



**I, Matthew Lawson, Tumu Whakarae | Chief Executive, hereby give notice that Assurance, Risk & Infrastructure Committee Meeting will be held on:**

**Date:** Tuesday, 17 February 2026  
**Time:** 1:00 pm  
**Location:** Council Chamber, Wairoa District Council,  
Coronation Square, Wairoa

# **AGENDA**

## **Assurance, Risk & Infrastructure Committee Meeting**

**17 February 2026**

**MEMBERSHIP:** His Worship the Mayor Craig Little, Cr Benita Cairns, Cr Jeremy Harker, Cr Roslyn Thomas, Cr Michelle Tahuri, Cr Trevor Waikawa, Cr Sara Bird, Mr Philip Jones (Independent)

The agenda and associated papers are also available on our website: [www.wairoadc.govt.nz](http://www.wairoadc.govt.nz)

For further information please contact us 06 838 7309 or by email [info@wairoadc.govt.nz](mailto:info@wairoadc.govt.nz)



**Order Of Business**

<b>1</b>	<b>Karakia</b> .....	<b>5</b>
<b>2</b>	<b>Apologies for Absence</b> .....	<b>5</b>
<b>3</b>	<b>Declarations of Conflict of Interest</b> .....	<b>5</b>
<b>4</b>	<b>Chairperson’s Announcements</b> .....	<b>5</b>
<b>5</b>	<b>Late Items of Urgent Business</b> .....	<b>5</b>
<b>6</b>	<b>Public Participation</b> .....	<b>5</b>
<b>7</b>	<b>Minutes of the Previous Meeting</b> .....	<b>5</b>
<b>8</b>	<b>General Items</b> .....	<b>6</b>
8.1	Financial Forecast Report as at 31 January 2026 .....	6
8.2	2025/26 Half Year Report.....	17
8.3	QRS Letter of expectation, Director remuneration and Director Rotation.....	69
<b>9</b>	<b>Public Excluded Items</b> .....	<b>79</b>
9.1	Submission on Local Government Reform.....	79



**1 KARAKIA****2 APOLOGIES FOR ABSENCE****3 DECLARATIONS OF CONFLICT OF INTEREST**

Members need to stand aside from decision-making when a conflict arises between their role as a member of the Council and any private or other external interest they might have.

This note is provided as a reminder to members to review the matters of the agenda and assess and identify where they may have a pecuniary or other conflict of interest, or where there may be a perception of a conflict of interest.

If a member feels they do have a conflict of interest, they should publicly declare that at the start of the meeting, or at the relevant item of business, and refrain from participating in the discussion or voting on that item.

If a member thinks they may have a conflict of interest, they can seek advice from the Chief Executive of the Chief Operations Officer (preferably before the meeting). It is noted that while members can seek advice, the final decision as to whether a conflict exists rests with the member.

**4 CHAIRPERSON'S ANNOUNCEMENTS****5 LATE ITEMS OF URGENT BUSINESS****6 PUBLIC PARTICIPATION**

A maximum of 30 minutes has been set aside for members of the public to speak on any item on the agenda. Up to 5 minutes per person is allowed. As per Standing Order 15.1 requests to speak must be made to the Chief Executive Officer at least one clear day before the meeting; however this requirement may be waived by the Chairperson. Requests should also outline the matters that will be addressed by the speaker(s).

**7 MINUTES OF THE PREVIOUS MEETING**

Nil

## 8 GENERAL ITEMS

### 8.1 FINANCIAL FORECAST REPORT AS AT 31 JANUARY 2026

**Author:** Martin Bacon, Assistant Accountant

**Authoriser:** Gary Borg, Group Manager - Finance and Corporate Support

**Appendices:** [↓](#)1. Financial Forecast January 2026

#### 1. PURPOSE

- 1.1 This report provides full year forecasted information on Council's operating financial performance as at 31 January 2026.
- 1.2 This is an information report because it provides an update on Council's progress against objectives established and decisions previously made in the Long-term Plan 2024-27 and the Annual Plan for the year ending 30 June 2026.

#### RECOMMENDATION

The Assistant Accountant RECOMMENDS that Committee receive the report.

#### 2. BACKGROUND

- 2.1 Council's minimum statutory obligations regarding reporting, public accountability and financial management are contained in Part 6 of the Local Government Act 2002. Monitoring financial performance is integral to this.
- 2.2 Beyond this, regular performance reporting is good practice, keeping Council and the community informed of its financial performance and position.
- 2.3 In addition, full year forecasting provides the opportunity for timely corrective actions and informs the decision-making process for each subsequent Annual Plan and Long-term Plan.
- 2.4 The Financial Forecast report as at 31 January 2026, attached as **Appendix 1**, sets out the financial estimates.

**WAIROA DISTRICT COUNCIL**  
**FORECAST FINANCIAL REPORT**

---

31 January 2026

## HE TAUĀKĪ PŪTEA WHIWHI ME TE PŪTEA WHAKAHAERE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the period ended 31 January 2026

	YTD	YTD	Variance		2026	2026
	Forecast	Annual Plan	\$000	%	Forecast	Budget
	\$000	\$000	\$000	%	\$000	\$000
<b>Revenue</b>						
Rates	18,534	17,765	769	4%	24,776	23,437
Subsidies and grants	26,998	36,890	(9,892)	-27% A	67,729	63,241
Petrol tax	20	48	(28)	-58%	79	82
Construction Revenue	-	-	-	0%	-	-
Fees and charges	2,120	1,937	183	9%	3,380	3,112
Investment revenue	385	528	(143)	-27%	680	620
Miscellaneous Revenue	16	-	16	0%	16	-
<b>Total revenue</b>	<b>48,073</b>	<b>57,168</b>	<b>(9,095)</b>	<b>-16%</b>	<b>96,660</b>	<b>90,492</b>
<b>Expense</b>						
Water supply	2,176	1,910	(266)	-14%	3,550	3,493
Stormwater	618	524	(94)	-18%	1,029	1,072
Wastewater	2,010	2,021	11	1%	3,314	3,824
Waste Management	1,732	1,898	166	9%	2,782	3,169
Transport	16,742	26,327	9,585	36% A	43,870	45,417
Community facilities	3,076	2,591	(485)	-19% B	5,046	4,235
Planning and regulatory	3,275	2,642	(633)	-24%	5,654	4,715
Governance and Community	1,616	1,625	9	1%	2,707	2,890
Corporate Services	626	1,432	806	56% C	303	1,066
<b>Total expense</b>	<b>31,871</b>	<b>40,970</b>	<b>9,099</b>	<b>22%</b>	<b>68,255</b>	<b>69,881</b>
<b>Net surplus / (deficit) for the year</b>	<b>16,202</b>	<b>16,198</b>	<b>(18,194)</b>	<b>-112%</b>	<b>28,405</b>	<b>20,611</b>

A. Subsidies and Grants and Transport: Operational subsidies are lower from NZTA (\$9.5M). This has been continually improving since November and is expected to be complete by year end.

B. Community Facilities: Community facilities is over budget due to the changes to the community center management contract and higher costs for reserve upkeep.

C. Corporate Services: Corporate services is under budget due to lower interest expenses and vacancies.

## HE TAUĀKĪ TŪ PŪTEA

### STATEMENT OF FINANCIAL POSITION

As at 31 January 2026

	YTD	YTD	Variance		2026	2025
	Forecast	Annual Plan			Forecast	Actual
	\$000	\$000	\$000	%	\$000	\$000
<b>Current assets</b>						
Cash and cash equivalents	3,243	12,252	(9,009)	-74%	7,456	1,981
Inventories	67	51	16	31%	67	71
Trade and other receivables	9,800	7,794	2,006	26%	23,366	13,545
<b>Total current assets</b>	<b>13,110</b>	<b>20,097</b>	<b>(6,987)</b>	<b>-35%</b>	<b>30,889</b>	<b>15,597</b>
<b>Current liabilities</b>						
Trade and other payables	6,188	9,800	3,612	37%	26,986	16,298
Employee benefit liabilities	530	610	80	13%	530	967
Borrowings	10,568	-	(10,568)	0%	7,568	8,500
<b>Total current liabilities</b>	<b>17,286</b>	<b>10,410</b>	<b>(6,876)</b>	<b>-66%</b>	<b>35,084</b>	<b>25,765</b>
Working capital	(4,176)	9,687	13,863	143%		(10,168)
<b>Non-current assets</b>						
Property, plant and equipment	484,927	490,633	(5,706)	-1%	484,927	490,048
Work in progress	28,798	28,376	422	1%	47,117	11,149
Investment in subsidiary	1,250	1,250	-	0%	1,250	1,250
Loan to Subsidiary	985	1,026	(41)	-4%	985	1,037
Investment property	8,064	8,240	(176)	-2%	8,064	8,147
Other non-current assets	808	1,004	(196)	-20%	808	1,140
<b>Total non-current assets</b>	<b>524,832</b>	<b>530,529</b>	<b>(5,697)</b>	<b>-1%</b>	<b>543,151</b>	<b>512,771</b>
<b>Non-current liabilities</b>						
Trade and other payables	56	56	-	0%	56	56
Landfill aftercare	3,432	2,032	(1,400)	-69%	3,432	3,432
Borrowings	1,026	17,286	16,260	94%	1,026	1,124
<b>Total non-current liabilities</b>	<b>4,514</b>	<b>19,374</b>	<b>14,860</b>	<b>77%</b>	<b>4,611</b>	<b>4,612</b>
<b>Net assets</b>	<b>516,142</b>	<b>520,842</b>	<b>(6,694)</b>	<b>-1%</b>	<b>538,540</b>	<b>497,991</b>

D. Cash and cash equivalents: We have borrowed \$2m in December to get over the holiday period comfortably and to ensure we have enough cash before we renew our borrowings in April.

E. Borrowings: We have 10.5m of loans maturing in April. As part of the treasury management process we will be ensuring the maturity dates in the future are spread more in line with policy. Total borrowings are \$6.5m below the levels expected from the annual plan.

## HE TAUĀKĪ KAPEWHITI STATEMENT OF CASHFLOWS

As at 31 January 2026

	YTD Forecast \$000	YTD Annual Plan \$000	Variance		2026 Forecast \$000	2025 Actual \$000
			\$000	%		
<b>Cash flows from operating activities</b>						
Receipts from rates revenue	13,550	12,781	769	6%	25,933	21,765
Other revenue received	2,051	1,984	67	3%	3,376	4,914
Subsidies and grants received	33,790	36,890	(3,100)	-8%	54,826	54,260
Investment Income	385	528	(143)	-27%	680	1,541
Payments to suppliers and employees	(47,610)	(21,709)	(25,901)	119%	(36,210)	(53,300)
Taxation						
Interest Paid	(245)	(558)	313	-56%	(441)	(506)
<b>Net cash flows from operating activities</b>	<b>1,921</b>	<b>29,916</b>	<b>(27,995)</b>	<b>-94%</b>	<b>48,164</b>	<b>28,674</b>
<b>Cash flows from investing activities</b>						
Insurance Proceeds	16	-	16	0%	-	238
Purchase of property, plant and equipment	(18,800)	(25,669)	6,869	-27%	(41,658)	(27,836)
<b>Net cash flows used in investing activities</b>	<b>(18,784)</b>	<b>(25,669)</b>	<b>6,885</b>	<b>-27%</b>	<b>(41,658)</b>	<b>(27,598)</b>
<b>Cash flows from financing activities</b>						
Loans raised/(repaid)	1,969	4,152	(2,183)	-53%	(1,031)	(1,402)
<b>Net cash flows (used in)from financing activities</b>	<b>1,969</b>	<b>4,152</b>	<b>(2,183)</b>	<b>-53%</b>	<b>(1,031)</b>	<b>(1,402)</b>
Net increase/(decrease) in cash and cash equivalent	(14,894)	8,399	(23,293)	-277%	5,475	(326)
Cash and cash equivalents at beginning of year	1,981	3,853	(1,872)	-49%	1,981	2,307
<b>Cash and cash equivalents at end of year</b>	<b>(12,913)</b>	<b>12,252</b>	<b>(25,165)</b>	<b>-205%</b>	<b>7,456</b>	<b>1,981</b>
Made up of:						
Cash	6,243	12,252	(6,009)	-49%	7,456	1,981
<b>Cash and cash equivalents at end of year</b>	<b>6,243</b>	<b>12,252</b>	<b>(6,009)</b>	<b>-49%</b>	<b>7,456</b>	<b>1,981</b>

**FORECAST INCOME & EXPENSE STATEMENT**

As at 31 January 2026

	Whole of Council \$'000	Water Supply \$'000	Stormwater \$'000	Wastewater \$'000	Waste Management \$'000	Transport \$'000	Community Facilities \$'000	Planning & Regulatory \$'000	Governance and Community \$'000	Corporate Services \$'000
<b>Revenue</b>										
Rates	18,534	2,062	681	2,577	908	3,606	2,976	2,612	2,124	987
Operational Subsidies and grants	11,756	-	-	-	74	10,644	61	867	110	-
Capital Subsidies and grants	15,242	-	-	21	-	15,286	(19)	-	-	(46)
Other Income	2,541	248	-	32	702	35	32	880	13	597
Internal Recoveries	6,638	-	-	-	-	902	-	294	-	5,441
<b>Total revenue</b>	<b>54,711</b>	<b>2,310</b>	<b>681</b>	<b>2,630</b>	<b>1,684</b>	<b>30,473</b>	<b>3,050</b>	<b>4,653</b>	<b>2,247</b>	<b>6,979</b>
<b>Expense</b>										
Consultancy	1,428	115	4	193	86	443	-	93	135	360
Depreciation and Amortisation	6,355	634	293	528	102	4,115	226	29	-	429
Electricity	249	159	4	46	2	2	14	-	1	20
Staff Costs	4,934	12	-	1	4	141	384	941	759	2,692
Finance Costs	245	-	-	-	-	-	-	-	-	245
Grants	589	-	-	-	-	-	589	-	-	-
Insurance	717	101	20	88	9	5	88	2	14	390
Legal	27	-	-	-	-	-	18	4	-	4
Operating Expenses	2,201	134	12	430	1,053	120	213	26	28	184
Other Expenses	1,916	112	7	74	203	111	252	99	199	859
Recovery Office	1,134	-	-	-	-	-	-	1,134	-	-
Repairs and Maintenance	13,037	314	83	287	-	11,699	513	-	4	138
Internal Charges	5,675	594	195	364	272	1,009	780	1,240	475	748
<b>Total expense</b>	<b>38,507</b>	<b>2,175</b>	<b>618</b>	<b>2,011</b>	<b>1,731</b>	<b>17,645</b>	<b>3,077</b>	<b>3,568</b>	<b>1,615</b>	<b>6,069</b>
<b>Net surplus / (deficit)</b>	<b>16,204</b>	<b>135</b>	<b>63</b>	<b>619</b>	<b>(47)</b>	<b>12,828</b>	<b>(27)</b>	<b>1,085</b>	<b>632</b>	<b>910</b>
Work in Progress	17,651	205	639	391	114	16,129	7	120	102	(55)
<b>Net surplus / (deficit) Less WIP</b>	<b>(1,447)</b>	<b>(70)</b>	<b>(576)</b>	<b>228</b>	<b>(161)</b>	<b>(3,301)</b>	<b>(34)</b>	<b>965</b>	<b>530</b>	<b>965</b>

	Whole of Council				Water Supply			
	Forecast \$000	Budget \$000	Variance \$	Variance %	Forecast \$000	Budget \$000	Variance \$	Variance %
<b>Revenue</b>								
Rates	18,534	17,765	769	4%	2,062	2,067	(5)	0%
Operational Subsidies and grants	11,756	20,601	(8,845)	-43%	-	-	-	0%
Capital Subsidies and grants	15,242	16,290	(1,048)	-6%	-	-	-	0%
Other Income	2,541	2,513	28	1%	248	201	47	23%
Internal Recoveries	6,638	6,292	346	5%	-	-	-	0%
<b>Total revenue</b>	<b>54,711</b>	<b>63,461</b>	<b>(8,750)</b>	<b>-14%</b>	<b>2,310</b>	<b>2,268</b>	<b>42</b>	<b>2%</b>
<b>Expense</b>								
Consultancy	1,428	1,277	(151)	-12%	115	131	16	12%
Depreciation and Amortisation	6,355	5,968	(387)	-6%	634	706	72	10%
Electricity	249	238	(11)	-5%	159	139	(20)	-14%
Staff Costs	4,934	6,021	1,087	18%	12	6	(6)	-100%
Finance Costs	245	558	313	56%	-	-	-	0%
Grants	589	351	(238)	-68%	-	-	-	0%
Insurance	717	720	3	0%	101	81	(20)	-25%
Legal	27	55	28	51%	-	-	-	0%
Operating Expenses	2,201	2,411	210	9%	134	134	-	0%
Other Expenses	1,916	2,269	353	16%	112	110	(2)	-2%
Recovery Office	1,134	162	(972)	-600%	-	-	-	0%
Repairs and Maintenance	13,037	22,826	9,789	43%	314	235	(79)	-34%
Internal Charges	5,675	4,408	(1,267)	-29%	594	367	(227)	-62%
<b>Total expense</b>	<b>38,507</b>	<b>47,264</b>	<b>8,757</b>	<b>19%</b>	<b>2,175</b>	<b>1,909</b>	<b>(266)</b>	<b>-14%</b>
<b>Net surplus / (deficit)</b>	<b>16,204</b>	<b>16,197</b>	<b>7</b>	<b>0%</b>	<b>135</b>	<b>359</b>	<b>(224)</b>	<b>-62%</b>
Work in Progress	17,651	28,376	10,725	38%	205	3,373	3,168	94%
<b>Net surplus / (deficit) Less WIP</b>	<b>(1,447)</b>	<b>(12,179)</b>	<b>10,732</b>	<b>-88%</b>	<b>(70)</b>	<b>(3,014)</b>	<b>2,944</b>	<b>-98%</b>

Repairs and maintenance are over budget due to a loss of mains pressure in Frasertown which is now resolved. Work in Progress is under budget due to works being delayed due to staff capacity. Project managers are being brought in currently to get these back on track

	Stormwater				Wastewater			
	Forecast	Budget	Variance	Variance	Forecast	Budget	Variance	Variance
<b>Revenue</b>								
Rates	681	683	(2)	0%	2,577	2,584	(7)	0%
Operational Subsidies and grants	-	-	-	0%	-	-	-	0%
Capital Subsidies and grants	-	-	-	0%	21	-	21	0%
Other Income	-	-	-	0%	32	15	17	113%
Internal Recoveries	-	-	-	0%	-	-	-	0%
<b>Total revenue</b>	<b>681</b>	<b>683</b>	<b>(2)</b>	<b>0%</b>	<b>2,630</b>	<b>2,599</b>	<b>31</b>	<b>1%</b>
<b>Expense</b>								
Consultancy	4	6	2	33%	193	209	16	8%
Depreciation and Amortisation	293	236	(57)	-24%	528	457	(71)	-16%
Electricity	4	2	(2)	-100%	46	56	10	18%
Staff Costs	-	-	-	0%	1	-	(1)	0%
Finance Costs	-	-	-	0%	-	-	-	0%
Grants	-	-	-	0%	-	-	-	0%
Insurance	20	29	9	31%	88	80	(8)	-10%
Legal	-	-	-	0%	-	-	-	0%
Operating Expenses	12	33	21	64%	430	464	34	7%
Other Expenses	7	12	5	42%	74	190	116	61%
Recovery Office	-	-	-	0%	-	-	-	0%
Repairs and Maintenance	83	81	(2)	-2%	287	298	11	4%
Internal Charges	195	126	(69)	-55%	364	267	(97)	-36%
<b>Total expense</b>	<b>618</b>	<b>525</b>	<b>(93)</b>	<b>-18%</b>	<b>2,011</b>	<b>2,021</b>	<b>10</b>	<b>0%</b>
<b>Net surplus / (deficit)</b>	<b>63</b>	<b>158</b>	<b>(95)</b>	<b>-60%</b>	<b>619</b>	<b>578</b>	<b>41</b>	<b>7%</b>
Work in Progress	639	1,480	841	57%	391	2,916	2,525	87%
<b>Net surplus / (deficit) Less WIP</b>	<b>(576)</b>	<b>(1,322)</b>	<b>746</b>	<b>-56%</b>	<b>228</b>	<b>(2,338)</b>	<b>2,566</b>	<b>-110%</b>

Work in progress is behind budget but the bulk of the work is due to start in March.

