

Te Pūrongo o Te Tau
Annual Report
2025/26

Te Kaunihera o Te WAIROA District Council

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He Whakarāpopototanga O Tā Tātau Tau

Summary of Our Year

This section details the Council's performance during the year. It presents Council-only results including financial highlights. For Group results please refer to the financial statements.

He Karere Taihonotanga
Joint Statement

Tēnā koutou katoa,
Welcome to the Wairoa District Council Annual Report for the year ended 30 June 2026.

Over the past year, Council has maintained its focus on the fundamentals of local democracy: listening to local voices and continuing to support and enable our district to be the best it can be.

A robust review of Council costs resulted in an average rates rise of 2.8%, the lowest in Hawke's Bay and one of the lowest in the country. This was also significantly lower than forecast in Council's Long-Term Plan and was achieved without reducing the levels of service the Council provides.

We have continued to increase our resilience, particularly in relation to flooding and weather events. A major ongoing focus is on repairing our roading and bridge network to keep our communities well connected and accessible. The March 2026 opening of the replacement permanent Te Reinga Bridge was a huge milestone in reconnecting our communities.

Another major infrastructure project was the completion of the new and relocated Wairoa Visitor Information Centre, which now sits in a more centralised location on the main street.

We have also been working with our communities around the impact of the Wairoa Flood Mitigation Project on the Alexandra Park reserve area to the west of the town bridge, including the skate bowl, flying fox, playground, camping ground and reserve, which Adventure Wairoa and the Water Ski Club occupy.

On-site work at the Fraser Street landfill was completed to enable waste to be loaded and transported to Omarunui in Hawke's Bay. The site preparation work was government-funded in recognition of the landfill being overwhelmed with flood-related debris and silt, which saw capacity used up much more quickly than planned.

The new purpose-built Mahia recycling centre opened just before Christmas and over the busy summer season around 24 tonnes of glass, cans, plastics and cardboard were collected. The centre was predominantly funded through the Central Government Tourism Infrastructure Fund and provides an accessible facility to encourage people to deposit their recycling in the best way possible.



Other projects included completing the Council-owned pensioner units to the Healthy Homes Standards and improving mobility and access for tenants.

We have also been focussing on building drinking water resilience and trialling an alternative ultraviolet wastewater treatment.

Council secured $4.2 million for an upgrade to the Wairoa Airport. The project will include a runway extension enabling a wider range of aircraft to take off and land in difficult weather conditions. This will support the airport's key connectivity role, particularly in providing critical health care transport and during extreme weather events.

The past year has also brought significant work, impacts, and challenges due to the Central Government's wide range of legislative reforms and changes affecting local government activities.

The Simplifying Local Government reform programme began with initial restructuring proposals announced in November 2025. Following community consultation, Council opted not to take part in the Government's Head Start pathway but instead explore the statutory process and legislative requirements for local government reorganisation in line with Schedule 3 of the Local Government Act 2002.

Public feedback overwhelmingly supported a standalone unitary governance model for Wairoa, including the possibility of Wairoa assuming regional council responsibilities, provided the functions are appropriately funded through the Hawke's Bay

Regional Council's port, assets and investments.
The clear message from our community was that any future governance arrangement should preserve Wairoa's local voice, democratic representation, financial sustainability, and resilience, while recognising the district's unique cultural, environmental, social, and economic characteristics. Council has also been working to establish a new three waters delivery entity to meet the government's Local Waters Done Well legislation. This entity will deliver local drinking water, stormwater and wastewater services from July 1, 2027. The Council will continue to provide three waters services until then.

These two reform-related decisions have both seen Wairoa choose to go it alone rather than merge with other councils. These decisions have been some of the hardest elected members have had to make, and we made them because our isolated and unique community has historically not been served well by regional or central models. We need decisions made close to home, near the people they impact, and drawing on local institutional knowledge.

As we look to the future, we remain committed to working alongside our community, iwi, businesses, and partners to create opportunities, address challenges, and build a thriving district for current and future generations.

Thank you to everyone who has contributed to Wairoa's success over the past year. Together, we are creating a stronger, more resilient, and prosperous future for our district.

