 | 3,300 |
| **To Improve Level of Service** | | | | |
| Te Awamutu Fire & Water LOS Service Upgrades | | 173 | - | 715 |
| Cambridge Fire & Water LOS Service Upgrades | | 710 | - | - |
| Parallel Rd Water Treatment Plant Upgrade | | - | - | 417 |
| Raw Water Main Renewal & Inlet Pump Installation | | - | - | 13 |
| District Wide Water Modelling | | 68 | 151 | 83 |
| WT Minor Equipment | | - | - | (185) |
| District Wide Zone Identification | | 155 | - | - |
| DiW Leak & Condition Investigation | | - | - | 7 |
| Cambridge Water Supply Fluoridation | | - | - | (87) |
| CD Emergency Water Costs | 3 | - | - | 1,023 |
| Alpha St Water Upgrade - BOF | | - | 1,274 | 1,537 |
| Alpha St Water Treatment Plant Upgrade | 4 | - | 8,900 | 358 |
| **Total Capital Expenditure to Improve Level of Service** | | 1,106 | 10,325 | 3,881 |
| **To Replace Existing Assets** | | | | |
| District Wide Water Main Renewals | | 4,560 | 1,855 | 1,103 |
| Connection and Meter Renewals | 5 | 368 | 1,171 | 95 |
| Kihikihi Bore Rehabilitation | | - | - | 321 |
| Wells Place Water Reservoir | | - | - | - |
| Reservoir Renewals | 6 | 4,362 | 7,750 | 1,103 |
| Plant & Pumps | 7 | 138 | 2,640 | 742 |
| **Total Capital Expenditure to Replace Existing Assets** | | 9,428 | 13,416 | 3,364 |
| **TOTAL CAPITAL EXPENDITURE** | | **14,102** | **29,626** | **10,545** |

Explanation of significant capital expenditure variances between LTP and Actual

1. Growth cell delivery remains dependent on land acquisition, developer readiness, and staged delivery at Hautapu. Funding has been reprofiled to FY2026/27 and transitions to WWL.
2. TA CBD and Fire LoS upgrade budgets were consolidated for concurrent delivery, resulting in a timing shift in expenditure.
3. Additional funding was required to deliver emergency storm recovery works.
4. The Alpha Street Water Treatment Plant upgrade has been reprofiled to FY2026/27 following affordability assessment that required revised procurement and delivery timeframes.
5. Renewal programme timing has resulted in expenditure being reprofiled to FY2026/27. Funding transitions to WWL. This budget is offset by the TA and CB meter renewals budgets.
6. Delivery of the Hautapu Reservoir and Wells Place renewals has been affected by land acquisition and unforeseen design requirements, with expenditure reprofiled accordingly.
7. Plant and pump renewal funding was reprioritised to support higher-priority works, with associated expenditure reprofiled to future years.

## Internal borrowing statement

| | Opening Balance 1 July 2025 $000 | Loan Repayments $000 | Loans Raised $000 | Closing Balance 30 June 2026 $000 | Interest $000 |
|---|---|---|---|---|---|
| Activity Loans | 33,146 | (1,201) | 5,413 | 37,358 | 1,497 |
| **Total** | 33,146 | (1,201) | 5,413 | 37,358 | 1,497 |

Explanation of funding impact statement operating variances between LTP and Actual

1. An increase in expenditure due to an increase in employee benefits of $389,000 and in increase in electricity costs of $257,000.
2. A decrease in finance costs due to lower interest rates.
3. Development and financial contributions were higher than budget due to the timing of developments.
4. Decrease in debt movement due to a reduction in capital spend.

## Waipa District Council funding impact statement for year ended 30 June 2026 for Water Treatment and Supply

| | notes | 2024/25 Long-term Plan $000 | 2025/26 Long-term Plan $000 | 2025/26 Actual $000 |
|---|---|---|---|---|
| **Sources of operating funding** | | | | |
| General rates, uniform annual general charges, rates penalties | | 530 | - | 66 |
| Targeted rates | | 13,825 | 21,099 | 21,093 |
| Subsidies and grants for operating purposes | | - | - | - |
| Fees and charges | | 601 | 452 | 306 |
| Internal charges and overheads recovered | | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | | - | - | - |
| **Total sources of operating funding (A)** | | 14,956 | 21,551 | 21,465 |
| **Applications of operating funding** | | | | |
| Payments to staff and suppliers | 1 | 7,401 | 9,240 | 9,893 |
| Finance costs | 2 | 517 | 2,690 | 1,497 |
| Internal charges and overheads applied | | 1,216 | 2,258 | 2,693 |
| Other operating funding applications | | 5 | 5 | - |
| **Total applications of operating funding (B)** | | 9,139 | 14,193 | 14,083 |
| **Surplus (deficit) of operating funding (A - B)** | | 5,817 | 7,358 | 7,382 |
| **Sources of capital funding** | | | | |
| Subsidies and grants for capital expenditure | | - | 1,274 | 1,537 |
| Development and financial contributions | 3 | 4,058 | 675 | 1,125 |
| Increase (decrease) in debt | 4 | - | 17,344 | 1,679 |
| Gross proceeds from sale of assets | | - | - | - |
| Lump sum contributions | | - | - | - |
| Other dedicated capital funding | | - | - | - |
| **Total sources of capital funding (C)** | | 4,058 | 19,293 | 4,341 |
| **Applications of capital funding** | | | | |
| Capital expenditure | | | | |
| - to meet additional demand | | 3,568 | 5,884 | 3,300 |
| - to improve the level of service | | 1,106 | 10,325 | 3,881 |
| - to replace existing assets | | 9,428 | 13,416 | 3,364 |
| Increase (decrease) in reserves | | (4,227) | (2,974) | 1,178 |
| Increase (decrease) of investments | | - | - | - |
| **Total applications of capital funding (D)** | | 9,875 | 26,651 | 11,723 |
| **Surplus (deficit) of capital funding (C - D)** | | (5,817) | (7,358) | (7,382) |
| **Funding balance ((A - B) + (C - D))** | | - | - | - |

## 6.8 SUPPORT SERVICES

**What we do**

This group provides a range of specialist skills and services to support the organisation to efficiently deliver services

Support Services activities include performance measures for;

- Information Services
- Customer Experience

Additionally, the Support Services group of activities is responsible for financial management, human resources, legal services, and business improvement and risk management functions which work closely with the other groups of activities to understand our business, community and statutory needs.

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**The level of service we will deliver**

The level of service was maintained as planned within this group of activities as outlined in the 2025-34 Long Term Plan (LTP).

**How the Support Services group of activities helps deliver our community outcomes**

**Economically progressive**

- *Provide value for money from services and promotion;*
- *A great place to invest and do business.*
- *Financially sustainable decision-making.*

**Environmental champions**

- *Support programmes.*

**Social wellbeing**

- *High quality of life.*
- *Great place to live, work and play and invest.*

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**Statement of service performance: Support Services**

What to expect from us:

- The community has enquiries completed at first resolution provided by Customer Support.
- The community has a positive experience when contacting council.

**Statement of service performance overview**

This Group of Activity is responsible for 3 percent of Council's performance measures.

Refer to section 6.8 for detailed tracking against service performance measures.

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## Capital expenditure table

| | Notes | 2024/25 Long-term Plan $000 | 2025/26 Long-term Plan $000 | 2025/26 Actual $000 |
|---|---|---|---|---|
| **To Improve Level of Service** | | | | |
| Buildings | | 971 | 2,109 | 2,142 |
| Computer Hardware Upgrades | | - | - | - |
| Computer Software Upgrades | 1 | - | 463 | (1,028) |
| **Total to Improve Level of Service** | | 971 | 2,572 | 1,114 |
| **To Replace Existing Assets** | | | | |
| Plant | | 832 | - | 287 |
| Buildings | | - | - | 7 |
| | | - | - | - |
| Computer Hardware Renewals | | 280 | 191 | 332 |
| Daphne Depo Renewals | | - | - | - |
| **Total to Replace Existing Assets** | | 1,112 | 191 | 626 |
| TOTAL CAPITAL EXPENDITURE | | 2,083 | 2,763 | 1,740 |

Explanation of significant capital expenditure variances between LTP and Actual

1. Actual spend for computer software including prior year costs has been reclassified as operating costs.

## Internal borrowing statement

| | Opening Balance 1 July 2025 $000 | Loan Repayments $000 | Loans Raised $000 | Closing Balance 30 June 2026 $000 | Interest $000 |
|---|---|---|---|---|---|
| Activity Loans | 14,276 | (1,078) | 2,240 | 15,438 | 652 |
| Development Contribution Loans* | 227,224 | (7,471) | 17,628 | 237,381 | 10,416 |
| **Total** | 241,500 | (8,549) | 19,868 | 252,819 | 11,068 |

**Waipa District Council funding impact statement for year ended 30 June 2026 for support services**

| | Notes | 2024/25 Long-term Plan $000 | 2025/26 Long-term Plan $000 | 2025/26 Actual $000 |
|---|---|---|---|---|
| **Sources of operating funding** | | | | |
| General rates, uniform annual general charges, rates penalties | | 251 | 199 | - |
| Targeted rates | | - | - | - |
| Subsidies and grants for operating purposes | | - | 435 | 48 |
| Fees and charges | | 68 | 62 | 62 |
| Internal charges and overheads recovered | | 17,945 | 29,793 | 27,089 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | | - | - | 354 |
| **Total sources of operating funding (A)** | | 18,264 | 30,489 | 27,553 |
| | | | | |
| **Applications of operating funding** | | | | |
| Payments to staff and suppliers | 1 | 16,334 | 30,642 | 27,032 |
| Finance costs | | 164 | 738 | 652 |
| Internal charges and overheads applied | | - | - | - |
| Other operating funding applications | | - | - | - |
| **Total applications of operating funding (B)** | | 16,498 | 31,380 | 27,684 |
| | | | | |
| **Surplus (deficit) of operating funding (A - B)** | | 1,766 | (891) | (131) |
| | | | | |
| **Sources of capital funding** | | | | |
| Subsidies and grants for capital expenditure | | - | - | - |
| Development and financial contributions | | - | - | - |
| Increase (decrease) in debt | | - | 4,095 | 3,396 |
| Gross proceeds from sale of assets | | 530 | - | 60 |
| Lump sum contributions | | - | - | - |
| Other dedicated capital funding | | - | - | - |
| **Total sources of capital funding (C)** | | 530 | 4,095 | 3,456 |
| | | | | |
| **Applications of capital funding** | | | | |
| Capital expenditure | | | | |
| - to meet additional demand | | - | - | - |
| - to improve the level of service | | 971 | 2,573 | 1,114 |
| - to replace existing assets | | 1,112 | 190 | 626 |
| Increase (decrease) in reserves | | 213 | 441 | 1,585 |
| Increase (decrease) of investments | | | - | - |
| **Total applications of capital funding (D)** | | 2,296 | 3,204 | 3,325 |
| | | | | |
| **Surplus (deficit) of capital funding (C - D)** | | (1,766) | 891 | 131 |
| | | | | |
| **Funding balance ((A - B) + (C - D))** | | - | - | - |

Explanation of funding impact statement operating variances between LTP and Actual

1. Decrease in expenditure of $3.9 million is mainly due to a decrease in consultancy costs of $2.9 million, a decrease in employee benefits of $1.6 million due to vacant positions and a decrease in software maintenance of $209,000 offset by an increase in agency staff expenditure of $925,000 mainly due Waikato Waters Transition and an increase for SaaS Maintenance of $436,000 which includes additional Microsoft licenses.