Other expenses below budget because of less RMA monitoring due to no river bank breaches or the bar being closed.  
Work in progress is below budget due to work on the Mahia Wastewater upgrade starting in the second half of the year and the storage project being on hold.

	Waste Management				Transport			
	Forecast \$000	Budget \$000	Variance \$	Variance %	Forecast \$000	Budget \$000	Variance \$	Variance %
<b>Revenue</b>								
Rates	908	910	(2)	0%	3,606	3,616	(10)	0%
Operational Subsidies and grants	74	245	(171)	-70%	10,644	20,174	(9,530)	-47%
Capital Subsidies and grants	-	69	(69)	-100%	15,286	15,368	(82)	-1%
Other Income	702	753	(51)	-7%	35	36	(1)	-3%
Internal Recoveries	-	-	-	0%	902	1,127	(225)	-20%
<b>Total revenue</b>	<b>1,684</b>	<b>1,977</b>	<b>(293)</b>	<b>-15%</b>	<b>30,473</b>	<b>40,321</b>	<b>(9,848)</b>	<b>-24%</b>
<b>Expense</b>								
Consultancy	86	26	(60)	-231%	443	423	(20)	-5%
Depreciation and Amortisation	102	142	40	28%	4,115	3,962	(153)	-4%
Electricity	2	5	3	60%	2	3	1	33%
Staff Costs	4	3	(1)	-33%	141	353	212	60%
Finance Costs	-	-	-	0%	-	-	-	0%
Grants	-	-	-	0%	-	-	-	0%
Insurance	9	7	(2)	-29%	5	6	1	17%
Legal	-	-	-	0%	-	-	-	0%
Operating Expenses	1,053	1,219	166	14%	120	91	(29)	-32%
Other Expenses	203	309	106	34%	111	154	43	28%
Recovery Office	-	-	-	0%	-	-	-	0%
Repairs and Maintenance	-	-	-	0%	11,699	21,538	9,839	46%
Internal Charges	272	187	(85)	-45%	1,009	924	(85)	-9%
<b>Total expense</b>	<b>1,731</b>	<b>1,898</b>	<b>167</b>	<b>9%</b>	<b>17,645</b>	<b>27,454</b>	<b>9,809</b>	<b>36%</b>
<b>Net surplus / (deficit)</b>	<b>(47)</b>	<b>79</b>	<b>(126)</b>	<b>-159%</b>	<b>12,828</b>	<b>12,867</b>	<b>(39)</b>	<b>0%</b>
Work in Progress	114	2,036	1,922	94%	16,129	16,253	124	1%
<b>Net surplus / (deficit) Less WIP</b>	<b>(161)</b>	<b>(1,957)</b>	<b>1,796</b>	<b>-92%</b>	<b>(3,301)</b>	<b>(3,386)</b>	<b>85</b>	<b>-3%</b>

Operational subsidies are below budget due to Kerbside expansion work not progressing as expected. This funding has been offset to consultancy.  
Work in progress is also below budget due to the upgrade of the recycling centre being delayed.

Repairs and Maintenance is below budget due to emergency operational work starting in November and will get closer to the YTD budget in the coming months if the weather holds.

	Community Facilities				Planning And Regulatory			
	Forecast	Budget	Variance	Variance	Forecast	Budget	Variance	Variance
	\$000	\$000	\$	%	\$000	\$000	\$	%
<b>Revenue</b>								
Rates	2,976	2,984	(8)	0%	2,612	2,619	(7)	0%
Operational Subsidies and grants	61	19	42	221%	867	162	705	435%
Capital Subsidies and grants	(19)	473	(492)	-104%	-	-	-	0%
Other Income	32	121	(89)	-74%	880	669	211	32%
Internal Recoveries	-	-	-	0%	294	294	-	0%
<b>Total revenue</b>	<b>3,050</b>	<b>3,597</b>	<b>(547)</b>	<b>-15%</b>	<b>4,653</b>	<b>3,744</b>	<b>909</b>	<b>24%</b>
<b>Expense</b>								
Consultancy	-	8	8	100%	93	93	-	0%
Depreciation and Amortisation	226	127	(99)	-78%	29	15	(14)	-93%
Electricity	14	13	(1)	-8%	-	-	-	0%
Staff Costs	384	411	27	7%	941	1,164	223	19%
Finance Costs	-	-	-	0%	-	-	-	0%
Grants	589	351	(238)	-68%	-	-	-	0%
Insurance	88	128	40	31%	2	-	(2)	0%
Legal	18	-	(18)	0%	4	19	15	79%
Operating Expenses	213	220	7	3%	26	34	8	24%
Other Expenses	252	200	(52)	-26%	99	198	99	50%
Recovery Office	-	-	-	0%	1,134	162	(972)	-600%
Repairs and Maintenance	513	518	5	1%	-	3	3	100%
Internal Charges	780	616	(164)	-27%	1,240	1,248	8	1%
<b>Total expense</b>	<b>3,077</b>	<b>2,592</b>	<b>(485)</b>	<b>-19%</b>	<b>3,568</b>	<b>2,936</b>	<b>(632)</b>	<b>-22%</b>
<b>Net surplus / (deficit)</b>	<b>(27)</b>	<b>1,005</b>	<b>(1,032)</b>	<b>-103%</b>	<b>1,085</b>	<b>808</b>	<b>277</b>	<b>34%</b>
Work in Progress	7	772	765	99%	120	789	669	85%
<b>Net surplus / (deficit) Less WIP</b>	<b>(34)</b>	<b>233</b>	<b>(267)</b>	<b>-115%</b>	<b>965</b>	<b>19</b>	<b>946</b>	<b>4979%</b>

Capital Subsidies variance is due to climate change resilience work being delayed and a correction from the 2025 financial year in over stated income.

Grants are over budget due to the changes to the Community Centre management contract.

Other expenses relates to higher costs for reserve upkeep.

Other expenses is below budget due to pausing work on plan development due to the central Government Regulatory changes.

	Governance and Community				Corporate Services			
	Forecast	Budget	Variance	Variance	Forecast	Budget	Variance	Variance
	\$000	\$000	\$	%	\$000	\$000	\$	%
<b>Revenue</b>								
Rates	2,124	2,130	(6)	0%	987	172	815	474%
Operational Subsidies and grants	110	-	110	0%	-	-	-	0%
Capital Subsidies and grants	-	-	-	0%	(46)	379	(425)	-112%
Other Income	13	20	(7)	-35%	597	698	(101)	-14%
Internal Recoveries	-	-	-	0%	5,441	4,871	570	12%
<b>Total revenue</b>	<b>2,247</b>	<b>2,150</b>	<b>97</b>	<b>5%</b>	<b>6,979</b>	<b>6,120</b>	<b>859</b>	<b>14%</b>
<b>Expense</b>								
Consultancy	135	52	(83)	-160%	360	329	(31)	-9%
Depreciation and Amortisation	-	9	9	100%	429	315	(114)	-36%
Electricity	1	-	(1)	0%	20	19	(1)	-5%
Staff Costs	759	764	5	1%	2,692	3,319	627	19%
Finance Costs	-	-	-	0%	245	558	313	56%
Grants	-	-	-	0%	-	-	-	0%
Insurance	14	-	(14)	0%	390	389	(1)	0%
Legal	-	-	-	0%	4	36	32	89%
Operating Expenses	28	47	19	40%	184	168	(16)	-10%
Other Expenses	199	273	74	27%	859	824	(35)	-4%
Recovery Office	-	-	-	0%	-	-	-	0%
Repairs and Maintenance	4	4	-	0%	138	149	11	7%
Internal Charges	475	477	2	0%	748	197	(551)	-280%
<b>Total expense</b>	<b>1,615</b>	<b>1,626</b>	<b>11</b>	<b>1%</b>	<b>6,069</b>	<b>6,303</b>	<b>234</b>	<b>4%</b>
<b>Net surplus / (deficit)</b>	<b>632</b>	<b>524</b>	<b>108</b>	<b>21%</b>	<b>910</b>	<b>(183)</b>	<b>1,093</b>	<b>-597%</b>
Work in Progress	102	121	19	16%	(55)	636	691	109%
<b>Net surplus / (deficit)</b>	<b>530</b>	<b>403</b>	<b>127</b>	<b>32%</b>	<b>965</b>	<b>(819)</b>	<b>1,784</b>	<b>-218%</b>

Consultancy is above the YTD budget due to additional audits.  
Other expenses are lower than budget due to the LGA subscription not falling due yet.

Finance costs are below budget due to a lower than expected borrowing position.  
Work in progress is below budget due to delays in works on the community centre.

## 8.2 2025/26 HALF YEAR REPORT

**Author:** Michael West, Business Analyst

**Authoriser:** Gary Borg, Tumu Whakarae Tuarua | Deputy Chief Executive & Group Manager - Finance and Corporate Support

**Appendices:** 1. [Wairoa District Council 2025/26 Half Year Report](#) ↓

### 1. PURPOSE

- 1.1. This paper provides a summary of the attached Half-Year Report and highlights the key points.

### RECOMMENDATION

The Business Analyst RECOMMENDS that Committee receive the 2025/26 half year report.

### 2. BACKGROUND

- 2.1 Wairoa District Council's half year report for the 2025/26 year is attached.
- 2.2 The half year report provides an update as to current performance against targets for both financial and non-financial indicators as set out in the 2025/26 Annual Plan.
- 2.3 Results from the half year report can be used to indicate potential focus areas for the remaining half of the 2025/26 financial year.
- 2.4 Full year audited financial and non-financial results along with performance stories will be presented in the 2025/26 Annual Report.

### 3. SUMMARY OF PROGRESS

- 3.1 Overall non-financial half year results show steady progress against targets set in the Annual Plan and Long-Term Plan with many results in line with previous years.
- 3.2 Most measures reported as not met are measures gleaned from residents' satisfaction survey results – these results are traditionally low.
- 3.3 Measures across the three waters and waste management areas continue to be met with highlights being the very low levels of complaints received in these areas during the first six months of the 2025/26 year.
- 3.4 Progress results in the transport and community areas are currently skewed as several measures in these areas are only measured annually.

### 4. FINANCIAL OVERVIEW

- 4.1 Operating expenditure for the period was under budget by \$6.8m or 20% (\$28.2m actual vs \$35.1m budget). largely due to an underspend in the transport budget
- 4.2 Repairs and Maintenance charges in the Transport results to 31 December 2025 are below budget due to emergency operational work starting in November 2025 and are expected to get closer to the budget in the coming months if the weather holds.
- 4.3 Operational subsidies received for Waste Management are currently below expected amounts due to the Kerbside expansion project not progressing as expected.

- 4.4 The Community facilities budget is currently showing as \$463,000 over its expected year to date budget due to charges related to the change in management of the community centre.

**5. NEXT STEPS**

- 5.1 There will be continued monitoring of progress toward year-end targets for both financial and non-financial measures.
- 5.2 Full financial year results (both financial and non-financial) will be prepared following the end of the financial year, these results will be audited as part of the annual external audit process.



# HALF YEAR REPORT

---

## DECEMBER 2025

*This report covers the period 1 July 2025 through 31 December 2025.*

## NGĀ RĀRANGI TAKE CONTENTS

- 2 | About This Document
- 3 | Overview Of Performance Measures
- 5 | Our Performance In Detail
- ?? | Financial Statements
- ?? | Funding Impact Statements

### ABOUT THIS DOCUMENT

This half year report covers the period 1 July - 31 December 2025. The report highlights our progress against the goals we have set ourselves. It gives particular focus to the statement of service performance (SSP) measures and performance stories for each activity.

This is year two of the Long-Term Plan 2024-27. This report includes summarised SSP achievement and year to date financial's as compared to budget adherence. The SSP measures and their targets are how we track and assess delivery of Council services.

## OVERVIEW OF PERFORMANCE MEASURES AGAINST 2025/26 TARGETS

Our key performance measures—and the targets behind them—help us understand how well we’re delivering Council services. As part of the Long-Term Plan 2024–2027, we refreshed our full set of performance indicators to better reflect the levels of service we consulted on with our community.

Each quarter, we carry out a customer satisfaction survey to inform several of our metrics, with the results reported in the half-year update.

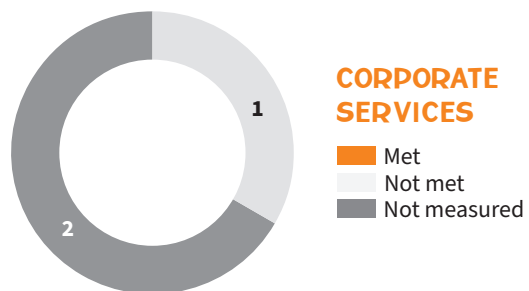
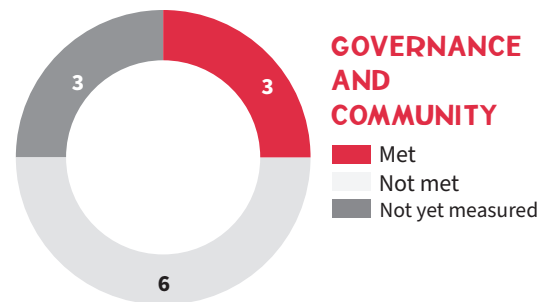
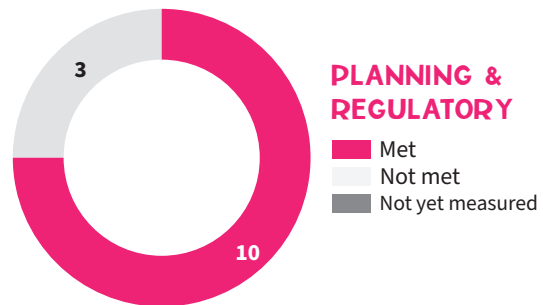
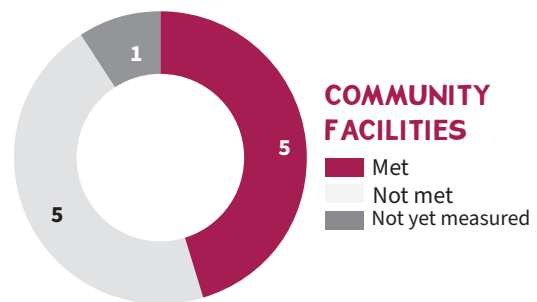
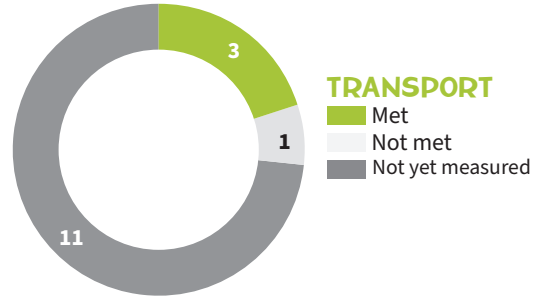
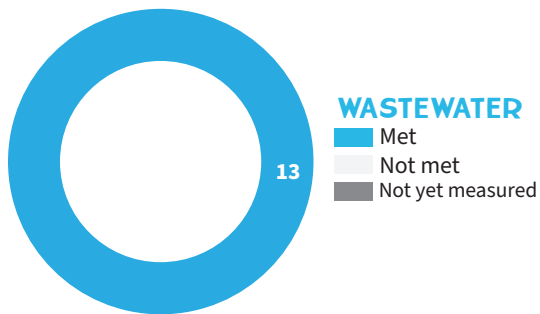
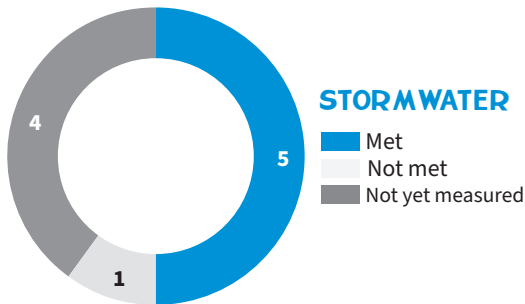
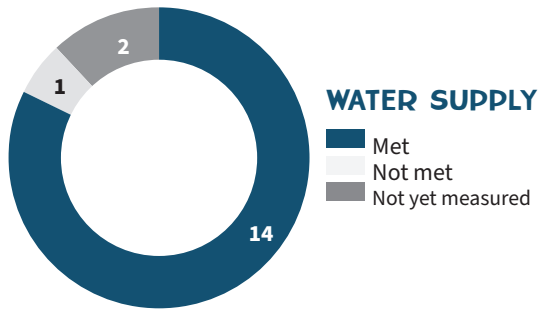
To understand how efficiently we’re operating, we compare our service performance results with

activity budget variances. The graph below shows the percentage of performance measures achieved (excluding those not measured) alongside budget variance. This makes it easy to spot any mismatches and supports meaningful discussions about how we can continue to deliver quality services while ensuring value for money for ratepayers. It also offers helpful insight into how our service levels align with financial performance.

More detailed information about our performance measures and results can be found in each activity group report.

# OVERVIEW OF PERFORMANCE MEASURES FOR THE SIX MONTHS AS AT 31 DECEMBER 2025

These charts show the overview of performance measures, set in the Long Term Plan 2024-27, for the six months as at 31 December 2025.





**TĀ TĀTĀU  
WHAKATUTUKITANGA-Ā-  
TAIPITOPI TO NEI**

---

**OUR PERFORMANCE  
IN DETAIL**

## NGĀ WAI E TORU | THREE WATERS

This performance story outlines the delivery, condition, achievements, and strategic progress of Wairoa District Council's Drinking Water, Wastewater, and Stormwater activities for the reporting period 1 July to 31 December 2025. These activities play a critical role in safeguarding public health, supporting community wellbeing, and maintaining environmental standards.

The period was marked by significant progress in long-term planning, improvements in asset understanding, and strengthened governance arrangements. A major milestone was reached on 15 December 2025, when the Minister formally endorsed the Wairoa Water Services Plan, reflecting confidence in the district's strategic direction and future delivery arrangements.

This includes the planned consolidation of assets into the proposed Council Controlled Organisation, which will streamline oversight, financial management, and long-term compliance.

The following sections provide a detailed overview of performance across each service area.

### Drinking Water Services

The drinking water network continued to deliver consistent and reliable services to properties across Wairoa, Tuai, and Mahanga. The network, with an average asset age of 70 years, remains functional but under increasing pressure from ageing infrastructure. The period saw uninterrupted supply to most consumers, with operational teams managing treatment plant functions and reticulation repairs effectively. Asset assessments completed in recent years provided improved visibility of network condition and informed maintenance prioritisation.

Council's operational teams and contracted maintenance providers ensured that routine inspections, valve maintenance, hydrant flushing, and treatment facility monitoring occurred as scheduled. No significant compliance events or boil water notices were triggered during the reporting period.

### Compliance and Water Quality

The district remained focused on meeting the Drinking Water Quality Assurance Rules and maintaining high treatment standards. Investment outlined in the Water Services Plan reflects an average annual requirement of approximately \$2 million for drinking water renewals and upgrades. These investments are driven by ageing infrastructure, the need for improved resilience, and compliance with future regulatory settings.

Monitoring data and operational logs for the period indicate stable performance, with water quality parameters maintained within expected limits.