Ngā mihi nui

Matthew Lawson
Te Tumu Whakarae
Chief Executive
28 October 2026

Craig Little
Te Kahika
Mayor
28 October 2026



Tā Tātau Rautaki
Our Strategic Direction

Our Mission
To support the Wairoa Community through decision-making that promotes the cultural, social, economic and environmental wellbeing of the district now and in the future.

Our Vision
Desirable Lifestyles, Thriving Economy, Treasured Environments, Connected Communities.

Community Outcomes
Our ***four outcomes*** reflect the importance of the social, economic, environmental, and cultural wellbeing of our community.

Each of the outcomes connects to a corresponding wellbeing, which provides a strategic match between our community's interests and Council's wellbeing focus.

We want the Wairoa district to grow and prosper and to ensure that this growth is sustainable. To enable Wairoa to thrive we need intergenerational decision-making that aligns with our ngā pou e whā/community outcomes.

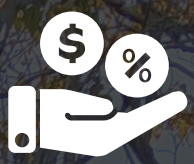
Our future activities need to blend Council's daily activities with our recovery and encompass:

- **He Oranga Ōhanga**
  a thriving growing economy
- **He Oranga Hapori**
  a vibrant, healthy and innovative community
- **He Oranga Taiao**
  a protected, restored and connected environment
- **He Oranga Tikanga**
  a culturally prosperous community

'Mā te tini me te mano,
ka rapa te whai oranga'
'By working together we will prosper'



Tā Tātau Tau
Our Year at a glance



392
rates rebate applications assisted with
Last year: 386
See page 50



38,510
library visits
Last year: 36,786
See page 38



543 Tonnes
of waste recycled, reused, mulched or recovered
Last year: 1,559 tonnes
See page 29



17km
sealed road resurfaced
Last year: 23km
See page 31



2,198
service requests issued by our customer service team
Last year: 2,642
See page 50



1,722
landings at Wairoa Airport
Last year: 1,459
See page 32



$15.09 Million
value of building consents issued
Last year: 41.79m
See page 41



22,000m²
maintenance metal applied to roads
Last year: 24,870m³
See page 31



94%
of users satisfied with the museum
Last year: 96%
See page 38



82
building consents issued
Last year: 161
See page 41



94%
dogs registered
Last year: 95%
See page 42

Ā Tātau Ahupūtea
Our Finances at a Glance

The figures presented here are Council-only.
For Group results please refer to the financial statements.

$48.5M
Cost Of Running The District
(recovery costs were $5.6m)

Our total operating expenses for the year were $48.5 million (Last year $64.1 million). Of that $48.5 million $5.6million was related to recovery (Last year $22.4 Million). This spend supports our district by providing the funding for Council activities outlined in section 2.

$45.3M
Subsidies & Grants

Our total subsidies & grants received for the year were $45.3 million (Last year $50.8 Million). The money received supports our district by providing the funding for Council activities outlined in section 2.

$9.5M
Borrowing Position

We refinanced $8.5 million of debt this financial year this has maintained our borrowing position at $9.5 Million ($9.6 million last year). We use borrowing to spread the cost of new facilities or infrastructure over multiple generations that will benefit from the projects. We believe this is the fairest way to do things.

$39.3M
Capital Spend

We spent $39.3 million on new assets for the district. (Last Year $25.8 Million). We completed several initiatives in our transport, Three Waters and leadership and governance activities. Funding from New Zealand Transport Agency Waka Kotahi (NZTA), Crown Regional Holdings Limited (formerly known as the Provincial Growth Fund), and the Department of Internal Affairs supported several of these projects.