## 6.9 DETAILED TRACKING AGAINST SERVICE PERFORMANCE MEASURES

**This section provides the detailed results and variance explanations for our level of service performance measures.**

**Non-Financial Performance Summary**

A review of all performance measures was carried out, with a range of new targets and measures being developed as part of the Long Term Plan (LTP) 2025-2034 to show the standard of performance expected over the next ten years and the means by which we intend to measure that performance. Data is sourced from Resident Surveying, external data and our Customer Request Management system to monitor progress against the targets set out in the LTP.

**Resident Perception Survey Methodology**

The results of the survey are based on a 10-point satisfaction scale. The survey is a quota sample, designed to cover the important variables within the population. In reporting the results, the 'don't know' responses have been removed. At an aggregate level the survey has an expected 95 percent confidence interval (margin of error) of +/-4.7 percent.

**Key**



## Governance | Representation

| What you can expect from us | How we measure success | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|
| The Community have access to timely and accurate information. | The percentage of official information requests responded to within statutory timeframes. | 99.77 per cent | ≥99 per cent | 100 per cent | Achieved. |
| | Percent of respondents to residents' perception survey[7] who are satisfied with Council "for being transparent and communicating openly." | 15 per cent | ≥15 per cent | 21 per cent | Achieved. |
| We provide opportunities for our communities to engage with Council and participate in decision-making processes. | Percentage of respondents to residents' perception survey[8] who are satisfied with the opportunities provided to them to participate in Council decision making processes. | 15 per cent | ≥10 per cent | 15 per cent | Achieved. |

[7] From Waipa District Council Annual Resident Perception Survey result. Satisfied are those percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: "How would you rate Council for being transparent and communicating openly?".

[8] From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percentage of individuals who scored Council an 8-10 on the ten point survey scale. Full working of question: "How satisfied are you with the opportunities provided to you to participate in Council making decision processes?"

## Governance | Communications and Engagement

| What you can expect from us | How we measure success | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|
| We provide regular communication to the district enabling community sharing and engagement. | Respondents to the resident's perception survey who know where to find the latest information on Council activities and services.[9] | New measure for 2025/26 | ≥60 per cent | 64 per cent | Achieved. |
| | The percentage of growth of followers or subscribers to Council's digital channels.[10] | New measure for 2025/26 | ≥5 per cent | 12.6 per cent | Achieved. The result contributed to by a number of high-profile campaigns such as Elections and a State of Emergency. |
| We showcase how we're building champion communities. | Overall percent of respondents to residents' perception survey who have pride in their district[11]. | 55 per cent | ≥50 per cent | 54 per cent | Achieved. |

[9] From Waipā District Council Annual Resident Perception Survey result.

[10] Digital media channels include Instagram (Waipā NZ), Facebook (Waipā District Council, Home of Champions, Waipā Libraries, Te Awamutu Museum), Antenno.

[11] From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council an 8-10 on the ten-point survey scale. Full working of question: "How proud do you feel to be able to say that you live in this district?".

## Planning and Regulatory | Animal Control

| What you can expect from us | How we measure success | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|
| Animal control is managed in a way that ensures support is provided to both animals and the community in a timely manner. | The percentage of urgent dog attack allegations acted upon within one hour of Council being notified.[12] | 74.29 per cent | ≥95 per cent | 77.42 per cent | 77.42% of total service requests were responded to within an hour (31 requests overall) with seven not meeting target. These seven requests ranged from 1hr35min to 24hr12min with the median being 14hr18min. Results were impacted by the transition to the upgraded customer request management system, which affected data capture in the early stages. Improved request categorisation and ongoing staff training is improving this process. In addition, some delays occurred where coordination with external contractors was required, particularly in cases where offending dogs were unknown and immediate intervention options were limited. These issues are being actively managed. |

## Planning and Regulatory | Building Compliance

| What you can expect from us | How we measure success | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|
| We ensure that buildings, including earthquake-prone buildings, are safe and fit for purpose. | Building consent applications are processed within statutory timeframes.[13] | 98.54 per cent | ≥99 per cent | 98.75 per cent | A total of 1,445 Building Consents were granted throughout the 2025/26 financial year with an average processing timeframe of 12.09 working days. A total of 18 applications exceeded the statutory timeframe therefore narrowly missing the organisation's KPI target of 99% by |

[12] Urgent is defined as a dog attack on a human or other animal where the Council has been notified within 12 hours of the event. Acted upon is defined as a phone call or site visit.

[13] The Building Act 2004 states the time limit is "within 20 working days after receipt by the building consent authority of the application". The time it takes to process consents is measured according to Ministry of Business, Innovation & Employment, IANZ (International Accreditation New Zealand) and Ministry for the Environment guidelines as to the correct application of the Building Act 2004 and the Resource Management Act 1991 about when timing starts and stops.

| | | | | | |
|---|---|---|---|---|---|
| | | | | | 0.25%. This was due to a combination of factors, including staff annual, sick, and parental leave, recruitment delays, resourcing constraints following resignations and retirements, and isolated instances of human error. Despite this, the Building Consent Authority exceeded the 96% statutory performance threshold required to maintain its accreditation. |

## Planning and Regulatory | Development Engineering

| What you can expect from us | How we measure success | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|
| We are responsive to enquiries and requests for information. | Enquiries are responded[14] to within 10 working days. | 91.21 per cent | ≥95 per cent | 97.64 per cent | Achieved. |

[14] Responded to is defined as contact with the requestor (could include phone call or visit) to advise the outcome or findings of the investigation into the enquiry.

## Planning and Regulatory | Environmental Health

| What you can expect from us | How we measure success | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|
| We ensure the public sale and supply of alcohol is undertaken safely and responsibly. | All premises that sell alcohol are licensed. | 100 per cent | 100 per cent | 100 per cent | Achieved. |
| Noise and smoke control is provided to the community in a timely manner. | The percentage of excessive noise complaints investigated within 1 hour. | 78.50 per cent | ≥90 per cent | 68.37 per cent | A total of 705 noise complaints were received over the 2025/26 financial year of which 223 did not meet target. This measure has consistently tracked low. The current level of service measure does not reflect operational changes made to the after-hours contract that does not require all daytime calls to be attended, so these have been recorded as over time. The contract expires this year and will be re-tendered with revised performance measures. In addition, over 15 calls were to an address where staff are recommended to contact Police before attending. |
| | The percentage of smoke complaints investigated within 1 hour. | 84.62 per cent | ≥95 per cent | 86.96 per cent | A total of 23 smoke complaints were received over the 2025/26 financial year. The target was missed due to three requests not meeting the one-hour response time; the result was heavily influenced by external factors, including contractor system outages that affected the accurate recording of attendance. Given the low volume of smoke complaints, even a small number of delayed responses can skew the overall outcome. |
| Food premises maintain a high level of food safety. | All premises that sell food to the public are registered. | 99 per cent | ≥99 per cent | 100 per cent | Achieved. |

## Planning and Regulatory | Resource Consents, enforcement and land information memorandums

| What you can expect from us | How we measure success | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|
| We process all applications within agreed timeframes. | The percentage of Resource Consents processed within statutory timeframes[15]. | 98.78 per cent | ≥99 per cent | 99.00 per cent | Achieved. |
| | The percentage of LIMs processed within statutory timeframes. | 100 per cent | 100 per cent | 100 per cent | Achieved. |
| | The percentage of requests for general resource consent information and planning enquiries responded to within ten working days. | 90.00 per cent | ≥90 per cent | 96.40% | Achieved. |
| We ensure we investigate compliance with the District Plan when requested. | We respond[16] to requests to check compliance of the District Plan and land use consents within 4 working days. | 99.74 per cent | 100 per cent | 98.70 per cent | There have been 376 compliance requests received over the 2025/26 financial year, of which five were responded to outside of the four working days. For these five requests, two were civil matters where Council had no role to be involved and were responded to accordingly. A further two were jobs which required input from other teams following the initial assessment which were then actioned within reasonable timeframes. The fifth was a property with a safety alert applied, advising staff not to attend on their own, which resulted in an appropriate delay to the initial response. |

[15] The Resource Management Act 1991 states the time limit is "within 20 working days after receipt, if a hearing is not held". The time it takes to process consents is measured according to Ministry of Business, Innovation & Employment, IANZ (International Accreditation New Zealand) and Ministry for the Environment guidelines as to the correct application of the Building Act 2004 and the Resource Management Act 1991 about when timing starts and stops.

[16] Responded to is defined as contact with the requestor (could include email, phone call or visit) to advise the outcome or findings of the investigation into the enquiry.

| | | | | | |
|---|---|---|---|---|---|
| We complete the required safety inspections of swimming pools and associated barriers. | The percentage of residential pool barriers inspected in the last three years.[17] | New measure for 2025/26. | ≥95 per cent | 100 per cent | Achieved. |

## Community Services and Facilities | Parks and Reserves

[17] The Building requires all residential pool barriers to be inspected at least every 3 years for compliance.

| What you can expect from us | How we measure success | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|
| Provision of an adequate network of playgrounds which provide for safe and stimulating play. | Percentage of residents who are satisfied with playgrounds[18]. | 51 per cent | ≥45 per cent | 56 per cent | Achieved. |
| | Percentage of residents who have utilised playgrounds in the last 12 months[19]. | 40 per cent | ≥35 per cent | 40 per cent | Achieved. |
| Provision of an adequate network of multi-purpose open spaces which provide for passive and active recreation and sporting activities. | Percentage of residents who are satisfied with parks, reserves and open spaces[20]. | 56 per cent | ≥50 per cent | 59 per cent | Achieved. |
| | Percentage of residents who have utilised parks, reserves and open spaces in the last year[21]. | 84 per cent | ≥80 per cent | 86 per cent | Achieved. |
| Provision of an adequate and accessible network of public toilets which meets the needs of the community and visitors while minimising public health risks and environmental impact, in a way that is most cost effective. | Percentage of residents who are satisfied with public toilets[22]. | 33 per cent | ≥25 per cent | 33 per cent | Achieved. |
| Provision of accessible cemeteries and interment services which meets the needs of the community. | Percentage of residents who are satisfied with cemeteries[23]. | 47 per cent | ≥35 per cent | 47 per cent | Achieved. |

[18] From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: "How would you rate your overall satisfaction with each other the following facilities…Playgrounds?".