### Stormwater Services

#### Service Delivery and Network Overview

Stormwater systems across Wairoa District include both piped networks and open drain systems. With an average asset age of 60 years, the stormwater network also requires significant medium-term investment. Several catchments—particularly in Mahia—depend on open drains with limited piped infrastructure.

Throughout the reporting period, stormwater systems functioned as expected during several moderate rainfall events. Maintenance work focused on debris removal, clearing of culverts, and targeted renewal of small pipe sections showing structural fatigue.

#### Compliance and Resilience Planning

The district currently holds no stormwater resource consent, an issue identified in the Water Services Plan and factored into future compliance planning. Investment planning allocates approximately \$1.4 million annually toward improving stormwater performance, with a focus on expanding capacity, mitigating localised flooding, and upgrading critical network sections.

Climate related impacts, including increasing rainfall intensity and more frequent storm events, continue to influence risk planning and resilience investment priorities.

Stormwater assets will also transition to the CCO under the Minister-endorsed governance model. Bringing stormwater into the consolidated structure strengthens whole of system planning and provides a clearer path for meeting environmental obligations over time.

#### Ministerial Endorsement of the Water Services Plan

The Minister's 15 December 2025 endorsement of the Wairoa Water Services Plan is a major achievement for the district. This endorsement confirms that:

The district's direction for drinking water, wastewater, and stormwater services is credible and sustainable.

The proposed shift to a dedicated water services entity aligns with national expectations for improved water sector governance.

Planned investment levels, asset management settings, and compliance pathways are appropriate for the district's context.

The Council's planning demonstrates sound financial reasoning, risk analysis, and commitment to service improvement.

This milestone offers long-term certainty to the Council, the future CCO, and the Wairoa community.

## Wastewater Services

### Network Performance

Wairoa's wastewater services support Wairoa township, Tuai, Opoutama, and Mahia, accommodating over 1,600 residential connections in Wairoa and several hundred more across outlying areas. The network's average age (approximately 65 years) highlights the need for ongoing maintenance and renewal.

The reporting period saw stable network operation, with contracted maintenance teams responding to blockages, pump failures, and minor reticulation repairs. Operational continuity at the wastewater treatment plant was maintained with no major treatment breaches reported.

### Investment and Regulatory Environment

Wastewater represents the largest investment requirement across the three water activities. Funding forecasts outline an average annual investment of \$4.3 million, aimed at renewing critical assets, improving treatment performance, and ensuring compliance with environmental regulations over the next decade. A significant spike in investment is projected for FY2031/32 due to the end of life replacement of major network components.

During the period, Council undertook work required for resource consent renewals and to meet ongoing environmental monitoring obligations and advanced

several design and planning tasks to support future upgrades.

Wastewater assets and associated debt will transfer to the new CCO under the endorsed Water Services Plan. This structural change is expected to unlock operational efficiencies, simplify funding arrangements, and support more robust asset management practices.

## Overall Assessment of Performance (July–December 2025)

The reporting period reflects solid operational performance across all water services activities. Key observations include:

- Stable and reliable service delivery across drinking water, wastewater, and stormwater networks, with no major compliance events.
- Improved asset understanding, supported by condition assessments and maturing asset management practices.
- Clear investment pathways established through the Water Services Plan, ensuring alignment with long-term financial strategies.
- Progress toward future governance reform, including preparatory work for asset transfer, staffing transition, and administrative planning for the future CCO.
- Enhanced regulatory confidence, demonstrated through the Minister's endorsement of the district's water services direction.

While major renewal and compliance challenges remain—particularly in wastewater and stormwater—the Council has strengthened its strategic foundations and continues to make progress toward a more resilient and sustainable water services model.

## MEASURING OUR PROGRESS | WATER SUPPLY

14 2 1

Levels of Service	Performance Measure	2023/2024 Actual	2024/25 Actual	2025/26 Target	2025/2026 Actual	
<b>Safe, high quality water supply is provided</b>	Compliance with the Drinking Water Standards (Part 4 bacterial compliance criteria):					
	Wairoa / Frasertown and Tuai	Compliant	Compliant	Compliant	Compliant	☑
	Compliance with Drinking Water Standards (Part 5 protozoal compliance criteria):					
<b>Provide reliable water networks</b>	Wairoa / Frasertown	Compliant	Compliant	Compliant	Compliant	☑
	Residents (%) satisfied with the water supply	63%	63%	≥80%	75%	⊗
<b>Water Pressure and flow appropriate for its intended use</b>	Number of complaints about water supply per 1,000 connections:					
	Drinking water clarity	1.8 per 1,000	0 per 1,000	10 per 1,000	0 per 1,000	☑
	Drinking water taste	9.9 per 1,000	0.9 per 1,000	10 per 1,000	0 per 1,000	☑
	Drinking water odour	0.9 per 1,000	0 per 1,000	10 per 1,000	0 per 1,000	☑
	Drinking water pressure or flow	7.2 per 1,000	1.4 per 1,000	20 per 1,000	11 per 1,000	☑
	Continuity of supply	25.3 per 1,000	16.3 per 1,000	20 per 1,000	0 per 1,000	☑
	Responsiveness to issues	5.0 per 1,000	0 per 1,000	10 per 1,000	0 per 1,000	☑
	Percentage of real water loss from our networked reticulation system	33%	49.10%	32%	measured at year end	⊖
<b>Water supply assets are managed prudently to ensure long-term financial sustainability for current and future generations</b>	Median response time for urgent callouts					
	Wairoa / Frasertown (attendance time)	0.7 hours	0.35 hours	1 hour	0.5 hours	☑
	Other areas (attendance time)	1.8 hours	0 hours	2 hours	0 hours	☑
	Wairoa / Frasertown (resolution time)	1.2 hours	0.1 hours	4 hours	0.5 hours	☑
<b>Water supply assets are managed prudently to ensure long-term financial sustainability for current and future generations</b>	Other areas (attendance time)	1.3 hours	0 hours	5 hours	0 hours	☑
	Median response time for non-urgent callouts					
	(attendance time in days)	0.6 days	0.2 working days	2 days	0.8 working days	☑
<b>Water supply assets are managed prudently to ensure long-term financial sustainability for current and future generations</b>	(resolution time in working days)	0.7 working day	0 working days	3 working days	0.5 working days	☑
	<b>Water resources are used efficiently and sustainably</b>	Average drinking water consumption per day per resident	535.6 Litres	263	500 Litres	measured at year end

## MEASURING OUR PROGRESS | STORMWATER

✔ 5 ⊖ 4 ⊗ 1

Levels of Service	Performance Measure	2023/24 Actual	2024/25 Actual	2025/26 Target	2025/26 Actual	
<b>Mitigate risk of flooding in urban areas</b>	Number of flooding events in the district	47	5	≤10	0	✔
	For each flooding event, number of habitable floors affected (per 1,000 properties)	8.26 per 1,000 properties	1.74	≤50	0	✔
<b>To provide reliable stormwater networks</b>	Residents (%) satisfied with the stormwater system	38%	41%	≥80%	36%	⊗
	Number of complaints about stormwater system performance (per 1,000 connections)	37.00 per 1,000 connections	23 per 1,000 connections	≤50	2 per 1000	✔
<b>Stormwater disruption during natural disaster events are minimised</b>	Median response time for emergency flooding event (attendance time in hours)	317.4 hours	No emergency flooding events	1 hour	No emergency flooding events	✔
	Median response time for urgent flooding event (attendance time in hours)	317.7 hours	No Urgent Flooding Events	2 hours	No Urgent Flooding Events	✔
<b>Effects on the natural environment are minimised</b>	Compliance with Council's resource consents for discharge from its stormwater system:					
	Abatement notices			0		⊖
	Infringement notices	No Consent Application underway	No Consent Application underway	0	No Consent Application underway	⊖
	Enforcement orders			0		⊖
	Convictions			0		⊖

## MEASURING OUR PROGRESS | WASTEWATER

✔ 13 ⊖ 0 ⊗ 0

Levels of Service	Performance Measure	2023/24 Actual	2024/25 Actual	2025/26 Target	2025/26 Actual	
<b>Mitigate risk of environmental and public health impacts</b>	Dry weather wastewater overflows per 1000 connections	2.1	0.4	10	0	✔
<b>To provide safe and reliable wastewater service to customers</b>	Number of complaints about wastewater per 1,000 connections:					
	Sewage odour	3 per 1,000	0.4 per 1,000	15 per 1,000	0 per 1,000	✔
	Sewerage system faults	3 per 1,000	1.7 per 1,000	15 per 1,000	0 per 1,000	✔
	Sewerage system blockages	4 per 1,000	1.3 per 1,000	15 per 1,000	1 per 1,000	✔
	Responses to issues with sewerage system	1 per 1,000	0 per 1,000	15 per 1,000	0 per 1,000	✔
<b>Wastewater assets are managed prudently to ensure long term financial sustainability for current and future generations</b>	Median response time for wastewater overflows:					
	Wairoa / Frasertown (attendance time)	5.9 hours	2.3	1 hour	0	✔
	Other areas (attendance time)	0.67 hours	3.39	2 hours	0	✔
	Wairoa / Frasertown (resolution time)	5.9 hours	2.3	4 hours	0	✔
	Other areas (resolution time)	5 hours	3.39	5 hours	0	✔
<b>Protection is provided to the community and environment</b>	Compliance with Council's resource consents for discharge from its wastewater system:					
	Abatement notices	0	0	0	0	✔
	Infringement notices	0	0	0	0	✔
	Enforcement orders	0	0	0	0	✔
	Convictions	0	0	0	0	✔

## WHAKAHAERE PARA | WASTE MANAGEMENT

This performance story describes the delivery, progress, challenges, and strategic direction of Wairoa District Council's Waste Management activities over the first half of the 2025/26 financial year.

Waste Management remains a key focus area under the Long-Term Plan 2024–27, reflecting the increasing pressures on local waste infrastructure, particularly the nearing end of life condition of the Fraser Street Landfill and the growing need for waste minimisation and improved collection services.

### **Kerbside Collection and Rural Dropoff Services**

The Council continued to provide regular kerbside refuse and recycling services in Wairoa and Frasertown, alongside scheduled rural collections at Māhia, Nuhaka, and Mohaka. Performance against service standards remained strong:

- Minimum kerbside collection frequency (fortnightly) was met with zero missed cycles.
- Rural dropoff collections, required twice monthly, were delivered with no missed frequency events.
- 100% of missed service requests were responded to by 12pm the following day.

These results reflect consistent high performance and adherence to customer service standards.

Contractor performance remained strong, with zero health and safety breaches, supporting safe and reliable service delivery.

### **Operation of the Wairoa Landfill**

Council maintained operation of the Wairoa Landfill, meeting level of service requirements:

The Wairoa Landfill remained open at least 6 hours per day, 4 days a week, meeting the operational target.

However, the landfill continues to face capacity pressures. Recent extreme weather events, including flooding, have significantly increased household

refuse volumes as damaged household items were disposed of. This influx has contributed to higher than budget operating expenditure and accelerated remaining capacity depletion.

Council has been actively investigating longterm solutions for solid waste disposal due to Fraser Street Landfill nearing capacity. Options include:

- construction of a new landfill cell, or
- transporting waste to an out of district landfill.

While a temporary out of district disposal strategy was proposed in the 2024-27 Long Term Plan, updated landfill management practices have delayed the need for transporting of waste out of district.

### **Rural Waste Facilities and Transfer Stations**

Work also advanced on:

- improvements to the Mahia Transfer Station, and
- upgrades to rural waste collection points around the district.

These improvements aim to reduce illegal dumping, increase recycling participation, and enhance overall service quality.

### **Overall Assessment (July–December 2025)**

The first half of the 2025/26 year demonstrated strong operational performance and progress toward long-term service sustainability. Key achievements include:

- High reliability of kerbside and rural waste services with all frequency targets met.
- Zero health and safety incidents, indicating high contractor and operational discipline.
- Sustained service delivery despite increased waste volumes caused by weather events. Key challenges remain, particularly managing landfill capacity, addressing resource consent non-compliance issues, and confirming long-term disposal solutions.

## MEASURING OUR PROGRESS | WASTE MANAGEMENT

✔ 7 
 ⊖ 1 
 ⊗ 0

Levels of Service	Performance Measure	2023/24 Actual	2024/25 Actual	2025/26 Target	2025/26 Actual	
<b>Provide safe and reliable refuse and recycling kerbside collection services and rural waste services</b>	Number of times when minimum frequency of kerbside refuse and recycling service in Wairoa and Frasertown (fortnightly) is not met, per year	0	0	0	0	✔
	Number of times when minimum frequency of collection from specified drop-off points from Māhia, Nuhaka and Mohaka (twice a month) is not met, per year	0	0	0	0	✔
	Number of health and safety breaches by waste services contractors, per year	0	0	0	0	✔
	Percentage of missed household refuse service requests responded to by 12 pm the next day	100%	100%	100%	100%	✔
<b>Provide the Wairoa Landfill for safe waste disposal</b>	Council will operate and maintain the Wairoa landfill for the disposal of domestic and commercial refuse, being open for the public at least 6 hours per day, 4 days per week	98%	100%	100%	100%	✔
<b>Effects on the natural environment are minimised</b>	Number of non-compliance events with the resource consent conditions for the Wairoa landfill, per year	0	20	0	0	✔
	Number of non-compliance events with the resource consent conditions for the closed landfill sites, per year	0	0	0	0	✔
<b>Council facilitates waste minimisation practices and promotes reduction of the amount of waste going to landfill</b>	The amount of material diverted from landfill by the Wairoa community in tonnes (excludes green waste)	301.25 tonnes	1,559.03 tonnes	≥75 tonnes	reported at year end	⊖

## RANGA | TRANSPORT

The first half of the 2025/26 financial year reflects sustained progress across Wairoa District Council's transport activity, balancing business as usual maintenance with extensive recovery and resilience work following several years of severe weather impacts.

The district's transport network remains one of our most critical assets—providing access for residents, businesses, emergency services, and freight operators—and Council continued to prioritise its restoration, upkeep, and long-term strengthening.

This reporting period saw substantial progress on emergency works, continued investment in bridge replacement projects, targeted resilience improvements, and advancing planned upgrades to the Wairoa Airport. Operational delivery, despite weather-related setbacks, continued strongly across sealed and unsealed networks.

### Road Network Operations and Maintenance

The transport team delivered extensive business as usual works across both sealed and unsealed roads, ensuring the network remained safe and functional. Highlights from the reporting period include:

- Completion of 8.6 kilometres of heavy metal buildup on unsealed routes, supporting rural access and freight reliability.
- Maintenance of approximately 92 kilometres of maintenance metal, improving surface condition and reducing vehicle wear.
- Rebuilding of around 250 metres of sealed road sections, addressing surface failures.
- 23 kilometres of reseals completed, extending the life of key network areas.
- Delivery of 24,870 m<sup>2</sup> of stabilisation and digout repairs, preventing deterioration and safeguarding future budgets.
- Clearance of 50 kilometres of roadside drains and renewal of 30 culverts, essential for network protection during heavy rainfall.

### Resilience Improvements

Building long-term resilience into the transport network remained a major focus during this period. Work included:

- The Blacks Beach resilience project, awarded and well underway, reinforcing a vulnerable coastal section.

- Commencement of works along the Mahia East Coast Road (Rangatahi site) to address coastal stability and protect vital access routes.
- Additional resilience projects in the pipeline, reflecting Council's sustained commitment to strengthening the district's road network against future climate impacts.

Resilience improvements outlined in the Long-Term Plan also progressed, including tree planting, bank stabilisation, and targeted drainage improvements to support network reliability.

### Bridge Programme

The bridge investment programme made significant progress this period, contributing to long-term safety and connectivity:

- Opoiti Bridge: Fully reopened in December 2024, strengthening links between Wairoa and Gisborne and providing a reliable alternative route before the reporting period.
- Te Reinga Bridge: Replacement underway, with construction commenced in May 2025 and works steadily progressing.
- Glenbrook/Waikare Bridge: Replacement design completed, and procurement planning advanced for delivery.

### Road Safety, Drainage, and Regulatory Work

Council continued implementing recommendations from past road safety audits, including:

- widening and traffic calming
- installation of new signage and barriers
- targeted speed management initiatives

These programmes continued during the reporting period but were partly delayed due to unsettled weather conditions.

Drainage improvements—piping open drains and upgrading culvert capacity—also progressed throughout the district, although some projects are dependent on outcomes from the proposed flood mitigation programme.

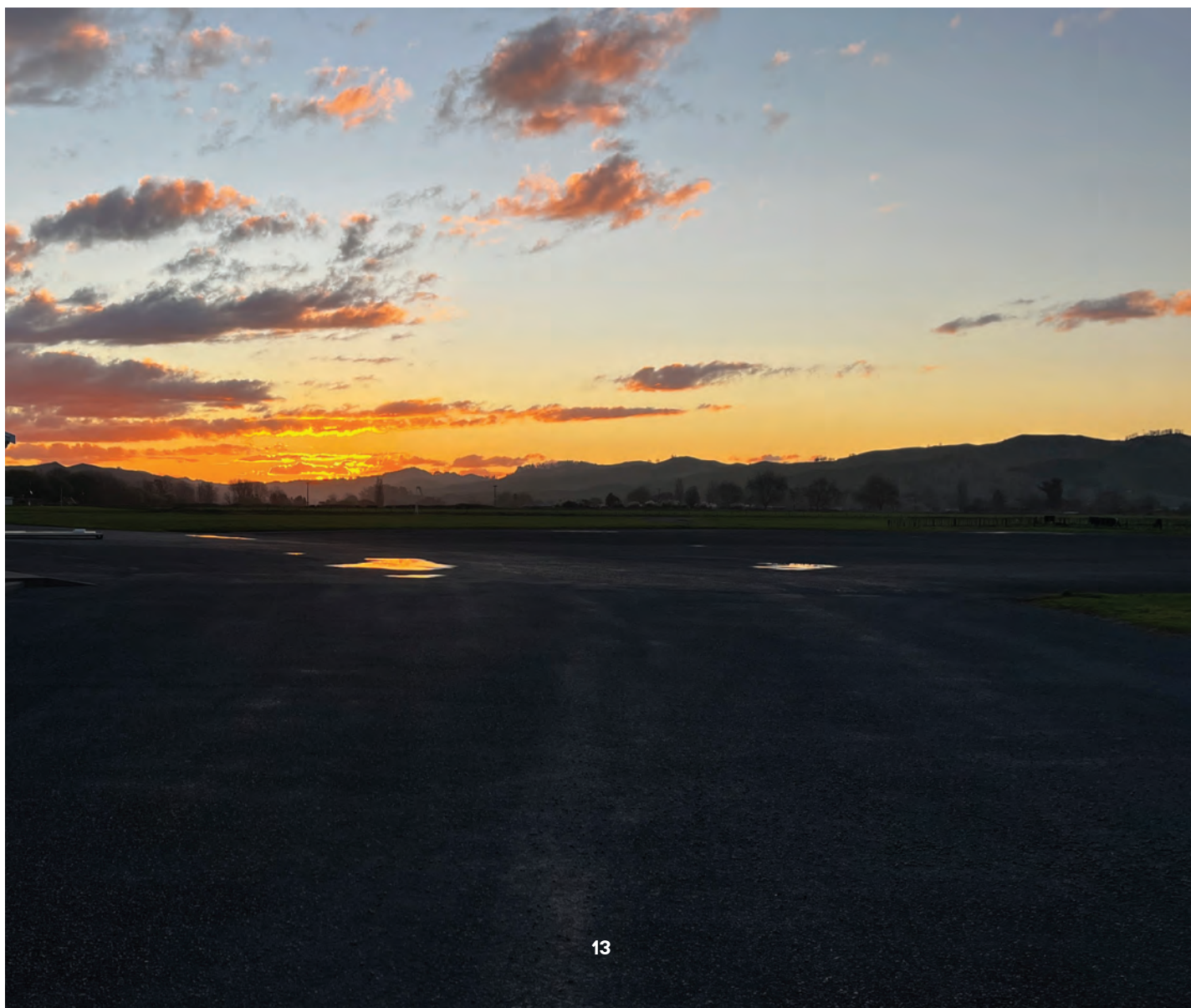
The Land Transport Bylaw has also been updated with public consultation scheduled for early 2026.