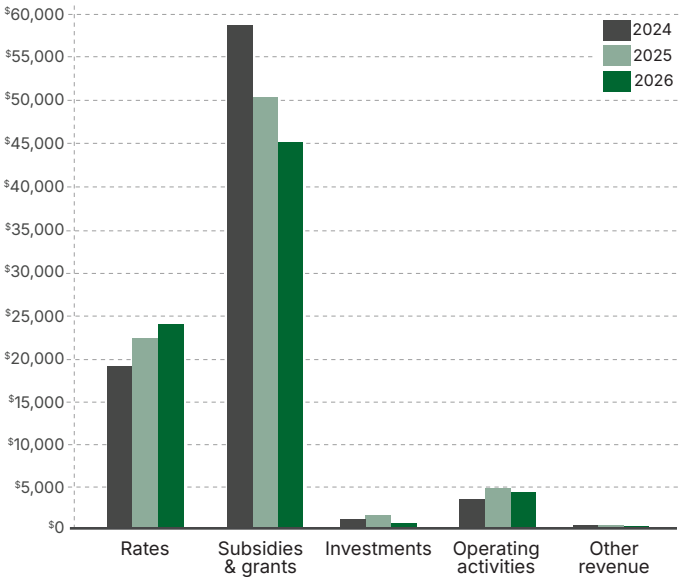
$494.2M
Of Assets

The Council provides services to the district through a range of infrastructure networks and facilities (Council assets). These have been built up over many generations and equate to around $55,409 net worth of value for every person in the district. (Last year's asset value was $490 Million).



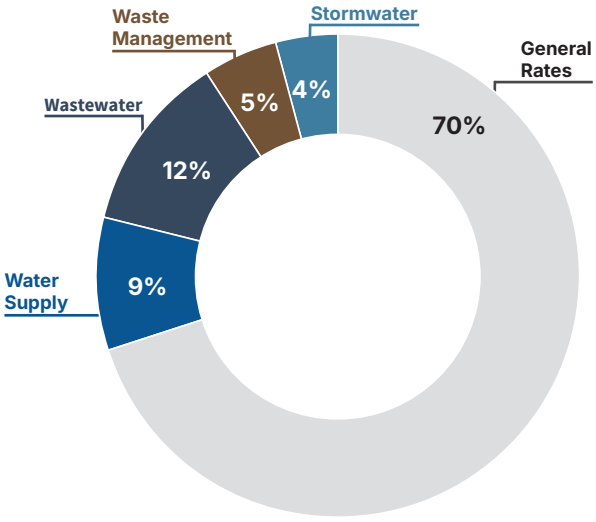
Where Our Money Comes From

Overall Sources of Revenue ($000) for the Past Four Years



The above graph shows our revenue funding sources. 61% comes from subsidies and grants (2025: 63%) and 32% from rates revenue (2025: 28%) this is used to fund our projects. We also receive revenue from operating activities (including user fees) and investments.

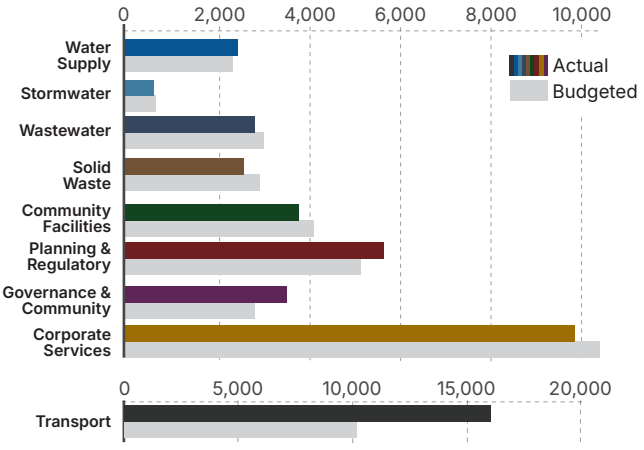
Components of Council Rates Revenue for the Year



The above graph shows the allocation of the Council's rates revenue for the year (based on the Long-Term Plan).The current rating system seeks to provide a simple, affordable, and appropriate approach.