[19] From Waipā District Council Annual Resident Perception Survey result. Full working of question: "Which of the following facilities have you visited or used within the last year…Playgrounds?"

[20] From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: "How would you rate your overall satisfaction with each other the following facilities…Parks, reserves and open spaces?"

[21] From Waipā District Council Annual Resident Perception Survey result. Full working of question: "Which of the following facilities have you visited or used within the last year…Parks, reserves and open spaces?".

[22] From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: "How would you rate your overall satisfaction with each other the following facilities…Public toilets?".

[23] From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: "How would you rate your overall satisfaction with each other the following facilities…Cemeteries?".

## Community Services and Facilities | Libraries

| What you can expect from us | How we measure success | | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|---|
| Provision of library facilities with sufficient resources and services which provide the necessary support for the communities' learning and leisure needs. | Percentage of population who are active[24] library users | | 68.90 per cent | ≥60 per cent | 69.72 per cent | Achieved. |
| | Size of the Library collection compared to the LIANZA standard of 3 items per resident. | | 2.81 | 2.7 to 2.8 | 2.66 | The libraries do not have a facility that is large enough to be able to house the number of books to meet the 2.7 target. The Cambridge Library undertook a significant reduction exercise to remove old, duplicate or damaged books through May and June. This helped free up space and improve efficiency for the current library processes. Staff are working to assess a more accurate Level of Service target for the 2027-37 Long Term Plan. |
| | Percentage of customers who are satisfied with libraries[25]. | | 55 per cent | ≥55 per cent | 58 per cent | Achieved. |
| | Number of participants in library programmes. | Cambridge | 13,931 | ≥10,000 | 7,847 | Due to space and resource restrictions in the libraries, staff are focussing on less, but higher quality events. The programme calendar for the 2026/27 financial year is planned to increase the number of programme participants. |

[24] Active – library card used in past 2 years

[25] From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council an 8-10 on the ten-point survey scale. Full working of question: "How would you rate your overall satisfaction with each other the following facilities…The district's libraries?".

| | | | | | | |
|---|---|---|---|---|---|---|
| | | Te Awamutu | | ≥4,000 | 5,014 | Achieved. |
| | | Online | | ≥6,000 | 0 | The online programme was initially developed to enable provision of a programme during Covid Restrictions. With limited resourcing and budget, the decision has been made to focus on face-to-face programmes (which are preferred by customers). |

## Community Services and Facilities | Property Services

| What you can expect from us | How we measure success | | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|---|
| Council is responsive to community requests related to Council owned and operated Land and Buildings. | Percentage of urgent service requests[26] responded to within 24 hours of notification. | | New measure for 2025/26 | ≥95 per cent | 98.25 per cent | Achieved. |
| | Percentage of non-urgent service requests[27] responded to within 20 working days of notification. | | New measure for 2025/26 | ≥95 per cent | 95.95 per cent | Achieved. |
| Council provides suitable housing for the elderly of limited financial means. | Percentage of occupied housing for the elderly which meets minimum standards.[28] | | New measure for 2025/26 | ≥90 per cent | 100 per cent | Achieved. |
| | Percentage of occupied residential housing which meets minimum standards.[29] | | New measure for 2025/26 | ≥80 per cent | 100 per cent | Achieved. |
| | The average wait time for availability of housing for the elderly. | Te Awamutu | New measure for 2025/26 | ≤65 months | 6.0 months | Achieved. |
| | | Cambridge | New measure for 2025/26 | ≤24 months | 13.5 months | Achieved. |

[26] Urgent service requests defined as a health & safety or public safety issue.
[27] Non-urgent service requests defined as any other service request other than a health & safety or public safety issue.
[28] As per the standards set out in the Healthy Homes Act.
[29] As per the standards set out in the Healthy Homes Act.

| | | | | | |
|---|---|---|---|---|---|
| Council provides suitable facilities to support social and recreational interaction. | Percentage of Council owned buildings[30] that meet a minimum overall condition rating of 'good'.[31] | New measure for 2025/26 | ≥80 per cent | 46.0 per cent | Council owned buildings are assessed to provide a condition grade of the asset. The condition grade informs staff on what is required to the assets to ensure best practice asset management is achieved. A condition grade of 1 is said to be in a very good condition and a condition grade of 2 or more is said to be in very poor condition. Our subject matter experts have provided us with a 'desired range' for all building assets we own. To date, 36 out of the 78 buildings have been assessed and meet the 'good' range (1.5 CGI[32]). These are suitable and safe for staff accommodation and community use. Whilst the remaining 42 are still suitable and safe to be used, they need a condition assessment to enable best practice asset management to occur. |

[30] This includes all Council owned facilities except for housing for the elderly and residential housing which have measures specific to their purpose.
[31] Based on condition assessments carried out by third parties engaged by Council.
[32] Condition Grade Index

## Community Services and Facilities | Heritage

| What you can expect from us | How we measure success | | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|---|
| The district's community and visitors are provided with appropriate opportunities to experience the district's heritage through interpretation, education and conservation delivered directly by Council and through partnerships. | The percentage of visitors to the Te Awamutu Museum who were satisfied with their visit.[33] | | Not measured | ≥95 per cent | 94.25 per cent | The Museum reopened at Roche Street in October 2025. Exhibition development is aligned to existing Museum budgets and currently offers the first of three phases. As further exhibitions are developed, satisfaction is likely to increase accordingly. |
| | Number of annual visitors to key Heritage sites. | Te Awamutu Museum[34] | 3,765 | ≥4,000 | 5,429 | Achieved. |
| | | Pirongia Visitor Centre | 2,734 | ≥2.500 | 2,999 | Achieved. |
| | | Cambridge Museum | 6,415 | ≥4.800 | 6,559 | Achieved. |
| | Usage of Te Ara Wai Journeys website[35]. | | 12,180 | ≥12,000 | 10,497 | Numbers continue to hold steady. With the lack of a dedicated marketing budget for Te Ara Wai Journeys, promotion is limited to visitors to the Te Awamutu Museum, social media platforms and brochure distribution. |

[33] As identified through the Museum's survey questionnaire.

[34] Excludes school students visiting the museum as part of the LEOTC programme.

[35] Number of individual Te Ara Wai Journeys website sessions.

| | | | | | |
|---|---|---|---|---|---|
| | The number of school students experiencing Heritage based education through the ELC[36] programme. | 4,915 | ≥3,900 | 2,974 | The Ministry of Education contract has an ELC target aligned to the school calendar year. The participation data is currently on track to reach the goal of 3900 students by year end. |
| | Percentage of residents who are satisfied with the Te Awamutu Museum.[37] | New measure for 2025/26 | ≥30 per cent | 32 per cent | Achieved. |
| | Percentage of residents who are satisfied with the Cambridge Museum.[38] | New measure for 2025/26 | ≥30 per cent | 40 per cent | Achieved. |

[36] Enriched Learning Curriculum.

[37] From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council an 8-10 on the ten point survey scale. Full wording of question: 'How would you rate your overall satisfaction with each of the following facilities…Te Awamutu Museum?'

[38] From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council an 8-10 on the ten point survey scale. Full wording of question: 'How would you rate your overall satisfaction with each of the following facilities…Cambridge Museum?'

## Community Services and Facilities | Public Swimming Pools

| What you can expect from us | How we measure success | | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|---|
| Safe and pleasant aquatic facilities are provided which offer a variety of casual and programmed activities which cater for the needs of the community. | The percentage of users satisfied with swimming pool services (via survey mechanism). | Te Awamutu | 78 per cent | ≥80 per cent | 78 per cent | New software for the Swim Waipā programme represented a change for users – specifically payment options traditionally used such as eftpos and cash. Booking these programmes are now completed online. Waipa Community Facilities Trust are reviewing this software to improve user experience. |
| | | Cambridge | 75 per cent | ≥80 per cent | 78 per cent | New software for the Swim Waipā programme represented a change for users – specifically payment options traditionally used such as eftpos and cash. Booking these programmes are now completed online. Waipa Community Facilities Trust are reviewing this software to improve user experience. |
| | The number of admissions per annum.[39] | Te Awamutu | 140,063 | ≥135,000 | 148,905 | Achieved. |
| | | Cambridge | 188,858 | ≥160,000 | 195,347 | Achieved. |
| | The percentage of compliance with water quality standards. (no. of tests compliant). | Te Awamutu | 95.60 per cent | ≥85 per cent | 93.75 per cent | Achieved. |
| | | Cambridge | 93.74 per cent | ≥85 per cent | 93.02 per cent | Achieved. |

[39] Results previously provided as a combined total, now split by site.

## Community Services and Facilities | Waste Management and Minimisation

| What you can expect from us | How we measure success | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|
| Provision of an effective waste minimisation education programme. | Number of face-to-face participants in the waste minimisation programme. | 2,489 | ≥1,800 | 2,049 | Achieved. |
| Provision of a convenient kerbside recycling service. | Annual average quantity (kg) of recycled material per household.[40] | 154.83 kg | 130 – 140 kg | 124.05 | Lower volume of recyclable material collected through the kerbside than anticipated. One contributing factor is contamination in recycling bins reduced the amount of recyclable material recovered. Council will continue to focus on reducing contamination and encouraging correct recycling to improve this result. |
| | Number of residents satisfied with the kerbside recycling service.[41] | 54 per cent | ≥40 per cent | 54 per cent | Achieved. |

[40] Household defined as: a property rated for recycling.

[41] From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale.

## Community Services and Facilities | Emergency Management

| What you can expect from us | How we measure success | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|
| We remain suitably capable to provide a high level[42] response in the event of a Civil Defence Emergency. | Percentage scored in an emergency response annual evaluation exercise[43]. | 58 per cent | >60% (Advancing) | >60 per cent | There were two full activations of the Western Waikato EOC during 2025/26. The 14 February 2026 weather event sudden onset review highlighted gaps and opportunities in accessing trained staff and initial setup (technology). The second full EOC activation event was for Cyclone Vaianu on 11 April 2026 was rated as high standard achieving this LOS measure. Overall assessment of both full EOC activation events measured as advancing. |
| | Percentage of staff trained working in the Emergency Operating Centre to an intermediate level[44]. | New measure for 2025/26 | ≥95 per cent | 100 per cent | Achieved. As of 30 June 2026, there were 55 Waipā District Council staff trained to work in the EOC, with all 55 having attained the Intermediate level of training threshold (or above). |

[42] High level is considered to be Advancing or Mature score. Scores are based on the CDEM Capability Scoring Guide & Capability level.

[43] Council will be assessed on the capability shown during the exercise and scored a percentage based on the CDEM Capability Scoring Guide & Capability level: Unsatisfactory = 0-20 per cent, Early Developing = 21-40 per cent, Late Developing = 41-60 per cent, Advancing = 61-80 per cent, Mature = 81-100 per cent.

[44] In accordance with the Integrated Training Framework recognised by the National Emergency Management Agency.