**Airport**

The Wairoa Airport continues to play an important role in connectivity and emergency management. Performance highlights include:

- Monthly landing numbers remained consistent with previous years, averaging 126 landings per month.
- Sunair Aviation daily services continue to underpin airport activity.
- Planning for a runway extension and building upgrades progressed, supported primarily by funding from Kanoa – the Regional Infrastructure Fund.
- Additional funding discussions are ongoing to ensure full delivery of required upgrades.

Airport Landing Report		
	2024/2025	2025/2026
July	138	78
August	113	105
September	177	102
October	142	90
November	159	150
December	79	94
January	75	
February	113	
March	162	
April	92	
May	117	
June	92	



## MEASURING OUR PROGRESS | TRANSPORT

✔ 3 ⊖ 11 ⊗ 1

Levels of Service	Performance Measure	2023/24 Actual	2024/25 Actual	2025/26 Target	2025/26 Actual	
<b>The land transport network is designed and maintained to be safe</b>	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	2	3	≤0	measured at year end	⊖
<b>Road users will experience a fair ride quality on a well-maintained and managed sealed road network asset</b>	Average Roughness – sealed roads which meet smooth road standards for ‘fair’ ride quality	94	102	Average NAASRA of the sealed road network <110	measured at year end	⊖
	The average quality of ride on a sealed local road network, measured by Smooth Travel exposure	95%	89%	≥90% of sealed network smoother than specified threshold	measured at year end	⊖
	The percentage of footpaths in average condition or better (measured against WDC condition standards)	83%	85%	95%	measured at year end	⊖
	Road users consider the land transport service to be “fairly good, very good or better”	29%	26%	>75%	37%	⊗
<b>The land transport network is managed in a manner that assists the economic development of the district</b>	Percentage of network unavailable to Class 1	0.50%	0.35%	<0.1%	measured at year end	⊖
	Percentage of network unavailable to 50 max	4%	4.00%	<15%	measured at year end	⊖
	Number of bridges not meeting HCV Class 1 requirements	6	5	≤4	measured at year end	⊖
<b>Road assets are managed prudently to ensure long term financial sustainability for current and future generations</b>	The percentage of sealed road network that is resurfaced annually (by area)	6%	6%	6%	measured at year end	⊖
	Response to service requests:Percentage of customer service requests responded to within 5 days	67%	85%	>90%	93%	✔
<b>Council quickly restores access on key routes after natural event</b>	No. of journeys impacted by unplanned events	54,699	73,730	2% decrease on previous year	measured at year end	⊖
	No. of instances where road access is lost	30,979	54,020	Decreasing trend on previous year	measured at year end	⊖
	CSR complaints related to dust	24	40	Decreasing trend on previous year	1	✔
	Percentage of programmed dust reduction initiatives completed annually	100%	0%	100%	measured at year end	⊖
<b>Airport</b>	Number of times when the airport is closed (not available to be used), per year	1 day	0 days	0 days	0	✔

## NGĀ TAPUTAPU HAPORI | COMMUNITY FACILITIES

We partner in and support the provision of recreational, health, cultural and heritage activities. We support community events, initiatives, and facilities, including the Community Centre, Gaiety Theatre and Wairoa Museum. These facilities provide a valuable resource for the creation of local communities of interest as meeting places and for passive and physical leisure.

The Community Facilities activity group continued to demonstrate resilience and steady service delivery throughout the first half of the 2025/26 financial year. The period from 1 July 2025 to 31 December 2025 was shaped by ongoing climate related recovery work, increased demand for recreational services, and targeted investment in facility upgrades across the district. Despite challenges, the group delivered consistent, community centred services and maintained strong performance levels across its portfolio.

### Parks, Reserves and Open Spaces

Across the district's reserves and open spaces, Council continued to manage post weather vent recovery. Between July and December 2025, team efforts focused on silt removal, safety reinstatements, and ground rehabilitation.

Approximately 3,200 cubic metres of silt were removed during this period alone—a continuation of the wider 18 month recovery programme. Mowing schedules stabilised in October 2025 as ground conditions improved, enabling the team to resume regular maintenance cycles.

Playgrounds, campgrounds, and coastal reserves maintained consistent usage levels throughout the 2025 winter and early summer. In Mahia and Tuai, collaborative planning with community groups progressed to design stages for multiuse courts and play space renewals.

### Wairoa Community Centre

During this period, Management of the Wairoa Community Centre was taken over by Community Leisure Management with the facility remaining a pivotal wellbeing hub. LearntoSwim programmes operated at full capacity, reflecting sustained demand throughout winter and spring. Bookings from the Wairoa College Special Needs Unit, Rukuhia Wāhine Toa, and local health providers continued steadily, with term based participation numbers comparable or slightly higher than the same period the previous year.

Gym and Fitness Centre usage increased significantly, with foot traffic up approximately 38% from the first half of 2024/25. Members reported high satisfaction following the installation of upgraded gymnasium lighting completed in August 2025.

### isite Wairoa

The new isite Wairoa facility was officially completed in August 2025, marking the culmination of a project more than five years in development. The grand opening was officiated by Hon. Shane Jones, whose support and contribution through the Provincial Growth Fund played a significant role in bringing this important community and tourism asset to fruition.

Positioning isite Wairoa as a central hub has proven to be a positive and strategic move, strengthening its role within the town centre and contributing to wider economic and social activity. The new premises have resulted in a significant increase in retail sales, reflecting improved visibility, accessibility, and increased foot traffic. Visitor numbers have remained consistent, demonstrating that the new location has successfully retained existing visitation while enhancing commercial performance.

### Community and Transport Integration

The relocation of the bus stop to the isite Wairoa site has further enhanced accessibility and connectivity with an increase in bus travellers, reinforcing the facility's function as a key transport and information hub for both residents and visitors.

The building has been designed to support broader community use and includes:

- A conference room and hot desk spaces, used internally and made available to external whānau and community groups at a low cost
- An outstanding ablution block, supporting both visitors and travellers
- A state-of-the-art commercial kitchen, enabling multifunctional use and future opportunities

These features have created a welcoming, flexible space that supports tourism services while also meeting wider community needs.

Overall, between July and December 2025, Community Facilities delivered strong outcomes in service accessibility, facility maintenance, community partnership development, and storm recovery efforts. The group continues to support community wellbeing and district vibrancy through reliable, high quality service delivery.

### Library Activity Report

Over the six-month period from July to December 2025, library staff remained exceptionally busy due to high patron engagement across a wide range of programmes, workshops, and events. Patron numbers, programme participation, and community feedback all indicate strong growth and ongoing demand for library services.

#### Patron Engagement

During this reporting period, the library welcomed a total of 18,747 patrons, representing an increase of over 515 patrons compared with the same period in 2024. This growth reflects the continued relevance of the library as a community hub and the success of our programming.

#### Winter Programme

The 2025 winter programme featured Escape Room experiences designed for children. Participants were required to read clues, solve puzzles, and apply problem-solving skills to “escape” themed rooms.

- Three different escape room scenarios were created.
- All available sessions were fully booked.
- The programme successfully combined literacy, teamwork, and creative thinking.

In addition, a Holiday Reading Log Programme was offered, where children earned “jibbits” for Crocs shoes or Crocs bracelets by reading set numbers of books.

#### Term 3 and Term 4 Workshops

All workshops offered during Term 3 and Term 4 were fully booked, demonstrating sustained demand. These workshops included:

- STEAM
- 3D Printing
- Coding
- Tween Book Club
- Nexus Book Club
- Art of Gifting
- Teens in Tech

The library also welcomed several rural schools for on-site visits and conducted external visits to schools, expanding outreach beyond the immediate community.

#### Ongoing and Regular Programmes

Weekly visits from Kotemaori School continued throughout the period.

- Digital Hub classes remained fully booked.
- The Adult Reading Programme, titled Runaway with a Treat, was a significant success with participant feedback indicating a strong desire for more than two programmes per year.

#### Community Engagement and Events

The library participated in the Wairoa Ageing and Disability Expo, where feedback regarding library resources and the collection was extremely positive.

- At the beginning of Term 4, Mum and Bub Time was launched with attendance being consistently strong.
- Halloween Event: A major highlight was the Halloween Event, held on 31 October from 3:00 p.m. to 5:00 p.m. The event was very well received by the public. The library collaborated with The Gaiety Theatre. Following library sessions, patrons attended Halloween-themed movie screenings at 5:30 p.m. and 8:00 p.m. Just under 1,000 patrons visited the library during the event. Additional activities were offered on the Library Green, further enhancing engagement.

#### After-School Programmes

In Term 4, the library launched After-School Programmes. All classes were fully booked with demand exceeding capacity, resulting in waitlists for most sessions.

#### Christmas Programmes

In the lead-up to Christmas, the library ran Christmas Craft Workshops from 16th –18th December. Activities included stained-glass-style decorations, Christmas ornaments, and handmade gifts. Children created items to gift to family members. All sessions across the three days were fully booked.

#### Seed Workshops

Various Seed Workshops were also delivered by the Seed Workshop Group. These workshops were well received by the public and feedback indicated strong interest in sustainability-focused programming.

#### Conclusion

The July–December 2025 period demonstrated significant growth in patron numbers, consistently full programmes, and strong community engagement. Feedback across all age groups highlights a desire for expanded programming, reinforcing the library’s role as a vital and valued community service.

## MEASURING OUR PROGRESS | COMMUNITY FACILITIES

✔ 5 
 ⊖ 1 
 ⊗ 5

Levels of Service	Performance Measure	2023/24 Actual	2024/25 Actual	2025/26 Target	2025/26 Actual	
<b>Parks, Reserves &amp; Cemeteries</b>						
<b>Cemetery assets are well maintained</b>	Percentage of residents' overall satisfaction with cemetery maintenance	66%	63%	80%	72%	⊗
<b>Parks and reserve assets are well maintained</b>	Percentage of residents' overall satisfaction with parks and reserves maintenance	60%	58%	80%	63%	⊗
<b>Provide prompt responses for service</b>	Percentage of open space requests responded to within 24 hours	29%	50%	≥85%	33%	⊗
<b>Library</b>						
<b>Library delivers positive and high quality experiences</b>	User satisfaction (%) with library services	95%	93%	≥80%	91%	✔
	User satisfaction (%) with library collection	88%	77%	≥80%	78%	⊗
<b>Library is accessible and well utilised by community</b>	Completion rate (%) of programme attendees	89%	95%	80%	not measured	⊖
	Library physical visits	33,158	36,786	32,000	18,747	✔
<b>Museum and Community Centre</b>						
<b>Community Centre is accessible and well utilised by community</b>	Total visits to the Wairoa Community Centre	94,242	93,186	Visitor numbers ≥ previous year	51,290	✔
	User satisfaction (%) Community Centre	76%	86%	≥80%	73%	⊗
<b>Museum is accessible and well utilised by community</b>	Total visits to the Wairoa Museum	3,359	5,003	Visitor numbers ≥ previous year	1,965	✔
	User satisfaction (%) Wairoa Museum	98%	96%	≥80%	93%	✔

## TE MAHERE ME TE WAETURE | PLANNING & REGULATORY

### Resource Planning

From July to December 2025, the Planning team continued to operate under significant capacity constraints, following vacancies earlier in the 2025 calendar year that placed pressure on consent processing, LIMs, monitoring, and duty planning functions. Consultant support remained necessary to maintain statutory timeframes and manage workload peaks.

Residential development activity continued to progress, particularly at Te Rāua, and the Tihi Tihi Pā subdivisions which have continued to contribute new housing stock in Wairoa, reflecting steady residential development interest in the district.

Work also continued on major policy and legislative transition areas such as the Resource Management Act replacement (Planning Act & Natural and Built Environment related reforms) and the national shift toward Local Water Done Well structures, providing input where required through regional processes.

### Building Control

The Building Control Authority (BCA) continues to face strong nationwide competition for qualified Building Control Officers (BCOs), making recruitment and retention challenging.

System improvements undertaken this year include invoicing method changes, improved process efficiencies, and expanded use of timetracking software—these upgrades aim to support better forecasting of userpays costs and reduced customer billing surprises.

### Environmental Health

#### Food Control

Across 2025, the Environmental Health team managed steady growth in food business activity, including ten new food business registrations. Verification workloads remained manageable, with the majority of premises compliant with the Food Act 2014. Officers continued targeting unregistered online food sellers, resulting in education and formal registration of five sellers. The food licensing webpage was updated to make the application process more userfriendly.

#### Alcohol Control

The department continued routine daytime and night-time compliance checks of licensed premises. Results

for this year show most premises continue to meet their responsibilities with only minor issues identified. A new District Licensing Committee (DLC) and Chair were appointed in December, continuing to apply statutory decision making criteria consistently.

### Noise Control

Noise complaints continued to be managed by Environmental Health Officers during work hours and by contractors after hours. Complaints remained steady at approximately two per week, generally occurring on weekends. Officers primarily relied on objective assessment rather than noise meters, consistent with prior practice.

### Bylaw Compliance

#### Dog Control

Dog control activity continued through 2025 with high registration levels. Dog classification numbers remained stable and 279 service requests were received for dog control in the 2024/25 year; trends for the second half of 2025 are not yet reported. Desexing support through the Fred Lewis Foundation continued to be well received, with 55 desexing vouchers issued by mid2025.

Council also continued to provide cages for trapping stray cats, enabling veterinary assessment and rehoming where possible. Property checks for unregistered dogs commenced in November, with several complex multiowner situations identified, resulting in impounding, rehoming, and associated fees.

#### Livestock Control

Livestock issues remained significant, with 73 customer service requests recorded by mid2025 (highest in recent years). Efforts continued in collaboration with Police, including issuing notices, direct owner engagement, and public messaging via social media.

#### General Bylaw Enforcement

The holiday period typically increases freedom camping activity around the district. The freedom camping Ambassador Programme was not funded and therefore not run. Compliance Officers continued patrols of freedom camping areas with a focus on education before taking enforcement action.

## MEASURING OUR PROGRESS | PLANNING AND REGULATORY

✔ 10 
 ⊖ 0 
 ⊗ 3

Levels of Service	Performance Measure	2023/2024 Actual	2024/25 Actual	2025/26 Target	2025/2026 Actual	
<b>Building Control</b>						
<b>Provide an efficient, responsive and compliant building control service</b>	Building consents (%) processed within statutory time frames	91%	97%	90%	98%	✔
	Certificates of acceptance (%) processed within statutory time frames	100%	93%	90%	95%	✔
	Users (%) who rate building control service as good or very good	34%	39%	≥80%	41%	⊗
	Building Consent Authority (BCA) accreditation retained	Retained	Retained	Retain	Retained	✔
<b>Bylaw Compliance</b>						
<b>Provide an efficient, responsive and compliant dog and stock control service</b>	Known dogs (%) registered by 30 June each year	95%	95%	≥75%	93%	✔
	Annual Report about the administration of Councils policy and dog control practices adopted by 30 August each year.	Achieved	Achieved	Achieved	Achieved	✔
<b>Liquor Licensing and Environmental Health</b>						
<b>Provide an efficient, responsive and compliant liquor control service</b>	Management licenses (%) processed within 30 days	100%	84%	100%	85%	⊗
	Renewal and new licences (%) processed within statutory time frames	100%	100%	100%	100%	✔
<b>Provide an efficient, responsive and compliant environmental health service</b>	Non-food premises registrations required under legislation completed (%)	100%	100%	100%	100%	✔
	Noise Control (unreasonable noise) complaints responded to in accordance with legislation, regulations, and council policy	89%	90%	90%	100%	✔
	Verification reporting to be completed within 10 days of verification as per Quality Manual.	100%	90%	90%	100%	✔
<b>Resource Planning</b>						
<b>Provide an efficient, responsive and compliant resource planning service</b>	Resource consent % processed within statutory timeframe	100%	94%	100%	100%	✔
	Users (%) who rate resource consent service as good or very good	57%	52%	≥80%	60%	⊗

## TE MANA WHAKATIPU ME TE MANA ĀRAHI | LEADERSHIP & GOVERNANCE

The period from 1 July 2025 to 31 December 2025 marked a phase of restructure with new operational areas moving into the group. The group continued to provide governance advice and assistance to elected members particularly during the local body elections in October 2025.

### Governance

Local Body elections were held in October 2025, resulting in three new elected members who were sworn in on 28th October 2025.

During the first half of 2025-26, Wairoa District Council continued to meet its statutory obligations, achieving 100% agendas on time for all Council and Committee meetings. Meeting frequency and elected member engagement remained high during this period, with consistent attendance recorded across formal governance forums.

Despite strong compliance performance, resident satisfaction survey results highlighted ongoing challenges across several areas. In response, Council initiated work on a revised communications and engagement approach, with development

occurring between October and December 2025 and implementation scheduled for early 2026.

Council's partnerships with Māori remained a core focus. Between July and December 2025, the Māori Standing Committee met regularly, providing input on environmental policy, community safety matters, and district planning.

From July to December 2025, the group continued its commitment to strengthening governance, improving transparency, and enhancing engagement pathways—while identifying clear priorities for improvement in community accessibility and communication

### Human Resources

Human Resources focused on workforce development, compliance, and recruitment stability. Staff turnover decreased in the first half of 2025/26 compared with the same period the previous year.

Council's workforce remained stable at approximately 90 employees, with active recruitment successfully filling several long-term vacancies.

## MEASURING OUR PROGRESS | GOVERNANCE & COMMUNITY

✔ 3 ⊖ 3 ⊗ 6

Levels of Service	Performance Measure	2022/2023 Actual	2023/24 Actual	2024/25 Target	2024/2025 Actual	
<b>Elected members are accessible and responsive to community</b>	Residents (%) who know how to contact elected members	45%	73%	≥85%	74%	⊗
	Residents (%) satisfied with Mayor and Councillors	47%	40%	≥85%	55%	⊗
<b>Council facilitates democratic decision-making, and community engagement opportunities</b>	Meeting and committee agendas (%) made available to the public within statutory time frames	100%	100%	100%	100%	✔
	Residents (%) who believe they have adequate opportunities to have their say in Council activities	60%	42%	≥85%	47%	⊗
	Residents (%) who state they are satisfied with how the Council makes decisions	25%	22%	≥80%	41%	⊗
<b>Council information is accessible and service compliant</b>	Residents (%) who agree that Council information is easy to access (via website, libraries, social media, newspapers etc)	39%	46%	≥80%	54%	⊗
	Official information requests (%) handled within legislative time frame	100%	100%	100%	100%	✔
<b>Council supports and facilitates Māori participation in decision-making</b>	The required number of nominations are received within established timeframes and appointments made to Council's Māori Standing Committee	Achieved	Achieved	Achieved	In progress	⊖
	The Māori Standing Committee meetings are scheduled and attended no less than bi-monthly	Achieved	Achieved	Achieved	In Progress	⊖
<b>Council supports progressive and collaborative economic development for the district</b>	Actions in the Economic Development Plan and Action Plan completed (% of actions completed)	84%	Not Measured*	80%	Not Measured*	⊖
<b>isite is accessible, well utilised by visitors and delivers positive experiences</b>	Total visits to the isite	10,823	13,200	Visitor numbers ≥ previous year	5,095	⊗
	User satisfaction (%) with isite	91%	83%	≥80%	97%	✔

## NGĀ RANGAPŪ | CORPORATE SERVICES

Corporate Services delivered a high level of organisational support and operational stability over the first half of the 2025/26 financial year. The period 1 July 2025 to 31 December 2025 was marked by improvements in financial stewardship, property compliance, internal systems, and workforce capability.