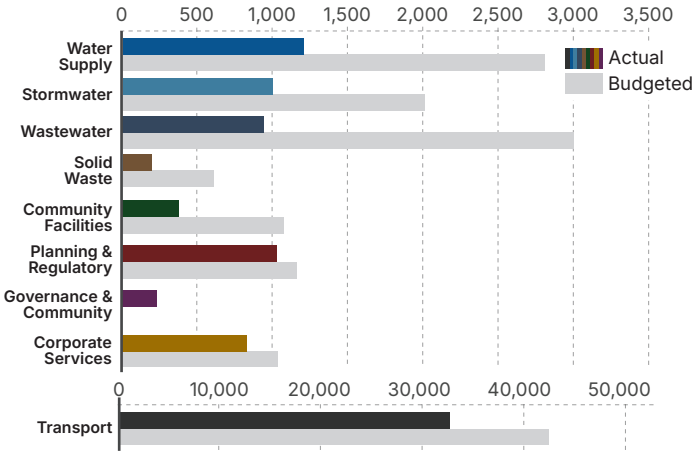
Where Our Money Goes To

Difference Between Actual & Budgeted Operating Expenditure ($000)



The above graph summarises the difference between the actual and budgeted operating expenditure for each group of activities. It shows how the Council has prioritised its spending to support the operational and strategic direction that has been set during the Annual Plan process. Details of the financial performance against budget for each group of activities can be found in the Funding Impact Statements for each group.

Difference Between Actual and Budgeted Capital Expenditure ($000)



The above graph shows capital expenditure by group of activities. We have a comprehensive renewal and upgrade programme for our assets and have completed $39.3 million of capital expenditure during the 2025/26 year (refer to the Whole of Council Funding Impact Statement page 101).

Tā Tātau Kaunihera
Our Council

Governance and Leadership
Wairoa District Council is governed by a Mayor and six elected Councillors who provide leadership, set strategic priorities, and oversee the organisation's performance on behalf of the community. The Mayor is elected by all residents of the district, while three Councillors are elected from the Māori Roll and three from the General Roll. Local government elections are held every three years.

Setting the Direction
Elected Members are responsible for setting Council's strategic direction and priorities, while the Chief Executive leads the delivery of Council services and operations. Under the Local Government Act 2002, Council is responsible for important decisions including adopting Long-Term Plans, Annual Plans and Annual Reports, setting rates and bylaws, managing borrowing, and making decisions about significant assets. Councillors monitor progress and performance to ensure these decisions deliver value for the community.

Representing Our Community
Councillors play an important role as advocates for the people of Wairoa, engaging with residents, community groups, businesses, and stakeholders to understand local needs and aspirations. While elected to represent their communities, Councillors are required to make decisions in the best interests of the district as a whole.

Transparent Decision-Making
Council is committed to open, transparent, and accountable decision-making. Community engagement remains an important part of Council's work, providing opportunities for residents to contribute their views and help shape the future of the district. Council meetings are publicly advertised and open to the community, with opportunities for members of the public to speak on agenda items.

Committees and Governance
Council operates through a range of committees and panels that support effective governance and informed decision-making across all areas of Council business. These include committees focused on strategy, finance and risk, infrastructure and regulatory services, licensing, Māori representation, conduct reviews, and Chief Executive performance. Council also participates in several joint committees with neighbouring local authorities to address matters of regional importance.

Meeting Attendance
Meeting attendance figures reflect elected members' participation in Council and committee meetings for which they are appointed members. Attendance data does not include workshops, briefing sessions, or participation in external organisations, advisory groups, and regional forums undertaken as part of their governance responsibilities.

Together, the Mayor and Councillors provide leadership, accountability, and strategic oversight, ensuring Council remains focused on delivering outcomes that support the wellbeing and future prosperity of the Wairoa District.

2025-26 Meeting Attendance (Committee and Council Meetings)

Elected Members	Number of Council Meetings Attended	Number of Committee Meetings Attended
Craig Little *Mayor*	9/10	9/11
Benita Cairns *Deputy Mayor*	10/10	8/9
Jeremy Harker *Councillor*	10/10	7/7
Roslyn Thomas *Councillor*	10/10	7/7
Trevor Waikawa *Councillor*	10/10	9/9
Michelle Tahuri *Councillor*	10/10	8/9
Sara Bird *Councillor*	10/10	8/9

Declarations Of Interest And Code Of Conduct
Declarations of Interest
To support transparent and accountable decision-making, elected members declare their actual, potential, and perceived interests at the beginning of each triennium and update these as required. Any conflicts of interest relating to matters before Council are declared at meetings, and members do not participate in discussions or decisions where a conflict exists.