## Transportation

| The service we provide | How we measure success | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | |
|---|---|---|---|---|---|
| Roads and road usage is managed to reduce the risk of harm to users. | Fatal and serious Injuries per 100,000 population. | New measure for 2025/26. | ≤39 | 41.8 | This is a new measure for the 2025/26 financial year. The result of 41.8 is higher than the required target of 39 or less. Contributing factors to this being higher than the target are that injury numbers fluctuate each year, but the trend is for a gradual reduction since 2020. |
| | Fatal and serious Injuries per 100m vehicle kilometres travelled. | New measure for 2025/26. | ≤6.0 | 6.1 | This is a new measure for the 2025/26 financial year. This result of 6.1 is higher than the required target of 6.0 or less. Contributing factors to this being higher than the target are that injury numbers fluctuate each year, but the trend is for a gradual reduction since 2020. |
| | The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.[45] [M] | 1 less | ≤1 | 4 more | The result for 2025/26 was 26 fatal or serious injury crashes which is four more than the prior year. Crash and injury numbers fluctuate each year. |
| Provision of road and footpath networks which support usability and user comfort both now and in the future. | The percentage of the sealed local road network that is resurfaced.[46] [M] | 60.41 per cent | >70 per cent | 62.71 per cent | A significant storm event in February 2026 required council staff and contractor resources to respond and reopen impacted roads and bridges. Some of the planned resealing work was postponed as a result, both to focus on the recovery but also to reserve funding should it be required to cover damage costs. This led to approximately 8km of resealing being postponed to a future year and the LTP target not being met. |

[45] The source of the data (NZTA Crash Analysis System (CAS)); the measure is based on the number of fatal and serious injury cases within the Waipa District local road network excluded the highway road etc.

[46] Total km of road sealed during the current financial year as compared to the average annual target set in the Asset Management Plan. The measure is calculated as the total kilometres of sealed local road resurfaced during the current financial year divided by the average annual target in the Asset Management Plan of 82.6 centre-line kilometres. During 2025/26, Council resurfaced 51.838 km of sealed local road, resulting in achievement of 62.71% of the annual target.

| The service we provide | How we measure success | | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | |
|---|---|---|---|---|---|---|
| | The percentage of footpaths whose condition meets the desired minimum standard for condition.[47] [M] | | 99.06 per cent | ≥97 per cent | 94.89 per cent | Footpath condition surveys are done every 3-4 years. The Survey in 2025 was by a different supplier. This has caused a significant shift in this performance measure. Technical staff are reviewing the results to see whether moderation is required to better align classifications with past surveys, at which time we will be able to confirm a result. |
| | Length (km) of network which remains unsealed. | | 38.9km | <39.1 | 38.0km | Achieved. |
| | The percentage of vehicle kilometres travelled on smooth sealed local roads.[48] [M] | | 94 per cent | ≥90 per cent | 96 per cent | Achieved. |
| We are responsive to roading issues raised by the community. | The per cent of customer service requests relating to roads & footpaths within the time frame specified in the Long Term Plan.[49] [M] | | 92.75 percent | ≥90 per cent | 96.59 per cent | Achieved. |
| Alternative transport options are available and user friendly. | Usage of the ratepayer funded | Bus[50] | 282,351 | >225,000 | 317,841 | Achieved. |

[47] Full wording of mandatory measure is: The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan). For Council this is based on a five point scale (excellent, good, average, poor and very poor) the percentage will be the length of footpath recorded as average, good or excellent condition grade.

[48] Full wording of mandatory measure is: The average quality of ride on a sealed local road network, measured by smooth travel exposure.

[49] Full wording of mandatory measure is: The percentage of customer service requests relating to roads & footpaths to which the territorial authority responds (resolving the issue) within the time frame specified in the long term plan – 10 working days. A response commences from the time the Council receives the request. "Responded to" (i.e. stopped the clock) is defined as the completion of the Customer Request Module (CRM) investigated event. The point at which a CRM is expected to be marked as investigated varies based on its nature. In general, a CRM is deemed investigated following the Council's initial action on the CRM. When a CRM is assigned to an external contractor for action, it is considered investigated. If assigned internally, the initial site visit or phone call to the customer to gather further information would be deemed as CRM investigated.

[50] Te Awamutu and Cambridge services to Hamilton.

| The service we provide | How we measure success | | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | |
|---|---|---|---|---|---|---|
| | passenger transport services | Total Mobility | 6,420 | >3,400 | 7,704 | Achieved. |
| | Length of dedicated cycling facilities within the road corridor[51] | | 46.98km | >47km | 47.68km | Achieved. |

## Stormwater

| The service we provide | How we measure success | | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|---|
| Provision of a safe and reliable stormwater system which minimises flooding and environmental impact in a way that is most cost-effective. | The number of complaints (per 1,000 properties connected) received about the performance of the stormwater system.[52] [M] | | 3.86 | ≤10 | 4.59 | Achieved. |
| | Compliance with the resource consents for discharge from the stormwater system.[53] | Number of Abatement notices [M] | 0 | 0 | 0 | Achieved. |
| | | Number of Infringement notices [M] | 0 | 0 | 0 | Achieved. |

[51] Defined as cycleways which are within the road corridor, but which are separate to the actual road, this includes cycleways which are designed to be shared by pedestrians and mobility device users.

[52] Full wording of mandatory measure is: The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.

[53] Full wording of mandatory measure is: Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: (a) abatement notices; and (b) infringement notices; and (c) enforcement orders; (d) successful prosecutions, received by the territorial authority in relation to those resource consents.

| The service we provide | How we measure success | | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|---|
| | | Number of Enforcement orders [M] | 0 | 0 | 0 | Achieved. |
| | | Number of Convictions [M] | 0 | 0 | 0 | Achieved. |
| | The number of flooding events in the district.[54] [M] | | 0 | <5 | 0 | Achieved. |
| | For each flooding event, the number of habitable floors affected (per 1,000 properties connected).[55] [M] | | 0 | <0.09 | 0 | Achieved. |
| | The median response time (hours) to attend a flooding event from the time that notification is received.[56] [M] | | No flooding events. | 2 hours | No flooding events. | Achieved. |

During 2025/26, the district experienced a significant weather event that resulted in localised impacts and was managed as a civil defence event. While the impacts of this event are discussed elsewhere in this Annual Report, management assessed the event against the Department of Internal Affairs' mandatory stormwater performance measure requirements and associated guidance. The damage was not caused by a failure of Council's stormwater system and occurred in an area where Council does not provide stormwater services. No overflow from Council's stormwater system was identified as entering a habitable floor. The event has therefore not been treated as a reportable flooding event for the purposes of this stormwater performance measure.

[54] Full wording of mandatory measure is: The number of flooding events that occur in a territorial authority district. The DIA measure definition of a flooding event is 'an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor'.

[55] Full wording of mandatory measure is: For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the territorial authority's stormwater system).

[56] Full wording of mandatory measure is: The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.

## Wastewater Treatment and Disposal

| The service we provide | How we measure success | | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|---|
| Provision of a safe and reliable system for the treatment and disposal of wastewater which minimises public health risks and environmental impact, in a way that is most cost-effective. | The number of dry weather sewerage overflows.[57] [M] | | 0.21 | <1 | 0.14 | Achieved. |
| | Compliance with consents for discharge from the sewerage system.[58] | Number of Abatement notices [M] | 0 | 0 | 0 | Achieved. |
| | | Number of Infringement notices [M] | 0 | 0 | 0 | Achieved. |
| | | Number of Enforcement orders [M] | 0 | 0 | 0 | Achieved. |
| | | Number of Convictions [M] | 0 | 0 | 0 | Achieved. |
| | The median response time for call-outs in response to a | The time (hours) from notification for service personnel to reach the site. [M] | 0.53 hours | 2 hours | 0.04 hours | Achieved. |
| | | The time (hours) from notification that resolution of | 1.90 hours | 6 hours | 2.01 hours | Achieved. |

[57] Full wording of mandatory measure is: The number of dry weather sewerage overflows from the territorial authority's sewerage system expressed per 1000 sewerage connections to that sewerage system. A dry weather overflow is when an overflow occurs with less than 1mm of rain within 24 hours.

[58] Full wording of mandatory measure is: Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: (a) abatement notices, (b) infringement notices, (c) enforcement orders, (d) convictions received by the territorial authority in relation to those resource consents.

| The service we provide | How we measure success | | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|---|
| | sewerage overflow.[59] | a blockage or other fault. [M] | | | | |
| | The number of complaints received about any of the following: odour, system faults, blockages, and the response to any of these issues.[60] [M] | | 2.61 | <10 | 3.43 | Achieved. |

[59] Full wording of mandatory measure is: Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: (a) Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, (b) Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.

[60] Full wording of mandatory measure is: The total number of complaints received by the territorial authority about any of the following (expressed per 1000 connections to the territorial authority's sewerage system): Sewerage odour, sewerage system faults, sewerage system blockages, territorial authority's response to issues with its sewerage system.

## Water Treatment and Supply

| The service we provide | How we measure success | | | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|---|---|
| The community is provided with safe and wholesome drinking water within specified areas in a way that is most cost effective. | The extent to which the local authority's drinking water supply complies with the drinking-water quality assurance rules.[61] | Water Treatment Plants – compliance with bacteriological criteria [M] | Alpha Street | C | C | C | Achieved. |
| | | | Frontier Road | C | C | C | Achieved. |
| | | | Karāpiro | C | C | C | Achieved. |
| | | | Parallel Road (Membrane Plant) | C | C | C | Achieved. |
| | | | Rolleston Street | C | C | C | Achieved. |
| | | | Te Tahi | C | C | C | Compliant up to 13 Feb 2026. No longer active from this date due to a significant weather event. |
| | | Water Treatment Plants – compliance with protozoal criteria [M] | Alpha Street | C | C | C | Achieved. |
| | | | Frontier Road | C | C | C | Achieved. |
| | | | Karāpiro | C | C | C | Achieved. |
| | | | Parallel Road (Membrane Plant) | C | C | C | Achieved. |
| | | | Rolleston Street | C | C | C | Achieved. |

[61] Under the Water Services Authority – Taumata Arowai regulatory framework the treatment plants and schemes within Waipā are deemed large supplies. They are therefore subject to level 3 Bacterial, Protozoal, and Distribution Zone reporting. The measured result is either compliant ('C') or non-compliant ('NC').

| The service we provide | How we measure success | | | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|---|---|
| | | | Te Tahi | C | C | C | Compliant up to 13 Feb 2026. No longer active from this date due to a significant weather event. |
| | | Network zones – compliance [M] | Cambridge | C | C | C | Achieved. |
| | | | Kihikihi | C | C | C | Achieved. |
| | | | Pirongia | C | C | C | Achieved. |
| | | | Pukerimu (incl. Ōhaupō) | C | C | C | Achieved. |
| | | | Te Awamutu | C | C | NC | Distribution Zone did not fully meet the requirements throughout the months of July 2025 and November 2025 due to E. coli samples being missed, which meant that the sample required per week was missed, and exceedance of the maximum interval. |
| The community is provided with safe and wholesome drinking water within specified areas in a way that is most cost effective. | Median response time for call-outs in response to a fault or unplanned interruption to the network.[62] | | Attendance for urgent call-out from the time of notification. (hours)[63] [M] | 0.52 hours | 2 hours | 0.42 hours | Achieved. |
| | | | Resolution of urgent call-outs from the time of notification (hours).[64] [M] | 1.58 hours | 6 hours | 2.07 hours | Achieved. |

[62] Full wording of measure is: Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response time measured.