### Finance

The Finance team continued to strengthen reporting discipline and financial strategy alignment throughout the period. The mid-year forecasting round (completed December 2025) showed improved accuracy of activity level financial data. Work on the 2026/27 budget commenced earlier than in prior years, enabling clearer alignment with strategic priorities.

The Finance department has undergone a restructure along with many parts of the organisation with the aim of streamlining reporting lines and improving the focus of the team.

A major achievement for the Finance department during this period was receiving an unmodified audit opinion received for the 2024/25 Annual Report.

### Information Services

Information Services continued the rollout of Know Before cybersecurity and Friendly Phishing email training programmes, with 87% of staff completing the programme by December 2025. System stability remained strong, with no major outages recorded during the period. The team continues to rely heavily on the support of Datacom to provide helpdesk assistance to Wairoa District Council.

### Property and Pensioner Housing

Pensioner housing continued to be a key focus area. All six sites received scheduled maintenance inspections between July and December 2025, maintaining a 100% inspection completion rate. Minor maintenance issues identified during winter assessments were addressed promptly, with high priority health and safety related defects resolved within 24 hours.

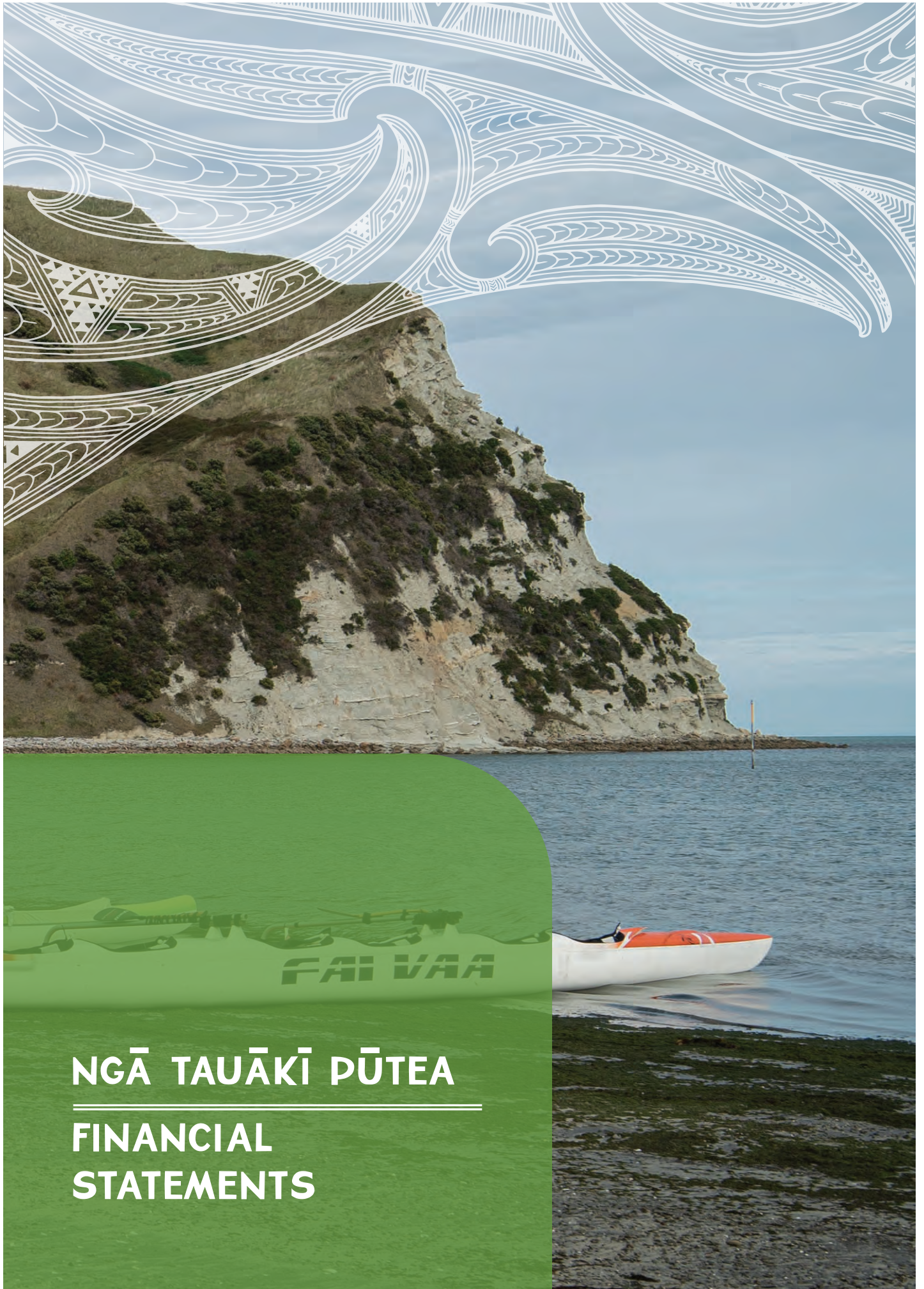
Service request responsiveness during this period showed some improvement, rising from the previous full-year figure of 50% to 61% completion within the three day target window by December 2025. While still below target, this demonstrates progress driven by improved scheduling and contractor coordination.

## MEASURING OUR PROGRESS | CORPORATE SERVICES

✔ 0 
 ⊖ 2 
 ⊗ 1

Levels of Service	Performance Measure	2023/24 Actual	2024/25 Actual	2025/26 Target	2025/26 Actual	
<b>To provide Council buildings that are compliant with legislative requirements</b>	All pensioner housing units are proactively inspected six monthly	100%	100%	100%	reported at end of year	⊖
<b>Provide prompt responses for service</b>	Percentage of requests responded to within 3 days (including safety defects)	50%	80%	≥80%	60%	⊗
<b>To provide Council buildings that are well maintained</b>	Percentage of defects in pensioner housing resolved within 24 hours	100%	0%	100%	no defects reported so far	⊖





**NGĀ TAUĀKĪ PŪTEA**  
**FINANCIAL STATEMENTS**

**GROUP INCOME AND EXPENSE STATEMENT**

	Whole of Council \$'000	Water Supply \$'000	Stormwater \$'000	Wastewater \$'000	Solid Waste \$'000	Transport \$'000	Community Facilities \$'000	Planning & Regulatory \$'000	Governance & Community \$'000	Corporate Services \$'000
<b>Revenue</b>										
Rates	12,373	1,373	453	1,716	604	2,401	1,981	1,739	1,414	691
Operational Subsidies and Grants	10,459	-	-	-	67	9,385	60	837	110	-
Capital Subsidies and Grants	12,635	-	-	19	-	12,681	(19)	-	-	(46)
Other Income	2,269	219	-	26	602	30	23	801	11	557
Internal Recoveries	4,913	-	-	-	-	-	-	252	-	4,661
<b>Total revenue</b>	<b>42,649</b>	<b>1,592</b>	<b>453</b>	<b>1,761</b>	<b>1,273</b>	<b>24,497</b>	<b>2,045</b>	<b>3,629</b>	<b>1,535</b>	<b>5,863</b>
<b>Expense</b>										
Consultancy	1,278	106	3	166	83	411	-	81	108	321
Depreciation and Amortisation	5,448	544	251	452	87	3,527	193	25	-	367
Electricity	213	137	4	39	2	2	12	-	1	17
Staff Costs	3,457	10	-	1	3	(662)	332	807	657	2,308
Finance Costs	206	-	-	-	-	-	-	-	-	206
Grants	533	-	-	-	-	-	533	-	-	-
Insurance	717	101	20	88	9	5	88	2	14	390
Legal	27	-	-	-	-	-	18	4	-	4
Operating Expenses	1,932	122	11	374	938	94	180	22	25	167
Other Expenses	1,693	108	7	65	172	102	224	84	181	750
Recovery Office	927	-	-	-	-	-	-	927	-	-
Repairs and Maintenance	11,793	302	77	256	-	10,552	452	28	3	121
Internal Charges	4,947	509	167	312	233	865	668	1,069	408	716
<b>Total expense</b>	<b>33,171</b>	<b>1,939</b>	<b>540</b>	<b>1,753</b>	<b>1,527</b>	<b>14,896</b>	<b>2,700</b>	<b>3,049</b>	<b>1,397</b>	<b>5,367</b>
<b>Net surplus / (deficit)</b>	<b>9,478</b>	<b>(347)</b>	<b>(87)</b>	<b>8</b>	<b>(254)</b>	<b>9,601</b>	<b>(655)</b>	<b>580</b>	<b>138</b>	<b>496</b>
Work in Progress	16,329	155	639	319	114	14,933	12	118	101	(62)
<b>Net surplus / (deficit) Less WIP</b>	<b>(6,851)</b>	<b>(502)</b>	<b>(726)</b>	<b>(311)</b>	<b>(368)</b>	<b>(5,332)</b>	<b>(667)</b>	<b>462</b>	<b>37</b>	<b>558</b>

	Whole of Council				Water Supply			
	Actual \$000	Budget \$000	Variance \$	Variance %	Actual \$000	Budget \$000	Variance \$	Variance %
<b>Revenue</b>								
Rates	12,373	11,718	655	6%	1,373	1,378	(5)	0%
Operational Subsidies and grants	10,459	17,658	(7,199)	-41%	-	-	-	0%
Capital Subsidies and grants	12,635	13,963	(1,328)	-10%	-	-	-	0%
Other Income	2,269	2,253	16	1%	219	172	47	27%
Internal Recoveries	4,913	4,427	486	11%	-	-	-	0%
<b>Total revenue</b>	<b>42,649</b>	<b>50,019</b>	<b>(7,370)</b>	<b>-15%</b>	<b>1,592</b>	<b>1,550</b>	<b>42</b>	<b>3%</b>
<b>Expense</b>								
Consultancy	1,278	1,095	(183)	-17%	106	112	6	5%
Depreciation and Amortisation	5,448	5,115	(333)	-7%	544	605	61	10%
Electricity	213	203	(10)	-5%	137	119	(18)	-15%
Staff Costs	3,457	4,179	722	17%	10	5	(5)	-100%
Finance Costs	206	478	272	57%	-	-	-	0%
Grants	533	300	(233)	-78%	-	-	-	0%
Insurance	717	720	3	0%	101	81	(20)	-25%
Legal	27	47	20	43%	-	-	-	0%
Operating Expenses	1,932	1,983	51	3%	122	115	(7)	-6%
Other Expenses	1,693	1,945	252	13%	108	95	(13)	-14%
Recovery Office	927	139	(788)	-567%	-	-	-	0%
Repairs and Maintenance	11,793	19,565	7,772	40%	302	202	(100)*	-50%
Internal Charges	4,947	3,778	(1,169)	-31%	509	315	(194)	-62%
<b>Total expense</b>	<b>33,171</b>	<b>39,547</b>	<b>6,376</b>	<b>16%</b>	<b>1,939</b>	<b>1,649</b>	<b>(290)</b>	<b>-18%</b>
<b>Net surplus / (deficit)</b>	<b>9,478</b>	<b>10,472</b>	<b>994</b>	<b>9%</b>	<b>(347)</b>	<b>(99)</b>	<b>248</b>	<b>-251%</b>
Work in Progress	16,329	24,078	7,749	32%	155	2,891	2,736	95%
<b>Net surplus / (deficit) Less WIP</b>	<b>(6,851)</b>	<b>(13,606)</b>	<b>(6,755)</b>	<b>50%</b>	<b>(502)</b>	<b>(2,990)</b>	<b>(2,488)</b>	<b>83%</b>

**Water Supply\***

Repairs and maintenance are over budget due to a loss of mains pressure in Frasertown which is now resolved.

	Stormwater				Wastewater			
	Actual \$000	Budget \$000	Variance \$	Variance %	Actual \$000	Budget \$000	Variance \$	Variance %
<b>Revenue</b>								
Rates	453	455	(2)	0%	1,716	1,723	(7)	0%
Operational Subsidies and grants	-	-	-	0%	-	-	-	0%
Capital Subsidies and grants	-	-	-	0%	19	-	19	0%
Other Income	-	-	-	0%	26	13	13	100%
Internal Recoveries	-	-	-	0%	-	-	-	0%
<b>Total revenue</b>	<b>453</b>	<b>455</b>	<b>(2)</b>	<b>0%</b>	<b>1,761</b>	<b>1,736</b>	<b>25</b>	<b>1%</b>
<b>Expense</b>								
Consultancy	3	5	2	40%	166	179	13	7%
Depreciation and Amortisation	251	202	(49)	-24%	452	392	(60)	-15%
Electricity	4	2	(2)	-100%	39	48	9	19%
Staff Costs	-	-	-	0%	1	-	(1)	0%
Finance Costs	-	-	-	0%	-	-	-	0%
Grants	-	-	-	0%	-	-	-	0%
Insurance	20	29	9	31%	88	80	(8)	-10%
Legal	-	-	-	0%	-	-	-	0%
Operating Expenses	11	28	17	61%	374	398	24	6%
Other Expenses	7	10	3	30%	65	162	97*	60%
Recovery Office	-	-	-	0%	-	-	-	0%
Repairs and Maintenance	77	69	(8)	-12%	256	255	(1)	0%
Internal Charges	167	108	(59)	-55%	312	229	(83)	-36%
<b>Total expense</b>	<b>540</b>	<b>453</b>	<b>(87)</b>	<b>-19%</b>	<b>1,753</b>	<b>1,743</b>	<b>(10)</b>	<b>-1%</b>
<b>Net surplus / (deficit)</b>	<b>(87)</b>	<b>2</b>	<b>89</b>	<b>4450%</b>	<b>8</b>	<b>(7)</b>	<b>(15)</b>	<b>214%</b>
Work in Progress	639	1,269	630	50%	319	2,499	2,180	87%
<b>Net surplus / (deficit) Less WIP</b>	<b>(726)</b>	<b>(1,267)</b>	<b>(541)</b>	<b>43%</b>	<b>(311)</b>	<b>(2,506)</b>	<b>(2,195)</b>	<b>88%</b>

**Wastewater\***

Other expenses below budget because of less RMA monitoring due to no river bank breaches or the bar being closed.

	Waste Management				Transport			
	Actual \$000	Budget \$000	Variance \$	Variance %	Actual \$000	Budget \$000	Variance \$	Variance %
<b>Revenue</b>								
Rates	604	607	(3)	0%	2,401	2,411	(10)	0%
Operational Subsidies and grants	67	210	(143)*	-68%	9,385	17,292	(7,907)	-46%
Capital Subsidies and grants	-	59	(59)	-100%	12,681	13,173	(492)	-4%
Other Income	602	646	(44)	-7%	30	31	(1)	-3%
Internal Recoveries	-	-	-	0%	-	-	-	0%
<b>Total revenue</b>	<b>1,273</b>	<b>1,522</b>	<b>(249)</b>	<b>-16%</b>	<b>24,497</b>	<b>32,907</b>	<b>(8,410)</b>	<b>-26%</b>
<b>Expense</b>								
Consultancy	83	22	(61)*	-277%	411	363	(48)	-13%
Depreciation and Amortisation	87	122	35	29%	3,527	3,396	(131)	-4%
Electricity	2	4	2	50%	2	2	-	0%
Staff Costs	3	2	(1)	-50%	(662)	(663)	(1)	0%
Finance Costs	-	-	-	0%	-	-	-	0%
Grants	-	-	-	0%	-	-	-	0%
Insurance	9	7	(2)	-29%	5	6	1	17%
Legal	-	-	-	0%	-	-	-	0%
Operating Expenses	938	962	24	2%	94	78	(16)	-21%
Other Expenses	172	264	92*	35%	102	132	30	23%
Recovery Office	-	-	-	0%	-	-	-	0%
Repairs and Maintenance	-	-	-	0%	10,552	18,461	7,909*	43%
Internal Charges	233	160	(73)	-46%	865	792	(73)	-9%
<b>Total expense</b>	<b>1,527</b>	<b>1,543</b>	<b>16</b>	<b>1%</b>	<b>14,896</b>	<b>22,567</b>	<b>7,671</b>	<b>34%</b>
<b>Net surplus / (deficit)</b>	<b>(254)</b>	<b>(21)</b>	<b>233</b>	<b>-1110%</b>	<b>9,601</b>	<b>10,340</b>	<b>739</b>	<b>7%</b>
Work in Progress	114	1,745	1,631	93%	14,933	13,691	(1,242)	-9%
<b>Net surplus / (deficit) Less WIP</b>	<b>(368)</b>	<b>(1,766)</b>	<b>(1,398)</b>	<b>79%</b>	<b>(5,332)</b>	<b>(3,351)</b>	<b>1,981</b>	<b>-59%</b>

**Waste Management\***

Operational subsidies are below budget due to Kerbside expansion work not progressing as expected. This work has been charged to consultancy which has put that line over budget.

**Transport\***

Repairs and Maintenance is below budget due to emergency operational work starting in November and will get closer to the YTD budget in the coming months if the weather holds.

	Community Facilities				Planning and Regulatory			
	Actual \$000	Budget \$000	Variance \$	Variance %	Actual \$000	Budget \$000	Variance \$	Variance %
<b>Revenue</b>								
Rates	1,981	1,989	(8)	0%	1,739	1,746	(7)	0%
Operational Subsidies and grants	60	17	43	253%	837	139	698	502%
Capital Subsidies and grants	(19)	406	(425)*	-105%	-	-	-	0%
Other Income	23	103	(80)	-78%	801	616	185	30%
Internal Recoveries	-	-	-	0%	252	252	-	0%
<b>Total revenue</b>	<b>2,045</b>	<b>2,515</b>	<b>(470)</b>	<b>-19%</b>	<b>3,629</b>	<b>2,753</b>	<b>876</b>	<b>32%</b>
<b>Expense</b>								
Consultancy	-	7	7	100%	81	80	(1)	-1%
Depreciation and Amortisation	193	108	(85)	-79%	25	13	(12)	-92%
Electricity	12	12	-	0%	-	-	-	0%
Staff Costs	332	352	20	6%	807	998	191	19%
Finance Costs	-	-	-	0%	-	-	-	0%
Grants	533	300	(233)*	-78%	-	-	-	0%
Insurance	88	128	40	31%	2	-	(2)	0%
Legal	18	-	(18)	0%	4	17	13	76%
Operating Expenses	180	189	9	5%	22	29	7	24%
Other Expenses	224	171	(53)*	-31%	84	170	86*	51%
Recovery Office	-	-	-	0%	927	139	(788)	-567%
Repairs and Maintenance	452	444	(8)	-2%	28	2	(26)	-1300%
Internal Charges	668	528	(140)	-27%	1,069	1,069	-	0%
<b>Total expense</b>	<b>2,700</b>	<b>2,239</b>	<b>(461)</b>	<b>-21%</b>	<b>3,049</b>	<b>2,517</b>	<b>(532)</b>	<b>-21%</b>
<b>Net surplus / (deficit)</b>	<b>(655)</b>	<b>276</b>	<b>931</b>	<b>337%</b>	<b>580</b>	<b>236</b>	<b>(344)</b>	<b>-146%</b>
Work in Progress	12	661	649	98%	118	677	559	83%
<b>Net surplus / (deficit) Less WIP</b>	<b>(667)</b>	<b>(385)</b>	<b>282</b>	<b>-73%</b>	<b>462</b>	<b>(441)</b>	<b>(903)</b>	<b>205%</b>

**Community Facilities\***

Capital Subsidies variance is due to climate change resilience work being delayed and a correction from the 2025 financial year in over stated income. Grants are over budget due to the changes to the Community Centre management contract. Other expenses relates to higher costs for reserve upkeep.

**Planning and Regulatory\***

Planning and regulatory is under budget in other expenses due to pausing work on plan development due to the central Government Regulatory changes.