Code of Conduct
The Elected Members' Code of Conduct outlines the standards of behaviour expected of the Mayor and Councillors and guides their interactions with fellow elected members, Council staff, the media, and the community. Any complaints under the Code are managed through a formal process that ensures fairness, transparency, and accountability.

Together, these measures help maintain public confidence and support effective governance across the Wairoa District.

Senior Leadership Team
The Mayor and Councillors appoint Te Tumu Whakarae (Chief Executive), who leads the organisation and is responsible for delivering Council services. The Chief Executive manages Council staff and operations, supported by Te Kahui Amokura, the Senior Leadership Team, which provides strategic direction and oversees organisational performance.



Back Row L to R: Hinetaakoha Viriaere - GM Planning & Regulatory, Gary Borg - GM Finance & Corporate Support, Cllr Jeremy Harker, Matthew Lawson - Chief Executive, Cllr Trevor Waikawa, Jamie Cox - Interim GM Assets & Infrastructure.

Front Row L to R: Cllr Sara Bird, Cllr Michelle Tahuri, Mayor Craig Little, Deputy Mayor Benita Cairns, Cllr Roz Thomas, Juanita Savage - Chief of Operations.

Tā Tātau Rohe Whānui
Our District

8,920 residents*

67.8% Māori descent
highest rate nationally

20.9% of population speaks te reo Māori

$67,200 median household income

18.6% of population over 65

4,260 Dwellings

2.7 persons per household *(average)*

38.6 years median age *(increasing over time)*

Where We Live

4,119KM² area of district

130km of coastline

871km of roads
51km of footpaths

Key Industries
Agriculture, Forestry, Primary production, Horticulture and public services

Local Statistics have been taken from the 2023 Census Usually Resident population results - The Census Usually Resident Population Count has a quality rating of very high. Median Income results have been taken from the Household Labour Force Survey.

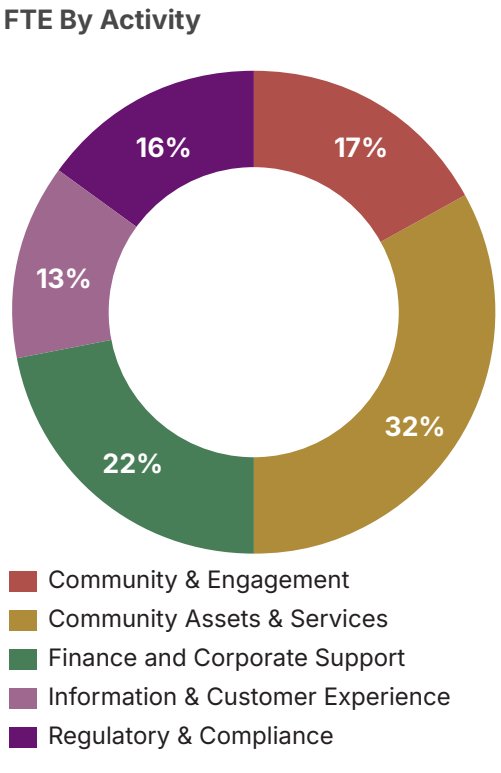
Tā Tātau Kaimahi
Our Staff

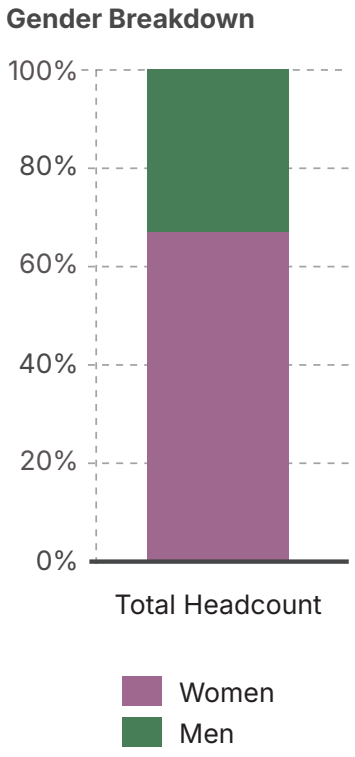
The Wairoa District Council is deeply committed to fostering an environment that not only attracts but also nurtures and retains a highly skilled and qualified workforce. Our strategic focus on making the Council an attractive place to work is paramount to ensuring we have the expertise necessary to serve our community effectively.