[63] Full wording of mandatory measure is: Attendance for urgent call-outs: from the time the local authority receives notification to the time that service personnel reach the site.

[64] Full wording of mandatory measure is: Resolution of urgent call-outs: from the time the local authority receives notification to the time service personnel confirm resolution of the fault or interruption.

| The service we provide | How we measure success | | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|---|
| | | Attendance for non-urgent call-outs from the time of notification (days)[65] [M] | 0.89 days | 2 days | 0.80 days | Achieved. |
| | | Resolution of non-urgent call-outs from the time of notification (days)[66] [M] | 0.99 days | 10 days | 0.87 days | Achieved. |
| | The total number of complaints (per 1,000 connections) received about any of the following: Drinking water clarity, taste, odour, pressure or flow, continuity of supply, and the response to any of these issues.[67] [M] | | 12.80 | <15 | 34.6 | The customer request system was upgraded in September 2025. The new system has enabled improved categorisation of customer requests. This has resulted in an increase in requests that can be accurately identified as being a complaint. The target will be re-evaluated as part of the development of the 2027-37 LTP. |
| Water supply and demand is managed to ensure prudent use of water. | | Cambridge & Karāpiro | 8per cent | <12 per cent | 4 per cent | Achieved. |
| | | Te Awamutu & Pirongia | 7 per cent | <12 per cent | 11 per cent | Achieved. |
| | | Kihikihi | 11.4 per cent | <20 per cent | 16 per cent | Achieved. |

[65] Full wording of mandatory measure is: Attendance for non-urgent call-outs: from the time the local authority receives notification to the time that service personnel reach the site.

[66] Full wording of mandatory measure is: Resolution of non-urgent call-outs: from the time the local authority receives notification to the time service personnel confirm resolution of the fault or interruption.

[67] Full wording of the measure is: The total number of complaints received by the local authority about any of the following (expressed per 1000 connections to the local authority's networked reticulation system): Drinking water clarity, drinking water quality, drinking water taste, drinking water odour, drinking water pressure or flow, continuity of supply, the local authority's response to any of these issues.

| The service we provide | How we measure success | | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|---|
| | The percentage of real water loss from the networked reticulation system.[68] [69] [M] | Ōhaupō & Pukerimu | 12.9 per cent | <20 per cent | 18 per cent | Achieved. |
| | The average consumption of drinking water per day per resident.[70] [M] | Cambridge & Karāpiro | 176 | 190 | 167 | Achieved. |
| | | Te Awamutu & Pirongia | 168 | 190 | 166 | Achieved. |
| | | Kihikihi | 187 | 190 | 170 | Achieved. |
| | | Ōhaupō & Pukerimu | 198 | 190 | 177 | Achieved. |

[68] Full wording of the mandatory measure is: The percentage of real water loss from the local authority's networked reticulation system.

[69] Water loss calculations determine any 'unknown' water usage, this includes any illegal hydrant takes/theft, or any leakage. Council calculates its leakage based upon the IWA (International Water Association) water loss calculation. The calculation involves estimates for both volumes produced and utilised. The measure identifies that treated-water volumes are sourced from SCADA through Water Outlook and customer consumption is sourced from Ci meter readings.

[70] Full wording of the mandatory measure is: The average consumption of drinking water per day per resident within the territorial authority district.

## Support Services | Information services

| The service we provide | How we measure success | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|
| The online services Council provides are reliable. | Availability of Council website and online forms[71]. | 100 per cent | ≥99 per cent | 100 per cent | Achieved. |

## Support Services | Customer Support

| The service we provide | How we measure success | Actual for 2024/25 | Target for 2025/26 | Actual for 2025/26 | Comment |
|---|---|---|---|---|---|
| The community has enquiries completed at first resolution provided by Customer Support. | Percentage of query calls received by Customer Support resolved at the time. | 71.49 per cent | ≥80 per cent | 85.22 per cent | Achieved. |
| | Percentage of query emails received by Customer Support resolved at the time. | 83.86 per cent | ≥80 per cent | 99.98 per cent | Achieved. |
| The community has a positive experience when contacting Council. | Percentage of respondents to residents' perception survey who are satisfied with how their enquiry or complaint has been handled[72]. | 52 per cent | ≥35 per cent | 47 per cent | Achieved. |

[71] www.Waipadc.govt.nz and eservices.Waipadc.govt.nz sites only.

[72] From Waipā District Council Annual Resident Perception Survey result. Satisfied are those per cent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: "Overall, how satisfied are you with how your complaint or query was handled?"

## 6.10 SERVICE PERFORMANCE JUDGEMENTS AND ASSUMPTIONS

In the preparation of the Statement of Service Performance, Waipā District Council has made the following judgements in the selection of our performance measures:

- We have reflected on the extent to which the levels of service we plan to provide to the community were best captured by performance measures.
- Considerations have been given to the views expressed by our residents and ratepayers. This includes feedback relevant to the levels of service and performance measures received throughout the LTP consultation process.
- We have ensured that the performance measures adequately inform progress towards delivering the outcomes in our LTP.

Under the Local Government Act 2002 we are mandated to provide standard performance measures so that the public may compare the level of service provided in relation to the following group of activities: Governance, Planning and Regulatory, Community Services and Facilities, Transportation, Stormwater, Wastewater Treatment and Disposal, Water Treatment and Supply and Support Services. We are also required to demonstrate regulatory compliance for statutory measures, such as percentage of both Building Consent and Resource Consent applications processed within 20 statutory days.

Further to the above judgements being made in the selection of performance measures, we also apply judgements in the measurement, aggregation, and presentation of service performance information. To determine the number of performance measures to monitor and report on we have considered the information needs of our communities, the costs and benefit of these, practical feasibility, and the requirement to provide performance information across the full breadth of services that the council provides.

As part of setting funding levels, the group has considered the impact on services and their related performance measures. The targets for performance measures have been set considering current levels of services and any changes that may occur in levels of service over the duration of the ten years depending on funding levels.

**Material judgements have been applied as follows:**

**Survey**

To measure the quality of our outputs we also use a resident perception survey throughout the year, which enables a comparison across Council of the impacts on residents' satisfaction with council services, leadership, financial management and value for money.

The survey is designed and supplied by external research experts Key Research, based on best practice in survey design. The survey has been designed to measure changes in perceptions over time. For example, questions are written so they are clearly understood by participants and neutral in tone; and response options are designed so they are balanced, do not lead participants to respond in a certain way and cover all possible responses a participant may wish to provide. In addition, the questionnaire is regularly reviewed to ensure best practice and fit for purpose

The survey is conducted via mixed method of data collection consisting of a postal invitation to an online survey, with a hard copy survey back up. Sample selection is based on a random selection from the Electoral roll since this conforms most closely with the ideal of each member within the population having an equal probability of selection, thereby minimising the opportunity of bias.

At an aggregate level, the survey has an expected 95 per cent confidence interval (margin of error) of +/-4.2 per cent. Statistical significance testing uses a 95 per cent confidence interval.

**External implications for statements about performance**

There are conditions that affect the service performance results and may result in a variation from the anticipated or forecasted results. These are ones which are outside the control of the group. Examples of this are, but not limited to, changes in government policy in New Zealand, changes in international travel restrictions, global and domestic economic conditions and international policy that may impact areas such as recruitment, availability of material and supplies (for example, materials required for critical infrastructure), volatility in international financial markets and other unforeseen considerations.

# PART 7 - TĀ MĀTOU HAUTŪTANGA, Ō TĀTOU TĀNGATA / OUR LEADERSHIP AND PEOPLE

**In this section**

This section describes the Council's democratic and corporate governance arrangements and presents information relating to our elected members, committees, groups and business units, organisational structure and staff.

## 7.1 TE KAUNIHERA O WAIPĀ / OUR COUNCIL

Kaunihera o Waipā | Waipa District Council is made up of the Mayor and 11 Councillors, one of whom serves as Deputy Mayor.

Along with all local authorities in New Zealand, the Council is elected every three years. The Mayor is elected 'at large', meaning by all the district's residents who are eligible to vote. The Councillors are elected by voters from their respective geographical areas (wards). The Deputy Mayor is appointed by the Mayor.

The 2025 local government elections were held on 11 October 2025 and included the legislated referendum on the Māori Ward which will be removed from 2028.

## 7.2 HOW DECISIONS ARE MADE

**[Note that this and following sections of the document reflects the governance structure and appointees in place from the new triennium in October 2025 and during the remainder of the 2025/26 financial year].**

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**Strategic Planning & Policy Committee**
Full Council

**Chair:** Councillor Montgomerie
**Deputy Chair:** Councillor Davies-Colley (Deputy Mayor)

**Purpose:** To oversee the development and implementation of liveable spaces in our communities, with a focus on placemaking and community wellbeing,. Council's plans (including long term, annual plans and district plan), bylaws, strategies and policies and where appropriate, with the exception of the district plan, to act as Council's hearings committee for consultation submissions in relation to these. To oversee the development and monitoring of strategy and policy associated with climate change activity and affordable and/or social housing initiatives.

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**Finance & Corporate Committee**
Full Council

**Chair:** Mayor Pettit
**Deputy Chair:** Councillor Montgomerie

**Purpose:** To undertake Council's corporate and governance functions specifically in relation to financial and non-financial reporting, financial and treasury policies and arrangements, insurance arrangements, property management and Council Controlled Organisations.

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**Service Delivery Committee**
Full Council

**Chair:** Councillor St Pierre
**Deputy Chair:** Councillor Camson

**Purpose:** To have responsibility for overseeing Council's infrastructure work programme, asset management planning and levels of service in relation to the service delivery areas of Transportation and Waste Minimisation and Management, Road Asset Technical Accord, Water Services and Community Services, including the consideration of regional integration of services.

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**Regulatory Committee**

Councillor Gower, Councillor St Pierre, Councillor Gordon, Councillor Morgan and Councillor Kempthorne

**Chair:** Councillor Gower.
**Deputy Chair:** Councillor Morgan

**Purpose:** To manage the regulatory aspects of Council's business, in particular in relation to the Resource Management Act 1991, and to oversee Council's emergency management functions.

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**Risk & Assurance Committee**
Mayor Pettit, Councillor St Pierre, , Councillor Gordon, Councillor Montgomerie, Councillor Camson Councillor Walsh, independent chairperson Carol Bellette

**Independent Chair:** Carol Bellette.

**Purpose:** To provide independent assurance and assistance to the Waipā District Council on Council's risk, control and compliance framework, and its external accountability responsibilities.