	Governance and Community				Corporate Services			
	Actual \$000	Budget \$000	Variance \$	Variance %	Actual \$000	Budget \$000	Variance \$	Variance %
<b>Revenue</b>								
Rates	1,414	1,420	(6)	0%	691	(11)	702	-6382%
Operational Subsidies and grants	110	-	110	0%	-	-	-	0%
Capital Subsidies and grants	-	-	-	0%	(46)	325	(371)	-114%
Other Income	11	17	(6)	-35%	557	655	(98)	-15%
Internal Recoveries	-	-	-	0%	4,661	4,175	486	12%
<b>Total revenue</b>	<b>1,535</b>	<b>1,437</b>	<b>98</b>	<b>7%</b>	<b>5,863</b>	<b>5,144</b>	<b>719</b>	<b>14%</b>
<b>Expense</b>								
Consultancy	108	44	(64)*	-145%	321	282	(39)	-14%
Depreciation and Amortisation	-	8	8	100%	367	270	(97)	-36%
Electricity	1	-	(1)	0%	17	16	(1)	-6%
Staff Costs	657	655	(2)	0%	2,308	2,830	522	18%
Finance Costs	-	-	-	0%	206	478	272	57%
Grants	-	-	-	0%	-	-	-	0%
Insurance	14	-	(14)	0%	390	389	(1)	0%
Legal	-	-	-	0%	4	31	27	87%
Operating Expenses	25	41	16	39%	167	144	(23)	-16%
Other Expenses	181	234	53*	23%	750	706	(44)	-6%
Recovery Office	-	-	-	0%	-	-	-	0%
Repairs and Maintenance	3	3	-	0%	121	128	7	5%
Internal Charges	408	408	-	0%	716	169	(547)	-324%
<b>Total expense</b>	<b>1,397</b>	<b>1,393</b>	<b>(4)</b>	<b>0%</b>	<b>5,367</b>	<b>5,443</b>	<b>76</b>	<b>1%</b>
<b>Net surplus / (deficit)</b>	<b>138</b>	<b>44</b>	<b>(94)</b>	<b>-214%</b>	<b>496</b>	<b>(299)</b>	<b>(795)</b>	<b>266%</b>
Work in Progress	101	105	4	4%	(62)	541	603	111%
<b>Net surplus / (deficit) Less WIP</b>	<b>37</b>	<b>(61)</b>	<b>(98)</b>	<b>161%</b>	<b>558</b>	<b>(840)</b>	<b>(1,398)</b>	<b>166%</b>

**Governance and Community\***

Community and Governance consultancy is above the YTD budget due to additional audits. Other expenses are lower than budget due to the LGA subscription not falling due yet.

## HE TAUĀKĪ PŪTEA WHIWHI ME TE PŪTEA WHAKAHAERE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the period ended 31 December 2025

	YTD Actual \$000	YTD Annual Plan \$000	Variance			2026 Forecast \$000	2025 Actual \$000
			\$000	%			
<b>Revenue</b>							
Rates	12,373	11,718	655	6%		24,776	22,472
Subsidies and grants	23,094	31,620	(8,526)	-27%	<b>A</b>	50,961	50,832
Petrol tax	20	41	(21)	-51%		20	78
Fees and charges	1,866	1,702	164	10%		2,889	4,843
Investment revenue	367	510	(143)	-28%		483	1,541
Miscellaneous Revenue	16	-	16	0%		16	220
<b>Total revenue</b>	<b>37,736</b>	<b>45,591</b>	<b>(7,855)</b>	<b>-17%</b>		<b>79,145</b>	<b>79,986</b>
<b>Expense</b>							
Water supply	1,939	1,648	(291)	-18%		3,176	3,522
Stormwater	539	453	(86)	-19%		956	870
Wastewater	1,753	1,744	(9)	-1%		4,088	4,107
Solid waste	1,527	1,543	16	1%		2,642	3,800
Transport	14,896	22,567	7,671	34%	<b>A</b>	24,982	33,938
Community facilities	2,702	2,239	(463)	-21%	<b>B</b>	4,745	3,720
Planning and regulatory	2,799	2,265	(534)	-24%		5,645	9,850
Governance & Community	1,398	1,393	(5)	0%		2,677	2,770
Corporate Services	706	1,268	562	44%	<b>C</b>	2,712	1,547
<b>Total expense</b>	<b>28,259</b>	<b>35,120</b>	<b>6,861</b>	<b>20%</b>		<b>51,623</b>	<b>64,124</b>
<b>Net surplus / (deficit) for the year</b>	<b>9,477</b>	<b>10,471</b>	<b>994</b>	<b>9%</b>		<b>27,522</b>	<b>15,862</b>

### A. Subsidies and Grants and Transport:

Operational subsidies are lower from NZTA (\$9M) but higher for emergency capex (\$1m). This has been continually improving since November.

### B. Community Facilities:

Community facilities is over budget due to the changes to the community center management and higher costs for reserve upkeep.

### C. Corporate Services:

Corporate services is under budget due to lower interest expenses and vacancies

## HE TAUĀKĪ TU PŪTEA

### STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	YTD Actual \$000	YTD Annual Plan \$000	Variance			2026 Forecast \$000	2025 Actual \$000
			\$000	%			
<b>Current assets</b>							
Cash and cash equivalents	4,462	12,989	(8,527)	-66%	D	3,947	1,981
Inventories	67	51	16	31%		71	71
Trade and other receivables	4,439	5,794	(1,355)	-23%		11,458	13,545
<b>Total current assets</b>	<b>8,968</b>	<b>18,834</b>	<b>(9,866)</b>	<b>-52%</b>		<b>15,476</b>	<b>15,597</b>
<b>Current liabilities</b>							
Trade and other payables	9,408	9,800	392	4%		23,932	16,298
Staff Costs	530	610	80	13%		530	967
Borrowings	10,568	-	(10,568)	0%	E	5,568	8,500
<b>Total current liabilities</b>	<b>20,506</b>	<b>10,410</b>	<b>(10,096)</b>	<b>-97%</b>		<b>30,030</b>	<b>25,765</b>
Working capital	(11,538)	8,424	19,962	237%			(10,168)
<b>Non-current assets</b>							
Property, plant and equipment	<b>484,927</b>	492,096	(7,169)	-1%		484,927	490,048
Work in progress	<b>27,476</b>	24,078	3,398	14%		51,137	11,149
Investment in subsidiary	<b>1,250</b>	1,250	-	0%		1,250	1,250
Loan to Subsidiary	<b>985</b>	1,026	(41)	-4%		985	1,037
Investment property	<b>8,064</b>	8,242	(178)	-2%		8,064	8,147
Biological asset - forestry	<b>808</b>	996	(188)	-19%		115	1,140
<b>Total non-current assets</b>	<b>523,510</b>	<b>527,688</b>	<b>(4,178)</b>	<b>-1%</b>		<b>546,478</b>	<b>512,771</b>
<b>Non-current liabilities</b>							
Trade and other payables	<b>56</b>	56	-	0%		56	56
Landfill aftercare	<b>3,432</b>	2,032	(1,400)	-69%		3,432	3,432
Borrowings	<b>1,026</b>	16,693	15,667	94%		3,026	1,124
<b>Total non-current liabilities</b>	<b>4,514</b>	<b>18,781</b>	<b>14,267</b>	<b>76%</b>		<b>4,611</b>	<b>4,612</b>
<b>Net assets</b>	<b>507,458</b>	<b>517,331</b>	<b>9,873</b>	<b>2%</b>		<b>541,867</b>	<b>497,991</b>

**D. Cash and cash equivalents:**

We have borrowed \$2m in December to get over the holiday period comfortably and to ensure we have enough cash before we renew our borrowings in April

**E. Borrowings:**

We have 10.5m of loans maturing in April. As part of the treasury management process we will be ensuring the maturity dates in the future are spread more in line with policy.

## HE TAUĀKĪ KAPEWHITI STATEMENT OF CASHFLOWS

For the period ended 31 December 2025

	YTD Actual \$000	YTD Annual Plan \$000	Variance		2026 Forecast \$000	2025 Actual \$000
			\$000	%		
<b>Cash flows from operating activities</b>						
Receipts from rates revenue	13,530	13,718	(188)	-1%	25,930	21,765
Other revenue received	1,800	1,743	57	3%	2,825	4,914
Subsidies and grants received	29,105	31,620	(2,515)	-8%	49,968	54,260
Investment Income	367	510	(143)	-28%	483	1,541
Payments to suppliers and employees	(27,532)	(19,561)	(7,971)	41%	(30,091)	(53,300)
Interest Paid	(206)	(478)	272	-57%	(441)	(506)
<b>Net cash flows from operating activities</b>	<b>17,064</b>	<b>27,552</b>	<b>(10,488)</b>	<b>-38%</b>	<b>48,674</b>	<b>28,674</b>
<b>Cash flows from investing activities</b>						
Insurance Proceeds	16	-	16	0%	-	238
Purchase of property, plant and equipment	(16,570)	(21,973)	5,403	-25%	(45,678)	(27,836)
<b>Net cash flows used in investing activities</b>	<b>(16,554)</b>	<b>(21,973)</b>	<b>5,419</b>	<b>-25%</b>	<b>(45,678)</b>	<b>(27,598)</b>
<b>Cash flows from financing activities</b>						
Loans raised/(repaid)	1,969	3,559	(1,590)	-45%	(1,031)	(1,402)
<b>Net cash flows (used in)from financing activities</b>	<b>1,969</b>	<b>3,559</b>	<b>(1,590)</b>	<b>-45%</b>	<b>(1,031)</b>	<b>(1,402)</b>
Net increase/(decrease) in cash and cash equivalents	2,479	9,138	(6,659)	-73%	1,965	(326)
Cash and cash equivalents at beginning of year	1,981	3,853	(1,872)	-49%	1,981	2,307
<b>Cash and cash equivalents at end of year</b>	<b>4,460</b>	<b>12,991</b>	<b>(8,531)</b>	<b>-66%</b>	<b>3,946</b>	<b>1,981</b>
Made up of:						
Cash	4,462	12,989	(8,527)	-66%	3,946	1,981
<b>Cash and cash equivalents at end of year</b>	<b>4,462</b>	<b>12,989</b>	<b>(8,527)</b>	<b>-66%</b>	<b>3,946</b>	<b>1,981</b>

## HE TAUĀKĪ WHAKAAWEAWE PŪTEA

### FUNDING IMPACT STATEMENTS FOR THE PERIOD ENDING 31 DECEMBER, 2025

#### **Understanding Funding Impact Statements**

These statements set out Council's sources of operating and capital funding and how this funding is applied.

Council's sources of capital funding include items such as subsidies and grants for capital expenditure, and its applications of capital funding include capital expenditure to improve levels of service or replace existing assets. The difference between the value of total capital funding and application of this funding is the amount that Council needs to generate from rating for depreciation, both in the current year and from reserves which have built up over several years. These statements do not include depreciation. This is because it is a non-cash item.

The Whole of Council Funding Impact Statement provides combined totals of all Council's sources of operating and capital funding and application, and activity-level funding impact statements which separates this information into Council's defined activity groups such as water supply and waste management.



## FUNDING IMPACT STATEMENT

### WHOLE OF COUNCIL

	2024/25 LTP \$000	2024/25 Actual \$000	2025/26 YTD AP \$000	2025/26 YTD Actual \$000
<b>Sources of operating funding</b>				
General rates	14,823	15,248	7,971	8,641
Targeted rates	7,475	7,223	3,747	3,739
Subsidies and grants for operating purposes	12,423	32,666	17,658	10,480
Fees and charges	3,447	4,666	1,702	1,846
Interest and dividends from Investments	1,353	1,413	453	328
Local authorities fuel tax, fines, infringement fees, and other receipts	210	427	98	75
<b>Total operating funding (A)</b>	<b>39,731</b>	<b>61,643</b>	<b>31,629</b>	<b>25,109</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	34,946	52,281	29,527	22,606
Finance costs	865	506	478	206
Other operating funding applications	-	-	-	-
<b>Total Applications of operating funding (B)</b>	<b>35,811</b>	<b>52,787</b>	<b>30,005</b>	<b>22,812</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>3,920</b>	<b>8,856</b>	<b>1,624</b>	<b>2,297</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	38,071	18,343	13,963	12,635
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	9,698	(1,402)	6,802	1,599
Gross proceeds from sale of assets	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>47,769</b>	<b>16,941</b>	<b>20,765</b>	<b>14,234</b>
<b>Application of capital funding</b>				
Capital expenditure				
• to meet additional demand	-	-	-	-
• to improve the level of service	15,360	12,903	14,896	10,809
• to replace existing assets	41,142	13,632	9,182	5,722
Increase (decrease) in reserves	(4,813)	(738)	(1,689)	-
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>51,689</b>	<b>25,797</b>	<b>22,389</b>	<b>16,531</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(3,920)</b>	<b>(8,856)</b>	<b>(1,624)</b>	<b>(2,297)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## FUNDING IMPACT STATEMENT

### WATER SUPPLY

	2024/25 LTP \$000	2024/25 Actual \$000	2025/26 YTD AP \$000	2025/26 YTD Actual \$000
<b>Sources of operating funding</b>				
General rates	260	251	138	137
Targeted rates	2,342	2,263	1,240	1,235
Subsidies and grants for operating purposes	-	33	-	-
Fees and charges	331	521	172	219
Internal charges and overheads recovered	-	-	-	-
Other operating funding	-	-	-	-
<b>Total operating funding (A)</b>	<b>2,933</b>	<b>3,068</b>	<b>1,550</b>	<b>1,591</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,572	1,920	728	885
Internal Finance costs	147	122	-	140
Internal charges applied	368	332	315	509
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,087</b>	<b>2,374</b>	<b>1,043</b>	<b>1,534</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>846</b>	<b>694</b>	<b>507</b>	<b>57</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	2,337	741	1,852	98
Gross proceeds from sale of assets	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>2,337</b>	<b>741</b>	<b>1,852</b>	<b>98</b>
<b>Application of capital funding</b>				
Capital expenditure				
• to meet additional demand	-	-	-	-
• to improve the level of service	245	36	155	(4)
• to replace existing assets	5,353	1,134	2,736	159
Increase (decrease) in reserves	(2,415)	265	(532)	-
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>3,183</b>	<b>1,435</b>	<b>2,359</b>	<b>155</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(846)</b>	<b>(694)</b>	<b>(507)</b>	<b>(57)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## FUNDING IMPACT STATEMENT

### STORMWATER

	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 AP \$000	2025/26 AP YTD \$000
<b>Sources of operating funding</b>				
General rates	71	69	46	46
Targeted rates	637	616	410	408
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Other operating funding	-	-	-	-
<b>Total operating funding (A)</b>	<b>708</b>	<b>685</b>	<b>456</b>	<b>454</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	264	311	143	122
Internal Finance costs	114	77	-	-
Internal charges applied	68	70	108	253
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>446</b>	<b>458</b>	<b>251</b>	<b>375</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>262</b>	<b>227</b>	<b>205</b>	<b>79</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	1,125	417	1,022	560
Gross proceeds from sale of assets	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>1,125</b>	<b>417</b>	<b>1,022</b>	<b>560</b>
<b>Application of capital funding</b>				
Capital expenditure				
• to meet additional demand	-	-	-	-
• to improve the level of service	511	233	1,009	428
• to replace existing assets	965	472	260	211
Increase (decrease) in reserves	(89)	(61)	(42)	-
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,387</b>	<b>644</b>	<b>1,227</b>	<b>639</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(262)</b>	<b>(227)</b>	<b>(205)</b>	<b>(79)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## FUNDING IMPACT STATEMENT

### WASTEWATER

	2024/25 LTP \$000	2024/25 Actual \$000	2025/26 YTD AP \$000	2025/26 YTD Actual \$000
<b>Sources of operating funding</b>				
General rates	364	351	172	171
Targeted rates	3,277	3,166	1,551	1,544
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	25	21	13	26
Internal charges and overheads recovered	-	-	-	-
Other operating funding	-	-	-	-
<b>Total operating funding (A)</b>	<b>3,666</b>	<b>3,538</b>	<b>1,736</b>	<b>1,741</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	2,226	2,356	1,124	989
Internal Finance costs	351	302	-	275
Internal charges applied	562	577	229	312
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,139</b>	<b>3,235</b>	<b>1,353</b>	<b>1,576</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>527</b>	<b>303</b>	<b>383</b>	<b>165</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	4	-	19
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	1,708	210	1,936	135
Gross proceeds from sale of assets	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>1,708</b>	<b>214</b>	<b>1,936</b>	<b>154</b>
<b>Application of capital funding</b>				
Capital expenditure				
• to meet additional demand	-	-	-	-
• to improve the level of service	-	107	2,163	195
• to replace existing assets	2,910	408	336	124
Increase (decrease) in reserves	(675)	2	(180)	-
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>2,235</b>	<b>517</b>	<b>2,319</b>	<b>319</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(527)</b>	<b>(303)</b>	<b>(383)</b>	<b>(165)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## FUNDING IMPACT STATEMENT

### WASTE MANAGEMENT

	2024/25 LTP \$000	2024/25 Actual \$000	2025/26 YTD AP \$000	2025/26 YTD Actual \$000
<b>Sources of operating funding</b>				
General rates	135	131	61	60
Targeted rates	1,219	1,178	546	544
Subsidies and grants for operating purposes	-	181	210	67
Fees and charges	1,288	1,969	646	602
Internal charges and overheads recovered	-	-	-	-
Other operating funding	-	-	-	-
<b>Total operating funding (A)</b>	<b>2,642</b>	<b>3,459</b>	<b>1,463</b>	<b>1,273</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	2,276	2,634	1,261	1,206
Internal Finance costs	122	96	-	64
Internal charges applied	198	170	160	233
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,596</b>	<b>2,900</b>	<b>1,421</b>	<b>1,503</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>46</b>	<b>559</b>	<b>42</b>	<b>(230)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,657	19	104	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	1,701	(578)	1,427	344
Gross proceeds from sale of assets	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>3,358</b>	<b>(559)</b>	<b>1,531</b>	<b>344</b>
<b>Application of capital funding</b>				
Capital expenditure				
• to meet additional demand	-	-	-	-
• to improve the level of service	3,403	24	1,745	114
• to replace existing assets	20	-	-	-
Increase (decrease) in reserves	(19)	(24)	(172)	-
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>3,404</b>	<b>-</b>	<b>1,573</b>	<b>114</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(46)</b>	<b>(559)</b>	<b>(42)</b>	<b>230</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## FUNDING IMPACT STATEMENT

### TRANSPORT

	2024/25 LTP \$000	2024/25 Actual \$000	2025/26 YTD AP \$000	2025/26 YTD Actual \$000
<b>Sources of operating funding</b>				
General rates	5,352	5,025	2,411	2,401
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	12,224	24,258	17,292	9,400
Fees and charges	59	101	31	14
Internal charges and overheads recovered	-	-	-	-
Other operating funding	-	-	-	-
<b>Total operating funding (A)</b>	<b>17,635</b>	<b>29,384</b>	<b>19,734</b>	<b>11,815</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	14,073	24,631	18,379	10,504
Internal Finance costs	148	314	-	217
Internal charges applied	1,939	1,970	792	865
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>16,160</b>	<b>26,915</b>	<b>19,171</b>	<b>11,586</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>1,475</b>	<b>2,469</b>	<b>563</b>	<b>229</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	27,309	15,287	13,263	12,681
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	1,578	765	(553)	2,023
Gross proceeds from sale of assets	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>28,887</b>	<b>16,052</b>	<b>12,710</b>	<b>14,704</b>
<b>Application of capital funding</b>				
Capital expenditure				
• to meet additional demand	-	-	-	-
• to improve the level of service	5,414	7,112	8,457	9,936
• to replace existing assets	25,403	10,967	5,234	4,997
Increase (decrease) in reserves	(455)	442	(418)	-
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>30,362</b>	<b>18,521</b>	<b>13,273</b>	<b>14,933</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,475)</b>	<b>(2,469)</b>	<b>(563)</b>	<b>(229)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## FUNDING IMPACT STATEMENT