The Council maintained a stable workforce throughout the year, with staff numbers declining only slightly from 86 in 2024/25 to 82 in 2025/26. This core staff is further augmented by a valuable network of 67 contractors, contributing to the diverse skill sets available to the Council. A notable demographic feature of our workforce is the strong representation of women, who constitute 65% of our employees.

85% of our staff are permanent employees, providing a strong foundation of institutional knowledge and continuity. With 14% on a part-time or casual basis and 1% fixed term, this dynamic blend of full-time, part-time, and casual employees, along with our diverse contractor base, creates a rich tapestry of experiences and backgrounds. This rich mix of people who work at the Council has a tangible and overwhelmingly positive impact on our work culture, fostering collaboration and innovation, and ultimately driving enhanced productivity across all departments.

Breakdown of Staff by Activity and Contract Type	Permanent		Fixed Term				
	Full-Time	Part-time	Full-time	Part-time	Casual	Head Count	FTE
Community & Engagement	13	1	0	0	0	14	13
Community Assets & Services	24	2	0	0	0	26	26
Finance and Corporate Support	15	1	1	0	1	18	17
Information & Customer Experience	8	3	0	0	0	11	10
Regulatory & Compliance	10	1	0	0	2	13	12
Total	**70**	**8**	**1**	**0**	**3**	**82**	**78**





Ā Tātau Mahi
What We Do

Wairoa's infrastructure is the backbone of our district, ensuring the Council can deliver the essential services our community relies on. Maintaining and improving these services is key to supporting the social, economic, environmental, and cultural wellbeing of our people—both today and for future generations.

Activity	Description		
Transport	• 875km road (315km sealed) • 174 bridges • 346 retaining structures • 54km footpaths	• 7.4km cycleways • maintenance of an operational airport • maintenance of streetlights across the district • maintenance of Marine Parade CBD	
Drinking Water Supply	• 3 water supply networks • 118km Water pipes • numerous valves	• hydrants • water reservoirs	
Wastewater	• 4 wastewater networks • 59km of wastewater pipes • numerous manholes	• treatment plants • wastewater pump stations	
Stormwater	• 41km stormwater pipes • 24km of channels and drains • maintenance of sumps and traps		
Waste Management	• kerbside rubbish and recycling collection • management of the Wairoa transfer station • management of active and closed landfills • operation of public litter bins • rural recycling services		
Pensioner Housing	We have 32 pensioner flats across six locations. These consist of 16 bedsits, 10 single and six double bedroom units.		

Activity	Description		
Community Facilities	• public toilets • lighthouse • civic buildings/halls • cemeteries • playgrounds	• library • sports parks • reserves • Gaiety Theatre • Wairoa Museum	• gardens • street trees • community centre • boat ramps • rural transfer stations
Governance & Community	Provide community representation and support community participation in democracy. Provide support and development in the areas of emergency management, community engagement, economic development, archives and records. Develop relationships with tangata whenua and facilitate Māori participation in decision-making.		
Corporate Services	Provide corporate services (incl. customer services, finance, administration, rates services, legal compliance, policy development) and property services for Council-owned properties. Hold investments and manage funds to support Council activities.		
Planning and Regulatory	Regulatory activities including resource planning, environmental health, building control, alcohol control, dog and livestock control, and general bylaw enforcement.		

Ā Tātau Whakakaupapa
Our Projects

isite opening
The new and relocated Wairoa isite Visitor Information Centre on Marine Parade was officially opened on August 27, 2025 by Regional Development Minister Shane Jones. The facility features a visitor reception, hot desk spaces, a conference/training room, office/toilet facilities, an outdoor courtyard, and an integrated bus stop area.

Te Reinga Bridge opening
The replacement permanent Te Reinga Bridge was officially opened on March 26 2026 – four years after the Te Reinga Bridge was initially damaged during the March 2022 floods.