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**District Licensing Committee**
Ross Murphy, Patsi Davies, Dr Michael Cameron, Roy Johnstone, , Councillor Gower.

**Commissioner (Chairperson) -** Tegan McIntyre ;; Alternate **Commissioner -** Sara Grayson.
**Deputy Chairperson:** Councillor Gower.

**Purpose:** To consider and determine applications for licences, managers certificates, renewal of licences and managers certificates, temporary authorities and other matters pursuant to section 187 of the Sale and Supply of Alcohol Act 2012.

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**Pirongia Ward Committee**
Councillor Bennett, Councillor St Pierre, Ruth Webb (Pirongia representative) , Elizabeth Eden (Te Pahu representative) Tai Huata (Purekireki Marae representative), Janet Williams (Koromatua representative) , Andrew Reymer (Ohaupo representative) , Martin Reid (Ngahinapouri representative)

**Chair:** Councillor St Pierre.

**Purpose:** To allocate funds, to consider the draft annual plan and to perform similar representative functions as the community boards, and to manage the three reserves known as Franklin Street, Rangimarie and Te Ngahere reserves.

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**Chief Executive Performance Management Committee**

Mayor Pettit, Deputy Mayor Davies-Colley Councillor St Pierre, Councillor Camson, Councillor Montgomerie.

**Chair:** Mayor Pettit.

**Purpose:** To conduct the reviews of the performance of Council's Chief Executive and make recommendations to Council.

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**Maungatautari Reserve Committee**
Councillor Davies-Colley (Deputy Mayor), Councillor Bennett, Councillor Kempthorne, Councillor Morgan, Te Hiiri Taute (Pohara Marae representative), Poto Davies (Maungatautari Marae representative), Tumohe Clarke (Ngāti Haua representative) , Geoff Canham (consultant), Helen Hughes (Maungatautari Ecological Island Trust representative), Niwha Jones (Department of Conservation) and Liz Stolwyk (representative from the Waikato Regional Council).

**Chair:** Councillor Morgan.

**Purpose:** To facilitate Council's role in relation to the administration and management, including co-governance and management of the Maungatautari Reserve in accordance with the requirements of the Reserves Act 1977, reserve management issues as they relate to the reserve and to the ecological island project, and to oversee the services of MEIT for day-to day management of the enclosures and to

oversee the Reserve Management Plan for the reserve.

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**District Promotions Sub-Committee**
Councillor Gower. Councillor Kempthorne, Councillor Gordon, Councillor Walsh, Merv Gyde, Kevin Burgess

**Chair:** Councillor Gower.

**Purpose:** Make allocation decisions in respect of Council's District Promotions Fund

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**Road Closure Sub-Committee**

Councillor St Pierre, Councillor Kempthorne, Councillor Bennett and Councillor Taylor

**Chair:** Councillor St Pierre

**Purpose:** To make decisions in relation to temporary road closures.

## 7.3 OPPORTUNITIES FOR COMMUNITY INVOLVEMENT IN DECISION MAKING

### Cambridge Connections

The main objective of this project is to plan how Cambridge moves for the next 30 years. Stage two of Cambridge Connections asked the community how transport in Cambridge could be improved to address the issues identified in stage one. Engagement ran from January 27 to March 9, 2026, and received 1,522 ideas and 578 submissions.

The campaign was supported by two public events, more than 10,000 flyers delivered to Cambridge urban and rural letterboxes, two Antenno posts, 24 social media posts, 15 newsletters, four videos and four full-page newspaper advertisements.

Online engagement included 4,788 webpage views, 1,133 online votes and 96 new Ideas Forum members.

Ideas were grouped into themes and reviewed against key strategic questions. From this process, a shortlist of ideas was carried forward for further consideration. This is an ongoing key project for Council.

**Head Start pathway engagement**

In March 2026, central government announced the Head Start pathway for local government reform, giving councils the opportunity to explore proposals with neighbouring authorities. Further local work on the pathway continued in May.

The programme looks at potential changes to council structures, including a shift toward larger unitary authorities that bring local and regional council responsibilities together.

From June 11 to 28, 2026, communities were invited to have their say on the Head Start pathway and what local government reform could mean for Waipā.

The June 2026 engagement reached the community through a mix of digital, direct and in-person channels, with 67,926 views across social media, 3,014 webpage views, 19,057 devices reached through Antenno, 547 direct emails sent to stakeholders, eight in-person events held, and 2,500 printed information resources distributed.

**Other engagement projects in 2025/26 included:**

- Cambridge CBD parking trial

- Karāpiro Lake Domain Reserve Management Plan and Masterplan
- Plan Change 25 – Shelter belts and Crop Protection Structures
- Tuia Rangatahi Programme – seeking young Māori leaders
- Seniors engagement
- Annual playground survey

Together, these engagement projects gave communities a voice in shaping Waipā's future.

**Community celebrations and events**

Alongside formal consultation, Council supported and celebrated a number of key community events during the year, which included:

- Sainsbury Road Reserve community planting day (June 2025)
- Leamington Domain playground opening (July 2025)
- Pop-up voting – district-wide (September / October 2025)
- Elected member pōwhiri (October 2025)
- Te Awamutu Museum reopening (October 2025)
- Pirongia community BBQ (March 2026)
- Civil Defence drop-in session, Pirongia (March 2026)
- Head Start community drop-in sessions – district-wide (June 2026)

These events brought people together, supported people through a severe weather event, celebrated local achievements and strengthened connections across the district.

**Community funds allocated**

Council and central government funding helped empower community groups and projects throughout the year. In total, more than $400,000 was distributed across a range of funds:

- Regional Events Promotion Fund (central government): $180,000
- Waste Minimisation Community Fund (central government): $50,000
- Creative Communities Scheme (central government): $52,000

- District Promotion Fund (Council): $75,000
- Community Discretionary Fund (Council): $52,500

These funds supported events, creative initiatives, environmental projects and local organisations, helping to strengthen community pride and resilience.

**Let's Talk Waipā – our engagement platform**

Our online engagement platform, Let's Talk Waipā (letstalk.waipadc.govt.nz), continued to play an increasingly important role in supporting community engagement across projects of all sizes. The platform provides residents with accessible tools, including interactive maps, surveys and forums, making it easier for people to share their views and contribute to Council decision-making.

Use of Let's Talk Waipā continued to build on previous years. Over the year, the platform received 65,669 page views, with 22,817 visitors to project and consultation pages and 3,538 individual pieces of feedback received. Highly active consultations included Cambridge Connections, Proposed Private Plan Change 37 (Rider Park Structure Plan), the Karāpiro Lake Domain Reserve Management Plan and Masterplan, and Waipā Home of Champions: Championing our Future! (local government amalgamation)

As Council continues to refine its use of the platform and engagement tools, Let's Talk Waipā will remain an important way for people to stay informed about projects and proposals, access information in one central place, and share their views on Council work. In doing so, it supports stronger participation and helps ensure community perspectives inform decisions that affect Waipā's future.

**Long-Term Plan 2025–2034**

This year's Long-Term Plan was unique, covering nine years rather than the usual 10, following the one-year Enhanced Annual Plan in 2024. The plan continues the 'back to basics' approach, focusing on core services, prudent financial management, and preparing for a fast-evolving future.

Balancing community expectations with affordability has been challenging. Tough decisions were made, including removing nearly $200 million of projects. The plan includes an average rates revenue increase of 15.5 percent for 2025/26, largely driven by inflationary pressures outside Council's control.

Community feedback was a key part of the process, with 145 submissions received and 34 submitters presenting their views at hearings.

Other engagement projects in 2024/25 included:

Lake Ngā Roto Reserve Management Plan
Ngā Pae Whenua Reserves Management Plan
Draft Karāpiro Lake Domain Reserve Management Plan
Representation review
Proposed Fees and Charges 2025–2027
Waipā's alcohol policy and bylaws
Pirongia halls
Pirongia skatepark
Plan Change 25 (shelterbelts and artificial crop protection structures)
Cambridge parking trial
Te Awamutu parking trial
Playground data project
Fort Street parking formalisation

Together, these engagement projects gave our communities a strong voice in shaping Waipā's future.

## 7.4 MĀORI INVOLVEMENT IN DECISION MAKING

Supporting Māori to participate in decision-making is a key priority for Waipā District Council, reflecting our commitment to Te Tiriti o Waitangi and the Local Government Act 2002.

Council has several representation agreements to ensure Māori contributions are made through Council and its committees.
Council maintains a long-standing arrangement with Ngā Iwi Tōpū o Waipā, which has members who represent most hapū in the district. This arrangement enables the review of resource consent applications and other matters of significance to mana whenua. Additionally, Council offers hapū the option of engaging directly on Council matters of interest to a hapū.

In August 2024, Waipā District Council reaffirmed its commitment to Māori representation by voting to retain its Māori Ward. This decision, strongly supported by iwi, mana whenua, and the wider community, ensures Māori continue to have a dedicated voice at the Council table.
The 2025 local government elections were held on 11 October 2025 and included the legislated referendum on the Māori Ward which concluded will be removed from 2028 with 52.7 percent of the removal.
The Māori Ward will continue for the current 2025-28 Council Triennium.

Council also has Joint Management Agreements (JMAs) with the Waikato Raupatu River Trust, Te Nehenehenui, and the Raukawa Settlement Trust. These agreements, support iwi involvement in natural resource management and reflect the outcomes of Treaty settlement legislation.

Council holds co-management responsibilities for some reserves, including through the Ngāti Koroki Kahukura Reserves Joint Management Board (now known as Ngā Pae Whenua) and with Ngāti Hauā for the Pukemako Reserve.

As part of the Future Proof growth partnership for the sub-region, Waipā District Council engages with Ngā Karu Atua o te Waka, a Tangata Whenua reference group made up of iwi and hapū representatives in Waipā district and the wider sub-region.

Looking ahead, Council remains committed to developing a Tāngata Whenua Partnership Framework in collaboration with iwi and hapū, to further strengthen participation and partnership across all areas of our work. Maintaining strong, respectful relationships with mana whenua and iwi is essential for delivering our vision for connected Waipā communities.

## 7.5 COMMUNITY BOARDS

Waipa has two Community Boards, and their role is to act as an advocate for their communities on council matters. The community boards are governed under the provisions of Local Government Act 2002. The community board meetings, held monthly, also have a public forum for members of the public to come and talk to them about concerns or ideas for the community. The community boards have delegations from council to carry out duties including sister cities relationships (Cambridge) and to distribute the Waipa Community Discretionary Fund to community groups and organisations that apply for small projects.

**Cambridge Community Board**

The Cambridge Community Board covers the Cambridge and Maungatautari subdivisions.

**Te Awamutu and Kihikihi Community Board**

The Te Awamutu and Kihikihi Community Board covers the Te Awamutu and Kakepuku subdivisions.