### COMMUNITY FACILITIES

	2024/25 LTP \$000	2024/25 Actual \$000	2025/26 YTD AP \$000	2025/26 YTD Actual \$000
<b>Sources of operating funding</b>				
General rates	3,561	3,437	1,989	1,980
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	25	180	17	60
Fees and charges	191	287	103	23
Internal charges and overheads recovered	-	-	-	-
Other operating funding	-	-	-	-
<b>Total operating funding (A)</b>	<b>3,777</b>	<b>3,904</b>	<b>2,109</b>	<b>2,063</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	2,881	2,925	1,603	1,840
Internal Finance costs	46	(65)	-	(122)
Internal charges applied	634	582	528	668
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,561</b>	<b>3,442</b>	<b>2,131</b>	<b>2,386</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>216</b>	<b>462</b>	<b>(22)</b>	<b>(323)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	5,880	1,144	415	(19)
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	887	45	138	353
Gross proceeds from sale of assets	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>6,767</b>	<b>1,189</b>	<b>553</b>	<b>334</b>
<b>Application of capital funding</b>				
Capital expenditure				
• to meet additional demand	-	-	-	-
• to improve the level of service	2,163	1,177	485	(14)
• to replace existing assets	5,257	382	175	25
Increase (decrease) in reserves	(437)	92	(129)	-
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>6,983</b>	<b>1,651</b>	<b>531</b>	<b>11</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(216)</b>	<b>(462)</b>	<b>22</b>	<b>323</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## FUNDING IMPACT STATEMENT

### PLANNING & REGULATORY

	2024/25 LTP \$000	2024/25 Actual \$000	2024/25 YTD AP \$000	2025/26 YTD Actual \$000
<b>Sources of operating funding</b>				
General rates	3,073	2,940	1,746	1,739
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	175	7,262	139	837
Fees and charges	1,329	1,336	616	801
Internal charges and overheads recovered	244	207	252	252
Other operating funding	-	-	-	-
<b>Total operating funding (A)</b>	<b>4,821</b>	<b>11,745</b>	<b>2,753</b>	<b>3,629</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	2,617	8,025	1,435	1,957
Internal Finance costs	(4)	107	-	144
Internal charges applied	2,204	1,892	1,069	1,069
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>4,817</b>	<b>10,024</b>	<b>2,504</b>	<b>3,170</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>4</b>	<b>1,721</b>	<b>249</b>	<b>459</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	150	(342)	335	(341)
Gross proceeds from sale of assets	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>150</b>	<b>(342)</b>	<b>335</b>	<b>(341)</b>
<b>Application of capital funding</b>				
Capital expenditure				
• to meet additional demand	-	-	-	-
• to improve the level of service	-	1,346	512	32
• to replace existing assets	180	38	165	86
Increase (decrease) in reserves	(26)	(5)	(93)	-
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>154</b>	<b>1,379</b>	<b>584</b>	<b>118</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(4)</b>	<b>(1,721)</b>	<b>(249)</b>	<b>(459)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## FUNDING IMPACT STATEMENT

### LEADERSHIP & GOVERNANCE

	2024/25 LTP \$000	2024/25 Actual \$000	2025/26 YTD AP \$000	2025/26 YTD Actual \$000
<b>Sources of operating funding</b>				
General rates	2,456	2,371	1,420	1,414
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	352	-	115
Fees and charges	34	4	17	6
Internal charges and overheads recovered	-	-	-	-
Other operating funding	-	-	-	-
<b>Total operating funding (A)</b>	<b>2,490</b>	<b>2,727</b>	<b>1,437</b>	<b>1,535</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,623	1,957	954	990
Internal Finance costs	5	71	-	93
Internal charges applied	840	738	408	408
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,468</b>	<b>2,766</b>	<b>1,362</b>	<b>1,491</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>22</b>	<b>(39)</b>	<b>75</b>	<b>44</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,450	1,671	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(22)	405	(21)	57
Gross proceeds from sale of assets	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>1,428</b>	<b>2,076</b>	<b>(21)</b>	<b>57</b>
<b>Application of capital funding</b>				
Capital expenditure				
• to meet additional demand	-	-	-	-
• to improve the level of service	1,450	2,037	37	81
• to replace existing assets	205	31	68	20
Increase (decrease) in reserves	(205)	(31)	(51)	-
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,450</b>	<b>2,037</b>	<b>54</b>	<b>101</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(22)</b>	<b>39</b>	<b>(75)</b>	<b>(44)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## FUNDING IMPACT STATEMENT

### CORPORATE FUNCTIONS

	2024/25 LTP \$000	2024/25 Actual \$000	2025/26 YTD AP \$000	2025/26 YTD Actual \$000
<b>Sources of operating funding</b>				
General rates	(450)	671	(11)	691
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	400	-	-
Fees and charges	190	426	104	154
Internal charges and overheads recovered	8,464	7,877	4,170	4,661
Other operating funding	1,563	1,839	551	403
<b>Total operating funding (A)</b>	<b>9,767</b>	<b>11,213</b>	<b>4,814</b>	<b>5,909</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	7,414	7,731	4,260	4,078
Internal Finance costs	1,031	603	478	(692)
Internal charges applied	799	423	164	716
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>9,244</b>	<b>8,757</b>	<b>4,902</b>	<b>4,102</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>523</b>	<b>2,456</b>	<b>(88)</b>	<b>1,807</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,775	220	325	(46)
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	235	(3,064)	233	(1,621)
Gross proceeds from sale of assets	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>2,010</b>	<b>(2,844)</b>	<b>558</b>	<b>(1,667)</b>
<b>Application of capital funding</b>				
Capital expenditure				
• to meet additional demand	-	-	-	-
• to improve the level of service	2,175	831	334	40
• to replace existing assets	849	200	207	100
Increase (decrease) in reserves	(491)	(1,419)	(71)	-
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>2,533</b>	<b>(388)</b>	<b>470</b>	<b>140</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(523)</b>	<b>(2,456)</b>	<b>88</b>	<b>(1,807)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

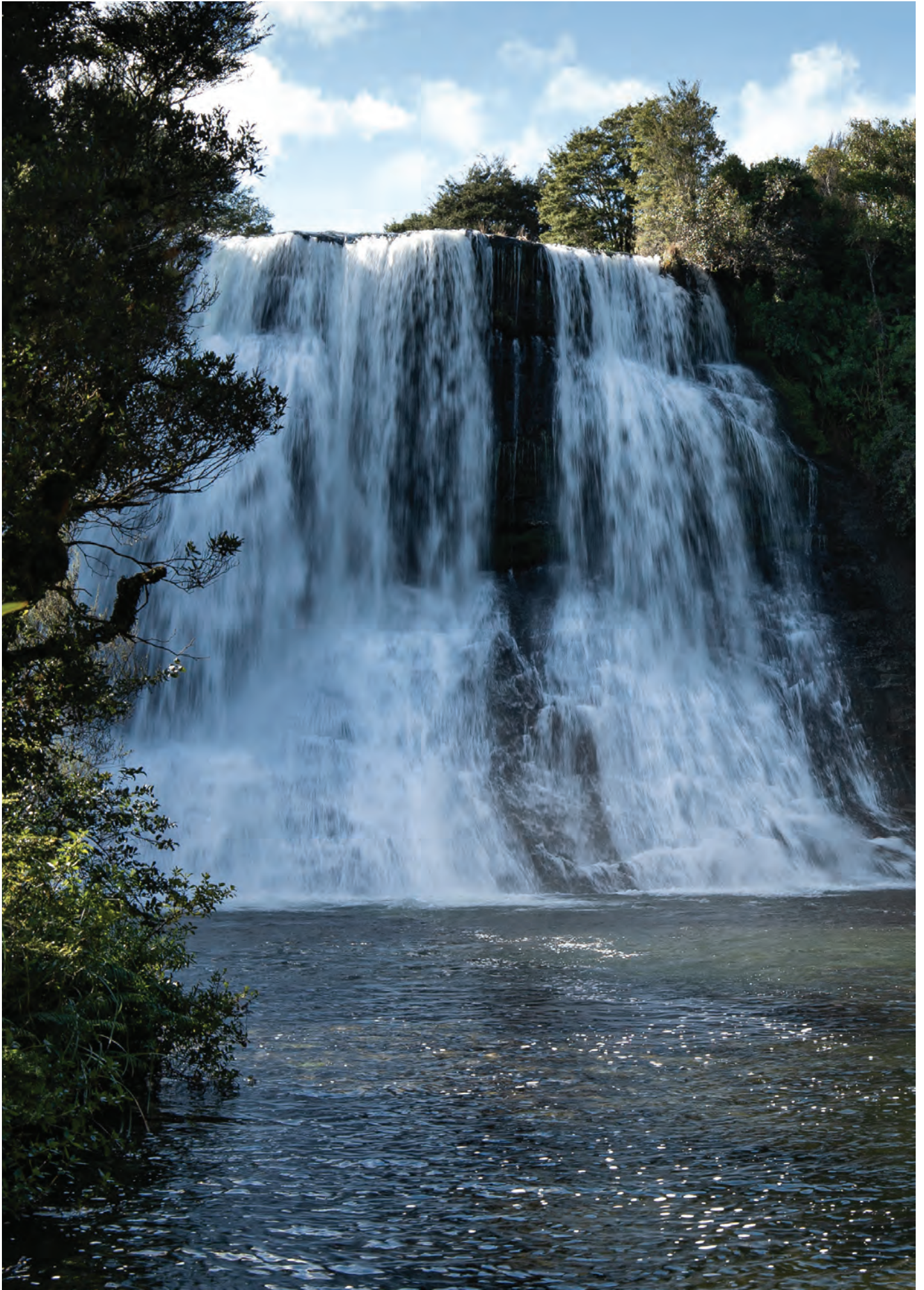
**PROJECT UPDATES**

Project Name	Start Date	End Date	WIP b/f	Cost to Date	Forecast Cost	Full Budget	Variance		Project Status	Scope	Schedule	Budget	Issues	Overall	Go to Green Plan
							\$	%							
Carry Forward Archives Building	01/07/2025	30/06/2026	0	0	0	50,000	50,000	100%	3	3	3	3	3	3	No agreed plan.
Carry Forward Fence Renewal	01/07/2025	30/06/2026	0	0	0	25,000	25,000	100%	1	2	3	1	2	2	Waiting for contractor to start
Carry Forward Future Capital Requirements	01/07/2025	30/06/2026	0	16,053	40,113	22,187	-17,926	-81%	1	1	3	1	1	1	Waiting on final report.
Carry Forward MAHIA BEACH SEWERAGE SYSTEM	01/07/2025	30/06/2026	19,817	36,240	2,587,845	2,576,449	-11,396	0%	1	1	1	1	1	1	Work has commenced
Carry Forward MARINE PARADE REPLACEMENT MAIN	01/07/2025	30/06/2026	0	0	0	1,900,000	1,900,000	100%	3	3	3	3	3	3	Project being Phased. Will be added to the annual plan
Carry Forward NEW - IMPROVEMENTS - RESILIENCE AND CAPACITY	01/07/2025	30/06/2026	109,845	332,205	2,042,050	1,950,155	-91,895	-5%	1	1	1	1	1	1	Work will commence in March.
Carry Forward PLAYGROUND RENEWALS	01/07/2025	30/06/2026	0	0	225,000	225,000	0	0%	2	3	1	1	2	2	Playgrounds are being procured and expected to start installation this year.
Carry Forward Purchase Vehicles	01/07/2025	30/06/2026	0	86,462	86,462	103,840	17,378	17%	1	1	1	1	1	1	Project Completed
Carry Forward RECYCLING CENTRE UPGRADE	01/07/2025	30/06/2026	0	2,394	2,394	2,546,191	2,543,797	100%	3	3	3	3	3	3	Only 20% of work looking to be completed this year will add to annual plan.
Carry Forward Refurbish - Exit of iSite	01/07/2025	30/06/2026	31,478	13,138	44,616	28,522	-16,094	-56%	1	1	2	1	1	1	
Carry Forward Renewal Pump Stations	01/07/2025	30/06/2026	0	124,043	312,575	611,515	298,940	49%	2	2	2	2	2	2	
Carry Forward Stadium Floor Refurbishment	01/07/2025	30/06/2026	0	0	0	100,000	100,000	100%	2	1	2	3	1	2	Waiting on quote from builders.
Water Reticulation System	01/07/2025	30/06/2026	141,319	135,465	3,380,784	3,291,600	-89,184	-3%	1	1	1	1	1	1	
Water Treatment Plant	01/07/2025	30/06/2026	0	23,092	23,092	319,328	296,236	93%	3	1	3	3	3	3	Tuai chorination issue not resolved
Stormwater Drainage	01/07/2025	30/06/2026	6,294	306,637	830,532	587,600	-242,932	-41%	1	1	2	2	1	1	Planning in place to start works in March 2026
Sewerage	01/07/2025	30/06/2026	63,857	27,673	120,284	1,407,200	1,286,916	91%	2	2	3	3	2	2	Get resourcing to start project in the next financial year.
Kerbside Expansion	01/07/2025	30/06/2026	0	0	0	481,230	481,230	100%	0	3	3	3	3	2	Project may no go ahead
Landfill Closure	01/07/2025	30/06/2026	0	0	0	309,785	309,785	100%	0	2	2	3	2	2	Delayed to 2027
Mahia Recycling Centre	01/07/2025	30/06/2026	43,298	111,747	155,045	153,450	-1,595	-1%	1	1	1	1	1	1	
Infrastructural Business Unit	01/07/2025	30/06/2026	0	561	561	9,216	8,655	94%	1	3	3	3	2	2	Checking on project intention
Parking	01/07/2025	30/06/2026	0	17,191	17,191	18,615	1,424	8%	1	1	1	1	1	1	
Road 38	01/07/2025	30/06/2026	0	69,046	69,046	43,000	-26,046	-61%	1	1	1	2	1	1	
Roading Blacks Beach Blowhole	01/07/2025	30/06/2026	0	0	0	0	0	100%	1	2	2	3	2	2	Blacks beach there is a substantial variation on this and looking to get more funding.
Roading Emergency Opex	01/07/2025	30/06/2026	0	4,837,083	6,626,651	27,585,600	20,958,949	76%	1	1	1	3	1	1	
Roading Subsidised	01/07/2025	30/06/2026	1,252,640	2,009,004	7,273,857	12,556,210	5,282,353	42%	1	2	1	2	1	1	Some issues coming up as work is completed.
Te Reinga Bridge	01/07/2025	30/06/2026	5,042,047	6,373,410	15,915,457	8,000,000	-7,915,457	-99%	1	1	1	3	1	1	Completion in March.
Wairoa Airport	01/07/2025	30/06/2026	350,447	495	751,189	1,982,550	1,231,361	62%	2	2	2	2	2	2	Waiting on contract confirmation from MBIE before going out to tender.
Economic Development	01/07/2025	30/06/2026	0	35,892	35,892	176,300	140,408	80%	3	3	3	3	3	3	Marine Parade work has yet to start.
Library	01/07/2025	30/06/2026	0	21,724	47,044	51,200	4,156	8%	1	1	1	1	1	1	
New iSite Building	01/07/2025	30/06/2026	2,985,871	51,745	3,037,616	0	-3,037,616	100%	1	1	1	3	1	1	Prior year WIP not yet capitalised.
Parks and Reserves	01/07/2025	30/06/2026	236,013	-17,119	156,988	519,985	362,997	70%	3	3	3	3	3	3	BOF Tuai playground has been relocated to the three water reform costs. BOF Tuai playground has been reallocated to 3 waters
Pensioner Housing	01/07/2025	30/06/2026	0	14,957	30,462	50,000	19,538	39%	1	1	1	2	1	1	
Property Camping Grounds	01/07/2025	30/06/2026	0	0	0	0	0	100%	1	1	1	3	1	1	

0 On hold 1 On track 2 Potential issues 3 Significant issues

Project Name	Start Date	End Date	WIP b/f	Cost to Date	Forecast Cost	Full Budget	Variance		Project Status	Scope	Schedule	Budget	Issues	Overall	Go to Green Plan
							\$	%							
Cemeteries	01/07/2025	30/06/2026	40,444	6,957	57,835	82,888	25,053	30%	0	1	0	1	2	1	Waiting on mortuary waste
Commercial Properties	01/07/2025	30/06/2026	0	0	0	44,880	44,880	100%	2	2	2	3	2	2	Checking on project intention
Community Centre	01/07/2025	30/06/2026	59,117	21,861	83,018	810,261	727,243	90%	3	3	3	3	3	3	Checking on subsidy funding
Dog Pound Renewal	01/07/2025	30/06/2026	28,611	6,228	44,199	1,227,600	1,183,402	96%	3	1	2	3	1	2	Going out to tender in March
Gaiety Theatre	01/07/2025	30/06/2026	0	0	0	10,752	10,752	100%	3	3	3	3	3	3	Security Waiting on plan
Information Services	01/07/2025	30/06/2026	3	76,346	86,349	53,299	-33,050	-62%	2	3	1	2	1	2	Have gone over budget due to additional new staff members requiring new equipment.
Property Corporate	01/07/2025	30/06/2026	7,039	25,600	47,920	233,799	185,879	80%	2	2	2	3	2	2	Waiting on seismic assessments
Recovery 24	01/07/2025	30/06/2026	0	0	0	670,065	670,065	100%	0	0	0	3	0	1	Checking with External Project lead
Vehicle Purchases	01/07/2025	30/06/2026	0	-19,746	-19,746	458,640	478,386	104%	1	2	1	3	1	2	Quotes due end of January purchases will commence after that.

0 On hold 1 On track 2 Potential issues 3 Significant issues





## GETTING IN TOUCH

Your feedback plays a big role in making our district a better place to live, work and play. We are keen to hear from you, and welcome your ideas and comments.