UV wastewater testing trialled
As part of the Council's wastewater discharge consent conditions, there is a requirement to transition over time to a land-based discharge system. Council has investigated an alternative method using revolutionary light penetration technology with results significantly below the required standards. Further exploratory work will continue.

Emergency works
The focus remained on delivering recovery projects and strengthening the resilience of our transport infrastructure.

Work has continued on the Waikari Bridge (Glenbrook) replacement and Te Puna Bridge repair. The Blacks Beach resilience project is complete. Work is also progressing at the Mahia East Coast Road (Rangatahi site), addressing coastal stability and protecting an important access route for local communities.
Drainage maintenance continued with 200 kilometres of roadside drains cleared and 30 culverts renewed.

Pensioner Housing
During the 2025/26 financial year, work to bring the remaining units up to the Healthy Homes Standards was completed, and all units now meet the minimum requirements for heating, insulation, ventilation, moisture ingress and drainage, and draught stopping. Council has also improved mobility and access for tenants and site improvements at some units to make parking mobility scooters easier.

Lahore Street Watermain
In early May 2026, work began on the new Lahore Street water mains and property connections.

This work involves upgrading the water mains to help ensure a safe, reliable water supply while reducing the risk of leaks and breaks. The upgrade will also see an improvement in water pressure and an ability to isolate water issues which will ensure improved water connectivity.



Whakaoranga
Recovery

Recovery from recent weather events remain a key focus for Wairoa District. While the standalone Wairoa Recovery Office has now concluded, recovery work continues across Council departments, government agencies, and community partners to address the ongoing impacts of severe weather events.

Efforts remain focused on restoring and strengthening infrastructure, supporting affected communities, and building long-term resilience across the district. Work is progressing across a range of areas, including the restoration and strengthening of transport networks, flood protection and stormwater infrastructure, housing and land remediation, environmental recovery, and community wellbeing initiatives.

Across the district 157 properties remain subject to coloured placard restrictions due to weather related damages.

Recovery activities continue to be guided by collaboration and local priorities, ensuring that the needs of affected communities remain at the centre of decision-making. Through ongoing investment, partnerships, and targeted programmes, Wairoa District is working towards a safer, more resilient, and sustainable future for current and future generations.



Te Reinga Bridge. Photo Credit QRS





Tā Tātāu Whakatutukitanga-ā-Taipitopito
Our Performance in Detail

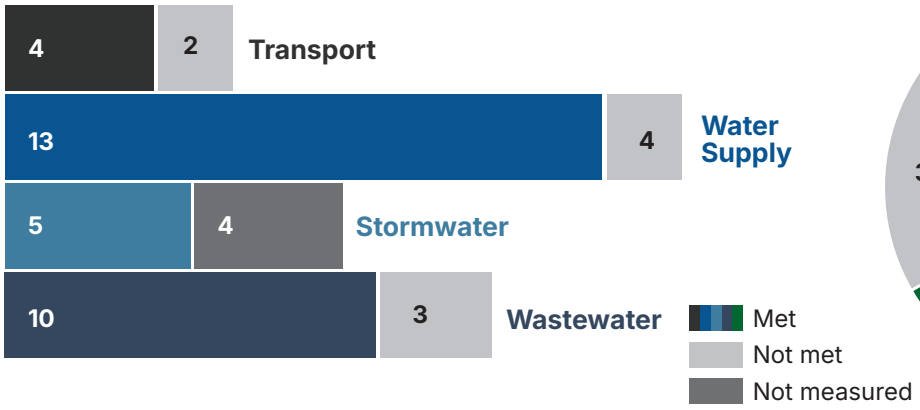
Tā Tātāu Whakatutukitanga-ā-Taipitopito
Our Performance in Detail

Most of Council's operations, expenditure, and service delivery are undertaken through the nine key activity areas outlined in this section. These activities represent the core functions of Council and are the primary means through which we support our communities and deliver on our strategic objectives.