## 7.6 OUR ORGANISATION

Chief Executive, Steph O'Sullivan leads the organisation, ensuring Council decisions are turned into action, day-to-day services are delivered, and staff across the organisation are supported to do their best work. She also oversees the structure of the organisation, determining roles and responsibilities to support efficient and effective operations. During 2025/26, the organisation operated under its existing structure, with a new structure under the 'Future Us' programme set to take effect from July 1, 2026. There was one addition to the team with a new Kaihautū / Strategic Māori Partnerships Director, who joined the organisation in September 2025.

Staff work across a wide range of services, from looking after roads, parks, and playgrounds, to planning for the district's growth, and were organised into the following main business groups:

- Business Support
- District Growth and Regulatory Services
- Service Delivery
- Strategy
- Customer and Community Services
- Strategic Māori Partnerships
- Human Resources.

Steph's role includes advising the Mayor and Councillors on policy matters, ensuring Council strategies and policies are implemented effectively, and making sure the organisation supports the delivery of Council's vision and community outcomes.

Steph was supported by an Executive Team of eight through to the end of the financial year on June 30, 2026. A new structure was scheduled to operate from July 1, 2026.

**Organisation structure for this financial year:**



**Stephanie O'Sullivan**

Chief Executive



**Kirsty Downey**

Acting Deputy Chief Executive

Group Manager Strategy



**James Graham**

Acting Chief Financial Officer



**Eeva-Liisa Wright**

Group Manager Service Delivery



**Ngira Simmonds**

Kaihautū – Strategic Māori Partnerships



**Georgina Knapp**

Acting Group Manager Business Support



**Sally Sheedy**

Group Manager Community Services



**Wayne Allan**

Group Manager District Growth and Regulatory Services



**Katie Mayes**

Executive Director

## 7.8 THE WAY WE DO THINGS / OUR VALUES

**Our values and Pou Tātaki - At Waipā District Council we are guided by a set of values that help shape who we are and what we stand for.**

At Waipā District Council our people are guided by a set of values that help shape who we are and what we stand for. Pou Tātaki is our organisational charter based upon our values. It makes the link between the work we do and how we do it. It provides us with clear expectations and tools to help us make good decisions and do the right thing for ourselves, each other and the community we serve.

Pou Tātaki and Our Values help guide our strategic and operational decision-making and service delivery and set clear standards for how we represent our Council and interact with each other, our partners, community and customers. Together they help us do great work. These values help us do great work so that we can deliver on our vision for Waipā to be the 'Home of Champions – Building Connected Communities'.

## 7.9 MŌ Ō TATOU TĀNGATA / IT'S ALL ABOUT OUR PEOPLE

**To achieve our vision to be the 'Home of Champions – Building Connected Communities' we need great people. At Waipā District Council we are a proud and diverse[1]workforce who are supported to thrive, grow and succeed.**

**Health, Safety and Well-being**

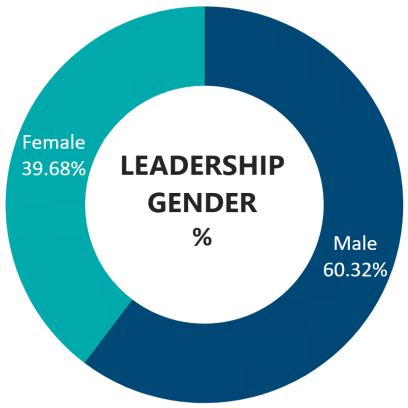
To serve our communities, we need to ensure our people are safe and well. Our value of 'Being Safe and Well Matters' focuses us on having strong health and safety practices in place and ensuring the well-being of our staff while at work, both in and out of the workplace. Staff across the organisation are supported by an effective Health and Safety Committee with staff representatives from each business unit. The committee focuses on the continuous improvement of Council's safety practices.

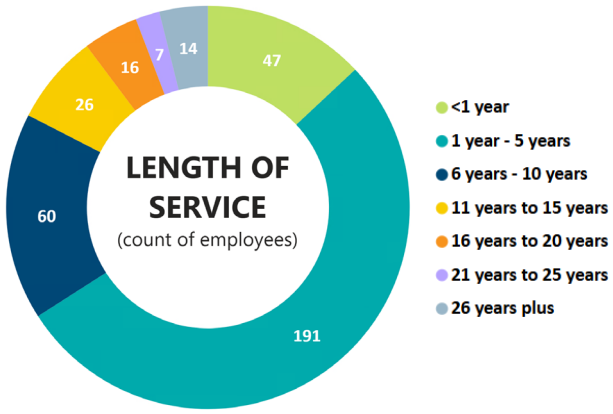
Wellbeing is supported by a number of initiatives implemented to date including webinars, my everyday wellbeing messaging, and supporting National events such as Men's Health week, Pink Shirt Day and Mental Health Awareness Week.

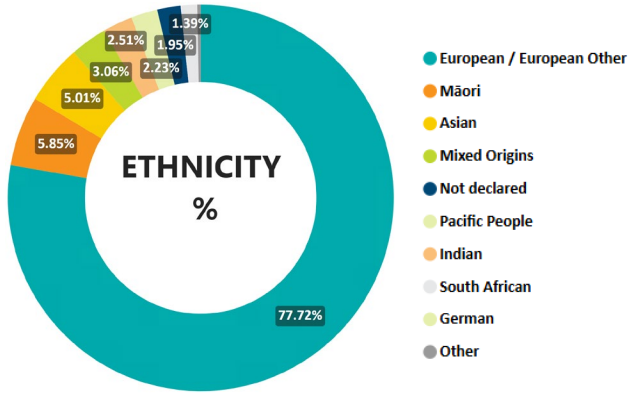
**Learning and Development**

A priority is on supporting the growth and development of our staff. Various e-learning modules have been delivered to date ranging from topics such as fraud, climate change, information management, refresh of lockdown and response procedures.

A strong emphasis remains on increasing staff knowledge of Tikanga practices. Staff have also participated in local government and specialised webinars and events that ensure knowledge remains up to date and professional competencies are maintained and developed.



## 7.10 MANAGING OUR RISKS

**Aligned with our values Council is continually looking at ways to improve performance on behalf of the community. Seeking to find new ways to improve both the effectiveness and efficiency of Council remained the focus of a number of internal priorities for the year. Below are several highlights.**

**Our top risks**

Every year the Risk and Assurance Committee, Councillors and the Leadership Team review and agree on a set of top risks, those risks that may stop Council from achieving its key strategic objectives. They also detail where Council will and will not take risk. These are actively managed throughout the year and their status reported to Council's Risk and Assurance Committee on a quarterly basis. These top risks are supported by Council's risk appetite statement which outlines at a risk portfolio level the amount of risk Council is prepared to accept in pursuit of its objectives. Overall risk management is underpinned by the Enterprise Risk Management Framework.

**Business Resilience**

Business Resilience is the ability of an organisation to adapt and respond to risks and new circumstances. It in turn supports community resilience. Business Continuity, Incident Management and Emergency Management are individual disciplines which interconnect, supporting each other. Combined they provide the basis for Business Resilience here at Council. Council has an established and tested Incident Management model. The model has been effectively used to manage our internal response to various incidents through the year to ensure the continued delivery of services to the community. All of these disciplines are underpinned by strong risk management practices.

Council has strengthened its resilience in information technology and response planning for threats in the cybersecurity space with regular exercises and assessments to validate these plans and systems.

**Risk and Assurance Committee**

Council's Risk and Assurance Committee meets on a quarterly basis chaired by an independent external appointee. The general objective of the Risk and Assurance Committee is to assist and advise Waipā District Council on its responsibility and ownership for enterprise risk management, Council's control and compliance framework, and its external accountability responsibilities.

**Internal audit programme**

Council has a comprehensive internal audit programme in place, managed by and overseen by the Risk and Assurance Committee. A comprehensive plan of strategic internal audits has been completed over a range of functions. The purpose of each audit is to ensure Council has the right balance of internal controls for our key processes and improves its maturity in key business functions over time. Each audit evaluates the effectiveness of the controls and provides recommendations as to how Council could improve. Follow up audits are also conducted to ensure that the improvements recommended have been successfully implemented and Council has matured in key function areas. The strategic audit programme is complemented by an internal assurance programme delivered in house.

Council has adopted the three lines model to assure appropriate internal controls and audit at each level.

This year a comprehensive audit of the Health and Safety Management System was completed with findings under review.

Real time independent assurance was also provided to the Waters Transition Programme to ensure successful delivery of this major change. This enabled recommendations to be implemented during the programme rather than through a post live review.

Council currently has two multi-year improvement programmes underway in various stages including compliance management and building and resource consents and development contributions fees and charges. Other programmes are largely completed and further improvements embedded as part of ongoing continuous improvement practices as part of business as usual.

## 7.11 STRIVING TO IMPROVE

**Aligned with our values Council is continually looking at ways to improve performance on behalf of the community. Seeking to find new ways to improve both the effectiveness and efficiency of Council remained the focus of a number of internal priorities for the year. Below are several highlights.**

**Digital Capability**
Council continued the delivery of its 'Digital Roadmap' with the objectives of enhancing digital capability and the customer experience in response to growing digital expectations and the objectives of creating efficiencies, lowering the cost of interactions and reducing risk due to business disruption.
The first stage of the Property and Rating upgrade is now complete, and work on the next stage is underway. It is the main system Council uses to manage information about customers, properties and rates.
This is the final part of Council's old enterprise software to be replaced.

Other highlights included the implementation of improved dashboard reporting; enhancements to financial tools; increasing workflow automation and the pilot and roll out of CoPilot, an artificial intelligence toolset. Waipā's staff digital literacy program continued to support staff to thrive in a digital based world, including the safe and effective use of artificial intelligence within our business

**Council's Carbon Footprint and Climate Change Adaptation Planning**

Council continues to monitor and report its corporate greenhouse gas emissions annually to track progress and identify opportunities to reduce emissions. During the year, work continued to embed the findings of Council's Organisational Climate Change Risk Assessment into asset management, infrastructure planning and other strategic decision-making to improve resilience to future climate risks.
Council's fleet includes 8 EVs and 21 Hybrid vehicles which are more sustainable and are creating savings in fleet operating costs. The average CO2 rating for Council's fleet is 117 g/km for passenger vehicles, and 226 g/km for light commercial vehicles. This Compares to the average across all other Custom Fleet NZ customers being 129g/km for passenger vehicles, and 222g/km for light commercial vehicles.

**Plans, Policy and Bylaws**
A targeted and resource-efficient approach was applied to the review and development of plans, policies, and bylaws during 2025/26.

Progress continued on two key planning initiatives. Council supported the development of a Reserve Management Plan for four reserves returned to Ngāti Korokī Kahukura as part of their 2014 settlement and is managed by Ngā Pae Whenua (a joint board between Waipā District Council and Ngāti Korokī Kahukura). The plan was adopted by Ngā Pae Whenua and is currently working through a final approval process with the Minister of Conservation. Council also led the review of the Karāpiro Lake Domain Reserve Management Plan and created a Masterplan to shape its future use and development. This process attracted significant engagement with the community which helped to shape a final direction.