Here's how you can get in touch:



[www.wairoadc.govt.nz](http://www.wairoadc.govt.nz)



@wairoadistrictcouncil



[info@wairoadc.govt.nz](mailto:info@wairoadc.govt.nz)



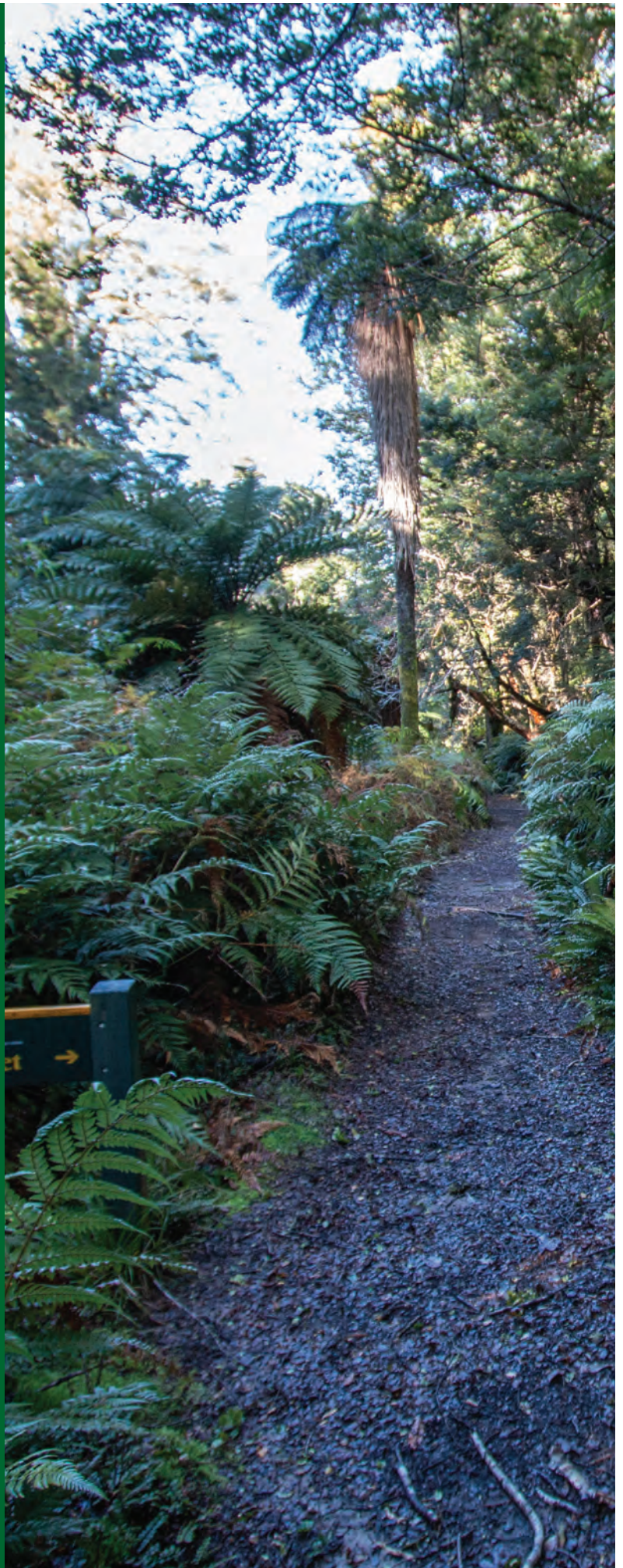
(06) 838 7309



97-103 Queen Street,  
Wairoa 4108



Wairoa District Council,  
P.O. Box 54, Wairoa 4160



**8.3 QRS LETTER OF EXPECTATION, DIRECTOR REMUNERATION AND DIRECTOR ROTATION**

**Author:** Matthew Lawson, Tumu Whakarae | Chief Executive

**Authoriser:** Matthew Lawson, Tumu Whakarae | Chief Executive

**Appendices:**

1. **24-QRS - Letter of Expectation** [↓](#)
2. **Letter of Expectation** [↓](#)
3. **Director Skills Matrix** [↓](#)

The purpose of this report is to action a letter of expectation from Council to the directors of Quality Roding Solutions Ltd (QRS), to set directors remuneration and to adopt a revised scheme for director rotation for QRS.

RecommendationThe Tumu Whakarae | Chief Executive RECOMMENDS that Council receives this report and:

1. That Council resolves to provide a letter of expectation along the lines of attachment 2 with or without amendments as resolved at the meeting.
2. That Council resolved to have the directors of QRS remuneration determined by reference to Institute of directors existing reports. In the alternative, Council could resolve to have the directors of QRS remuneration determined by reference to a report commissioned from the Institute of directors for that purpose.
3. That Council resolved to adopt a director rotation policy whereby no more than one QRS director rotates in any one calendar year. It is suggested that one position becomes available by rotation in 2026, one in 2027 and one in 2028 with Guy Gaddums position coming up in 2029, effectively making his current term a 4 year term.

**BACKGROUND**

- 1.1 Each year Council provides the board of QRS with a letter of expectation setting out Council's expectations, including expectations regarding governance, management, financial performance, Council collaboration and community engagement. A copy of last years LoE is attached as attachment 1.
- 1.2 A letter of expectation is required for the next financial year and a draft for 2025/26 is attached as attachment 2.
- 1.3 In drafting the letter of expectation, I have taken on board the matters discussed at the workshop on this matter including the fact that many of the matters contained in previous letters of expectation, could be considered as "going without saying" and/or telling commercial directors how to do their job.
- 1.4 Attachment 2 is provided as a discussion document to see whether a simplified letter of expectation achieves councils intent in providing the same.
- 1.5 Also discussed at the QRS AGM was a need for the remuneration of directors to be fixed and it was resolved that this should be done by reference to an independent resource such as those provided by the Institute of directors. The Institute has confirmed that they can undertake a recommendation report for what would be appropriate director remuneration at a cost of \$4750.

- 1.6 As previously discussed, the Institute of directors has already provided some general market guidance and councillor Harker would be able to provide us with that report. That is one option. It is also an option to commission a QRS specific report at a cost of \$4750 which would be payable by QRS. A third option is for Council to simply set the remuneration.
- 1.7 The third issue for action is to look at the rotation of directors. At present QRS has four director positions that are up for re-appointment/appointment before July 2026. Having the potential for having multiple changes of directorship at a governance level is undesirable and a rotation should be put in place which sees one director retiring by rotation each year.
- 1.8 The current matrix showing the relative skill set and the duration of appointment is attached as attachment 3.

## 2. DISCUSSION

### Letter of expectation

- 2.1 QRS is set up as a council-controlled organisation. One of the driving forces for setting up a council-controlled trading organisation is to bring commercial expertise in governance to what is effectively a business operation that is expected to operate in, survive and thrive in commercial markets.
- 2.2 Council itself has an expectation that QRS will compete with other providers in the market. As a result, it is imperative that whatever Council expectations are of its CCO, those expectations must be seen in the light of the commercial imperatives of a commercial operation as directors of a limited liability company.
- 2.3 The current letter of expectations has the potential to be interpreted as cutting across some of the commercial imperatives that arise as a result of the need for QRS to be a successful business. It also has the potential to negate a director's obligations to act Bona Fide in the best interests of the company and its shareholders.
- 2.4 As an example, it was discussed at the workshop that the potential limitation on investment decisions for investment over \$500,000 being subject to Council approval seems counterintuitive when a new grader that is needed by QRS has a pricetag of over \$750,000. The short point being that if QRS believe that they have a sound business case for the purchasing of a piece of machinery and that the purchase of that machinery is in the best interests of the company, Council should not be seen as second-guessing that investment decision. The question is, how does any staff or member of Council have any information or how are they better placed to make such an investment decision than the directors that have been entrusted with that function.
- 2.5 The corollary is that, if Council were to refuse an investment recommended by the directors, would there be a corresponding diminution in the expectations regarding profit and performance if that piece of machinery were seen as being necessary for the continued operation of QRS.
- 2.6 A letter of expectation is needed, and a draft is provided as attached. That draft is subject to any amendments that may be required as discussed at the council meeting.

### Directors' remuneration

- 2.7 Also as discussed there is a need to set the directors remuneration. That remuneration should be set independently with the potential to include a requirement to take into account an element of public service appointment to a directorship of a council - controlled organisation.
- 2.8 The options are to have that remuneration independently assessed by the Institute of directors at a cost of \$4750. Such an assessment would take into account the value of the company, the turnover of the company, the hours involved in being a director and any other relevant factors.
- 2.9 Another option is to utilise existing reports and attempt to benchmark the QRS remuneration against other reported remuneration put out by the Institute of directors.

**Director rotation**

- 2.10 The rotation of directors ideally should see only one director being changed or potentially changed each year. The potential for three or four directors to cease being directors in a single year presents a business risk through having a lack of continuity at a governance level.
- 2.11 Attached as attachment 3 is the current skills matrix which also includes the current duration of appointment for each director.
- 2.12 On the basis of the current scenario, Guy Gaddum has just been reappointed in July 2025. Based on a 3 year appointment, Fenton Wilson’s position is due for retirement by rotation, Tony Gray is up for retirement by rotation in March 2026 and Lauren Jones would be up for retirement by rotation in July 2026.
- 2.13 I would recommend realigning that sequence so that one position becomes available by rotation in 2026, one in 2027 and one in 2028 with Guy Gaddums position coming up in 2029, effectively making his current term a 4-year term.

**3. OPTIONS**

3.1 The options identified are:

**Letter of Expectation**

- a. provide a similar letter of expectation to that provided in previous years; or
- b. adopt a letter of expectation along the lines as attachment 2 with any amendments as resolved at the meeting.

**Directors’ remuneration**

- a. engage the Institute of Directors to set directors’ remuneration at a cost of \$4750; or
- b. utilise existing Institute of directors reporting to benchmark directors’ salaries

**Director rotation**

- a. the Council stay with the existing director rotation policy and program; or
- b. that Council adopt a director rotation policy which limits the exposure to Council to multiple directorship changes in QRS each year.

<b>Cultural wellbeing</b>	<b>Economic wellbeing</b>	<b>Social Wellbeing</b>	<b>Environmental Wellbeing</b>
---------------------------	---------------------------	-------------------------	--------------------------------

Valued and cherished community.	Strong and prosperous economy.	Safe, supported and well-led community.	Protected and healthy environment
---------------------------------	--------------------------------	---	-----------------------------------

**4. RISK MANAGEMENT**

4.1 In accordance with the Council’s Risk Management Policy the inherent risks associated with this matter are:

<b>Human</b>	<b>Financial</b>	<b>Regulatory</b>
Low	Low	low
<b>Operations</b>	<b>Employees</b>	<b>Image &amp; Reputation</b>
Low	Low	Moderate

**Confirmation of statutory compliance**

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

### Draft Outline of Letter of Expectation for QRS

Wairoa District Council established and continues to own Quality and Roading Services Ltd (QRS) as its sole shareholder for the benefit of the Wairoa community. It chooses to do this compared with doing work in house or using external contractors to enhance its community outcomes. It expects QRS to compete for work on the open market to ensure it continues to become more efficient and competitive. Alongside this, Wairoa District Council is committed to social procurement and broader outcomes ensuring a circular local economy that serves the best interest of ratepayers and residents of the Wairoa District and aligns to the legislative wellbeing's outcomes as per the Local Government Act.

Where appropriate, the Key Result areas below have been updated to reflect the current term.

#### 1. Collaboration

We have the expectation that QRS and WDC will work together collaboratively for the greater good of Wairoa.

We have the expectation that QRS and WDC staff will work together collaboratively to find solutions to problems as they arise and to improve value for money for our ratepayers.

We request the relationship between our organisations, at all levels, be based on collaborative behaviours including;

- Looking forward, not back
- Timely responses
- Open, honest and frank communication
- Being respectful of each other and having no surprises
- Being positive and constructive
- Being focused on "What's best for Wairoa"

Communication between organisations should occur regularly (at a minimum monthly) and at the respective level, eg Mayor to Chair, CEO to CEO, Council Managers to QRS Managers. Issues not resolved should be escalated to the next level for resolution.

We request regular meetings between the organisations, at the respective levels, with a Governance meeting once a quarter to review progress in addressing the expectations contained in this letter and in meeting QRS's Statement of Intent. Discussions during these meetings should help to inform the letter of expectations for the following year.

#### 2. Professional Governance

Professional Governance is necessary for the successful operation of any organisation. Directors have key responsibilities to the shareholder (WDC), which are essential for maintaining trust and ensuring the long-term success of the company. Primary responsibilities include:

- Fiduciary Duty: Directors must act in the best interests of the shareholder (WDC) and company (QRS), prioritising their interests over personal gain. This includes exercising care, loyalty, and good faith in their decisions.

- **Transparency and Reporting:** Directors are responsible for ensuring the shareholder (WDC) receives accurate and timely information about the company's financial performance, strategic direction, and any material developments. This includes preparing and approving financial statements and reports.
- **Strategic Oversight:** Directors play a crucial role in guiding the company's strategic direction. They should work collaboratively to develop and approve strategies that enhance shareholder value and respond to market conditions.
- **Risk Management:** Directors must identify and manage risks that could impact the company's performance. This includes overseeing the implementation of effective risk management policies and practices.
- **Corporate Governance:** Directors are responsible for establishing and maintaining sound corporate governance practices. This includes ensuring compliance with laws and regulations, as well as ethical standards.
- **Shareholder Engagement:** Directors should meaningfully engage with the shareholder (WDC), listening to their concerns and feedback. This may involve attending shareholder meetings, responding to inquiries, and facilitating communication between management and shareholders.
- **Performance Monitoring:** Directors must monitor the company's performance against established goals and benchmarks, ensuring that it operates efficiently and effectively to achieve its objectives.
- **Succession Planning:** Governance succession planning and growing governance capability and capacity locally are of interest to the Wairoa District Council. Local opportunities to build governance experience by nurturing local talent, including a Director Internship initiative on the QRS Board, is an important focus for Council.
- **Dividends and Returns:** Directors are responsible for making decisions regarding the distribution of dividends and other returns to the shareholder, balancing shareholder returns with reinvestment

Board composition of QRS will be identified by a QRS Directors skills matrix to ensure a broad coverage of appropriate Governance capabilities to meet the strategic direction of the company now and into the future. The skills matrix will be used to inform QRS Director professional development. The skills matrix will also be utilised to assist in informing Director appointments.

By fulfilling these responsibilities, directors help to build shareholder confidence, promote sustainable growth and enhance the overall value of the company.

### **3. Investment Policy**

Sound business practice requires prudent investment.

In recognition of QRS's financial performance over the last three years, we request QRS provide its investment policy to WDC and supply WDC with business cases for all investments and end to end projects above \$500,000 for WDC to review.

Council expects QRS' strategic plan to align with the Wairoa District Council vision.

QRS is expected to present its annual strategic plan and identify potential investments and and/or acquisitions that trigger financial thresholds, strategic alignment and risk profiles where there may be direct impact

#### **4. Development of attributes**

To maintain competitiveness in order to secure contracts, QRS needs to excel in its price and non-price attributes and support broader outcomes.

We expect QRS to carry out a gap assessment of non-price attributes needed for a modern contracting company and address any gaps.

Social procurement and alignment to the four wellbeings as previously articulated in the Local Government Act will serve to further develop attributes that are holistically aligned to the betterment of the Wairoa district.

WDC's procurement policy has clear objectives regarding broader outcomes and we are assured that QRS will have clear alignment to these.

#### **5. Overheads**

Top heavy contracting companies become uncompetitive, lose market share and revenue.

We expect QRS to benchmark itself to industry KPIs for its overhead percentage of turnover and make any adjustments needed.

#### **6. Maintaining and Enhancing Capability**

Contracting companies that fail to maintain and enhance capability become uncompetitive, lose market share and revenue.

It is expected QRS will continue to embrace, leading technologies and demonstrate excellence in regards to technology, minimising environmental impact and reducing its carbon footprint.

We expect QRS to continue carry out a needs analysis and strengthen its training or recruitment programme to address any capability gaps.

#### **7. Community Support**

Providing community support is a primary reason for WDC owning QRS. Improving community outcomes and making a profit are both important to WDC

Without limiting QRS's opportunity for sponsorship, we would recognise work in kind that benefits Council.

#### **8. Employing Locally**

Local employment is important for the economic growth of Wairoa, especially from revenues generated outside of Wairoa. Given the current state of the economy we expect to see a focus on local employment, which Council is committed to through the following;

- Supporting local

- Social or Progressive Procurement
- Preferred supplier arrangements

## 9. Business growth

Business growth in third party revenue is important for diversifying risk.

The achievement of enduring growth in third party revenue according to market conditions, as determined on an annual basis, with significant growth in normal market conditions, limited growth in a recession and high growth in a boom period.

## 10. Shareholder Vision/Mission Statements

It is important that QRS supports its shareholder in all relevant matters. Essentially a 'no surprises approach'.

Without limiting its activities, QRS should reflect WDC's vision and mission statements in the work it carries out to demonstrate the importance of partnering for the betterment of the Wairoa district.

## 11. Statement of Intent

We request that the following matters be included in your SOI:

- A baseline distribution of
  - The greater of
    - 50% of the company's after-tax profit; OR
    - 3% of opening equity
- Key strategies and initiatives, with detail to the extent appropriate for a public document;
- Health and safety targets in line with Health & Safety at Work Act;
- Investment policy including pre-investment review process and post investment review process;
- Intention to operate on a "no surprises" basis;
- Community Focus
- Remuneration policy - in line with current benchmarks
- Innovative/disruptive and new technologies
- Financial performance targets, as a minimum we request the following:
  - Target Revenue – % % %
  - Net Profit After Tax -
  - Shareholder Funds to Total Assets
  - Dividend Forecast

### Letter of Expectation

Quality Roding Solutions Ltd is a council -controlled and owned organisation. It is a strategic asset for Wairoa District Council.

QRS is set up as a limited liability company with an independent board of directors appointed by Council. The focus of QRS is to be a successful business. The appointment of independent directors is intended to provide the necessary expertise for the operation of a commercially successful business that operates in accordance with the principles of not only be a successful, profitable business but also being a good corporate citizen.

The company is required to act as a good employer and to comply with all employment, health and safety, company, and other relevant legislation.

In addition to the director's duties imposed by the Companies Act 1993, the directors owe fiduciary obligations to at all times act bona fides and in the best interests of Wairoa District Council as its shareholder. Wairoa District Council in turn holds the shares on behalf of its community. The directors acknowledge that while QRS is a corporate entity, their role has a community service aspect. In making decisions as directors, directors must be mindful of decisions being made for and on behalf of its Council shareholder and indirectly the community that it serves.


The relationship between Council and QRS and its Board of Directors is one of mutual respect and cooperation. The parties are committed to work together to the extent allowed by law and sound business practices. The relationship should be one with sound communication founded on a no surprises expectation.

QRS is also expected to be the source of employment within Wairoa District. Priority should be given to utilising local employment and other resources wherever possible.

As a successful business Council expects to receive a dividend that reflects the desire for Council to have a significant return on its investment in QRS while preserving sound business practices in determining the level of profit to be retained within the company to fund growth and investment.

The relationship is one that is based on effective communication. The QRS board and the council should meet regularly and as required. As a minimum, QRS should seek to provide a six-monthly report on progress, profits, risks, and opportunities facing the company and the current trading environment.

Council values the input of the independent directors and the relationship of mutual respect and cooperation.

 <b>QRS Director Skills</b>					
	<b>Guy Gaddum</b>	<b>Tony Gray</b>	<b>Lauren Jones</b>	<b>Fenton Wilson</b>	<b>Fulton Storey</b>
<b>Qualifications</b>	Masters in Engineering Management, Bachelor Forestry Science	FCA	Masters in Professional Accounting, Masters in Biological Sciences, CA		
<b>QRS Specific Skills</b>					
Contracting	●	●	●	●	●
Plant Management	●	●	●	●	●
Change Management	●	●	●	●	○
Procurement	●	●	●	●	●
Quarrying	●	●	●	●	○
Project Management	●	●	●	●	●
Local Knowledge - Wairoa Inc	●	●	●	●	●
Iwi Engagement	●	●	●	●	●
Chairperson Skills	●	●	●	●	○
<b>Generic Skills</b>					
Executive Leadership & Strategy	●	●	●	●	●
Governance	●	●	●	●	○
Financial	●	●	●	●	●
Risk & Compliance	●	●	●	●	●
Legal & Regulation	●	●	●	●	●
People	●	●	●	●	●
<b>Start Date</b>	01/03/2007	15/02/2017	05/07/2023	01/09/2019	15/04/2025
<b>Finish Date</b>					
<b>Tenure (years)</b>	18	8	2	6	Intern - 18 months
<b>Geography</b>	Rotorua	Hastings	Wairoa	Wairoa	Wairoa
<b>Gender</b>	M	M	F	M	M
<b>Key Risks</b> diversity of board composition					
<b>Suggestions</b> Exit interviews with retiring Directors. Staggered tenure appointments. Prioritise required Board skill set in recruitment process. Start planning for new Directors with proven national governance experience and QRS specific skill set(s). Diversity - with appropriate skill base. Diversity not at expense of skill base.					
<b>Finish Date Timeline</b>	<b>01/07/2025</b>	<b>01/04/2026</b>	<b>06/07/2026</b>	<b>01/07/2026</b>	
	GG (chair)	TG	LJ	FW	FS

Waiting on reappointment letter

**9 PUBLIC EXCLUDED ITEMS****RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATION**

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48 for the passing of this resolution</b>
<b>9.1 - Submission on Local Government Reform</b>	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege  s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7