**Procurement**
Council continued to improve its procurement practices and evolve its approach over the last year to ensure that we are addressing the current market issues in a way that will make Council a client of choice. We provided feedback on the proposed NZ Government Procurement Rules in a collaborative approach with other Waikato councils. We have also provided feedback on the proposed revision of the NZTA Procurement Manual.

There have been regular performance meetings with Tier One Professional Services Panel members and surveys of both consultants and staff on performance delivery.

We are engaging regularly with Waikato/Tainui and have provided training on tendering to puna pakihi alongside Waikato District Council and Tainui Group Holdings.

This year we have also engaged with the Pasifika business community to upskill in responding to Council procurement opportunities. This also included providing health and safety prequalification training.

As part of continuous improvement, we have continued to engage with our key contractors and include weightings in our evaluations that recognise those contractors who demonstrate how they will contribute to Waipā through employment, training, and the use of local supply chain and subcontractors.

This year we have also engaged with our contractors that have been impacted by the transitioning of the two waters activities to Waikato Waters Limited (WWL) as part of the transition programme and in collaboration with the WWL establishment team. Contracts have been novated across to WWL where appropriate.

We contribute to the Infrastructure Commission national pipeline to give contractors and consultants visibility of our pipeline of projects and timing through project planning and procurement.

## 7.12 INDEPENDENT AUDITORS REPORT

# INDEPENDENT AUDITOR'S REPORT

## To the readers of the annual report of Waipā District Council for the year ended 30 June 2026

The Auditor-General is the auditor of Waipā District Council (the Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, René van Zyl, using the staff and resources of The Audit Office, to carry out the audit on his behalf.

We have audited the information in the annual report of the Council and the Group that we are required to audit in accordance with the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the Council has complied with the requirements of Schedule 10 of the Act (Schedule 10) that apply to the annual report; and

- the completeness and accuracy of the Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations).

We refer to this information as "the disclosure requirements" in our report.

**Opinion on the audited information**

In our opinion:

- the financial statements on pages 35 to 104 present fairly, in all material respects, the Council and Group's financial position as at 30 June 2026, and the results of the operations and cash flows for the year ended on that date, in accordance with Public Benefit Entity Standards;

- the statement of service provision (reported as Detailed Tracking Against Service Performance Measures) for the year ended 30 June 2026 on pages 155 to 187:

  - is appropriate and meaningful and prepared in accordance with the Council's measurement bases or evaluation methods and Public Benefit Entity Standards; and

  - presents fairly, in all material respects, the Council's actual levels of service for each group of activities, including the levels of service achieved compared with the intended levels of service, whether any intended changes to levels of service were achieved, and

the reasons for any significant variation between the levels of service achieved and the intended levels of service.

- the funding impact statement for the year ended 30 June 2026 on pages 41 to 42, has been prepared, in all material respects, in accordance with clause 30 of Schedule 10;

- the funding impact statements for each group of activities for the year ended 30 June 2026 on pages 120,125,133, 137,142,146, 150 and 154 have been prepared, in all material respects, in accordance with clause 26 of Schedule 10; and

- the statements comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2026 on pages 124, 129 and 131,136,140,145,149 and 153, have been prepared, in all material respects, in accordance with clause 24 of Schedule 10.

**Report on the disclosure requirements**

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of Schedule 10 for the year ended 30 June 2026; and

- the Council's disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2026 are complete and accurate.

**Emphasis of matters**

Without modifying our opinion, we draw 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, 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 outlines how future changes in the delivery of water services will affect the Council.

**Basis for our opinion on the audited information and the disclosure requirements**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor for the audited information and the disclosure requirements* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information and our report on the disclosure requirements.

**Responsibilities of the Council for the audited information and the disclosure requirements**

The Council is responsible for preparing the audited information and the disclosure requirements in accordance with the Act. The Council's responsibilities include the preparation and fair presentation of the financial statements and service performance information in accordance with Public Benefit Entity Standards.

This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of service performance information that is appropriate and meaningful; and

- the preparation of a statement of service provision, in accordance with the Council's measurement bases or evaluation methods, that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the audited information and the disclosure requirements that are free from misstatement, whether due to fraud or error.

In preparing the audited information and the disclosure requirements the Council is responsible for assessing the Council and the Group's ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the Council and the Group or there is no realistic alternative but to do so.

The Council's responsibilities arise under the Act and the Regulations.

**Responsibilities of the auditor**

**Responsibilities for the audited information**

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Council's Annual plan or Long-term plan as applicable.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council and Group's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

- We evaluate whether the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the Council's service performance.

- We evaluate whether the service performance information is prepared in accordance with the Council's measurement bases or evaluation methods, and presents fairly, in all material respects, in accordance with Public Benefit Entity Standards, the actual service performance achieved compared with the intended levels of service.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability

of the Council and/or the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council and/or the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

- We plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group audited information. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Responsibilities for the disclosure requirements**

Our objective is to provide reasonable assurance about whether the Council has complied with the disclosure requirements. To assess whether the Council has met the disclosure requirements we undertake work to confirm that:

- the Council has made all of the disclosures required by Part 3 of Schedule 10 to the Act and Part 2 of the Regulations; and

- the disclosures required by Part 2 of the Regulations accurately reflect information drawn from the audited information and, where applicable, the Council's long-term plan and annual plans.

Our responsibilities for the audited information and for the disclosure requirements arise from the Act and the Public Audit Act 2001.

**Other information**

The Council is responsible for the other information included in the annual report. The other information comprises all the information included in the annual report other than the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the audited information and our report on the disclosure requirements, our responsibility is to read the other information. In doing so, we consider whether

the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Independence**

We are independent of the Council and the Group in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out an engagement of limited assurance related to the District Council's debenture trust deed which is 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

# GLOSSARY AND ABBREVIATIONS

**Glossary**

- **Activity:** Services provided by or on behalf of Council.
- **Amortisation:** The reduction of the value of an asset by prorating its cost over a period of years.
- **Annual Plan:** Contains details of Council's action plan for the next financial year, the budget and the level of rates required to fund that spending. It also contains details of any variation from the financial statements and funding impact statement that are included in Council's current 10-Year Plan.
- **Annual report:** Report prepared once a year to assess Council's performance against its objectives, activities, performance targets and budgets as outlined in the 10-Year Plan.
- **Asset:** A resource; Council's asset ownership extends over land, buildings, plant, equipment, forestry and infrastructure such as roads, bridges, footpaths, sewerage schemes, water supply and stormwater reticulation.
- **Capital Expenditure:** Money spent to build or buy a new asset, or to improve the standard of any existing asset.
- **Community:** A group of individuals and organisations that are linked together by some common factor, interest, identity or administrative boundary.
- **Community Outcomes:** The outcomes that a local authority aims to achieve for its community and district in the present and for the future.
- **Community Wellbeing:** The overall wellbeing (quality of life) of the community taking into account economic, cultural, social and environmental wellbeing.
- **Council Controlled Organisations:** A company or entity in which one or more local authority has a shareholding of 50 per cent or more, voting rights of 50 per cent or more, or the right to appoint 50 per cent or more of the directors. Section 6(4) of the Local Government Act 2002 details entities which are exceptions.
- **Development Contributions:** Payment from developers to help fund new infrastructure required by growth (as set out in the Local Government Act 2002).
- **District Plan:** Required by the Resource Management Act 1991, it defines how resources and development will be managed by the district. The Plan is based on economic, cultural, social and environmental wellbeing.
- **Equity:** The market value of assets less any liabilities.
- **Funding Impact Statement:** A financial statement that discloses the revenue and financial mechanisms that Council proposes to use.
- **Future Proof:** The term used to refer to the growth strategy that is being prepared for the sub-region. Included in the sub-region are the following authorities – Waipa District Council, Waikato District Council, Waikato Regional Council, Hamilton City Council and Matamata Piako District Council.
- **General Rate:** A charge calculated using the rateable value of property that is paid to Council to fund its general services but not services funded by targeted rate, fees or charges.
- **Governance:** Is how Council engages with the community, oversees the effective and responsible management of resources, delivers services and sets the strategic direction for the district.

- **Hapū:** A cluster of related whānau (extended family), descended from a single ancestor that has collective decision-making rights over its territory.
- **Indicator:** A measure or combination of measures, either qualitative or quantitative, against which performance or progress can be assessed.
- **Interest:** Interest on bank accounts, overdrafts and debt.
- **Iwi:** Larger than the hapū - A cluster of related hapū, descended from a single ancestor, varying in size.
- **Levels of Service (LOS):** The extent of a service provided by Council.
- **Local Authority:** A regional, district or city council.
- **Local Government Act 2002:** The legislation that defines the powers and responsibilities of Local Government organisations (regional, city and district councils).
- **Long Term Plan (LTP):** Refer to 10-Year Plan.
- **Ngā Iwi Tōpū o Waipā:** A representative group of local tangata whenua, made up of mandated hapū representatives appointed by relevant Marae committees.
- **Operating Costs:** These are costs to run Council's services on a day-by-day basis and range from maintenance of infrastructure to staff salaries.
- **Partnership:** This refers to the Council's relationship with groups within the community to achieve outcomes. This does not refer to a legal partnership.
- **Passenger Transport:** Can also be referred to as public transport – includes buses.
- **Rates:** Rates are what each property owner pays for the services provided by councils. The charge is set in accordance to the Local Government (Rating) Act 2002.
- **Renewals:** Activities required to upgrade, refurbish or replace current facilities or assets, with facilities or assets of equivalent capability or service potential.
- **Revenue:** Revenue received by Council to fund the services it provides. Revenue sources include – rates; fees and charges for using a particular service; penalties and fines; and grants and subsidies.
- **Shared service:** Waikato Mayoral Forum initiative to share costs across the region where possible through Local Authority Shared Services Limited.
- **Strategy:** A plan of action designed to guide progress towards the long-term vision.
- **Tangata Whenua:** Māori people who belong to a particular area by ancestral connection.
- **Targeted Rate:** A rate that is levied to fund a particular service or facility.
- **Ward:** An administrative and electoral area of the district. There are four wards in our district – Cambridge; Te Awamutu; Pirongia Kakepuku and Maungatautari. There is also a Māori ward for electoral purposes.
- **Vested Assets:** An existing right to the immediate or future possession of property, resources, cash, stock and goodwill.
- **10-Year Plan:** A strategic plan, covering at least 10 years, that describes a local authority's activities and the community outcomes of the authority's district or region. A council's 10-Year Plan is the basis for its accountability to the community.

**Abbreviations:**

- **ETS:** Emissions Trading Scheme
- **GST:** Good and Services Taxation
- **LGA:** Local Government Act 2022
- **LGFA:** Local Government Funding Agency
- **NZ GAAP:** Generally accepted accounting practice in New Zealand
- **NZTA:** New Zealand Transport Agency
- **PBE:** Public benefit entity
- **PPE:** Property, plant and equipment
- **SVDS:** Shared Valuation Data Service
- **WLASS:** Waikato Local Authority Shared Services Limited

Waipā
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