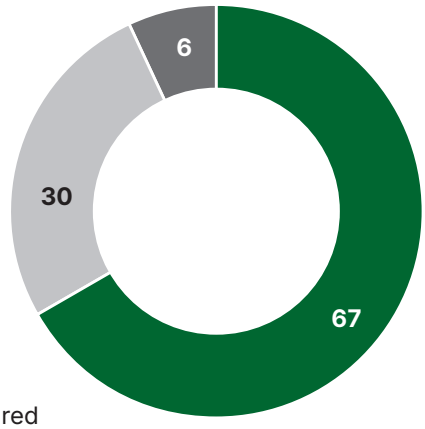
Performance targets for these activities were established through the Long-Term Plan 2024–2027 and include 45 performance measures prescribed by Central Government. These mandatory measures relate to essential infrastructure services, including water supply, wastewater, stormwater, roads, and footpaths. During the year, Council achieved 71% (32 of 45) of these mandatory measures, with the remaining four measures still subject to reporting.

The mandatory measures provide a consistent basis for comparing service levels across local authorities nationwide. In addition, Wairoa District Council reports against a further 58 locally developed performance measures, providing elected members and the community with a broader view of Council's service delivery and organisational performance. Overall, Council achieved 65% (67 of 102) of all measures reported in this section. The graph below illustrates Council's performance against these measures over the past five years.

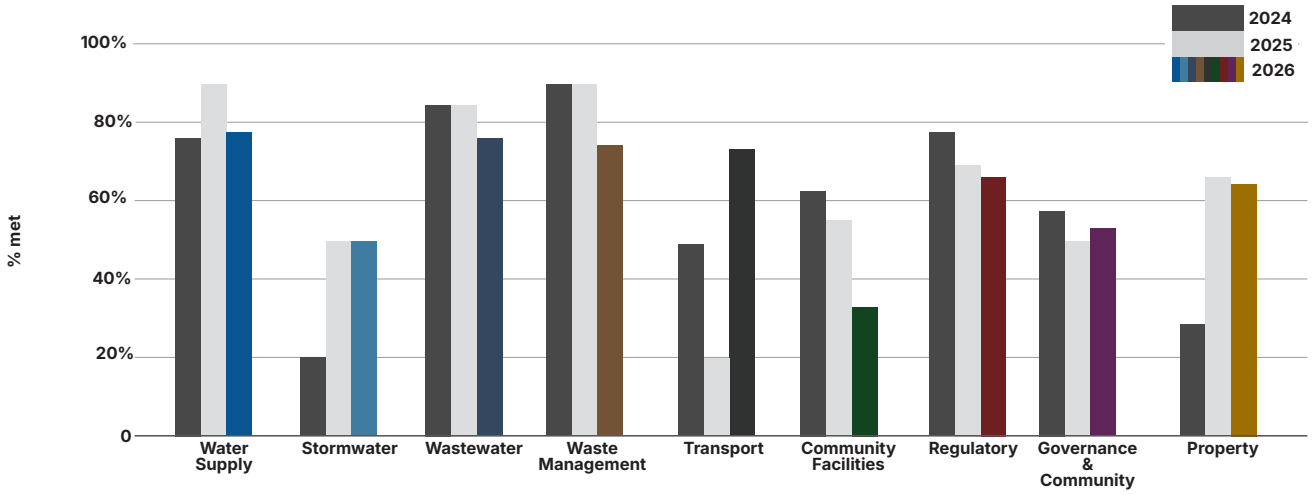
Mandatory Measures



All Measures



% key performance measures met: 3 year trend



This graph shows the percentage of measures met by activity over last three years. By displaying trends in performance measures, we can gain a sense of which of Council's services are performing as expected and which services require further attention to bring these up to the level our community expects.

Water Services

Drinking Water, Stormwater and Wastewater

People

Over the past year, we have strengthened the capacity of the Three Waters team, resulting in noticeable improvements across our operations, service delivery, and resilience. A key milestone has been the appointment of a dedicated Wastewater Treatment Plant Operator, providing focused oversight of our wastewater treatment facilities and ensuring greater continuity, accountability, and operational performance. This dedicated role allows the day-to-day management of treatment plants to receive the attention it requires, rather than being undertaken alongside competing responsibilities.

Building capability has remained a strong focus. Team members have undertaken training across drinking water, wastewater, stormwater, sampling, and compliance disciplines, while increased exposure to field activities has strengthened practical knowledge of our networks and treatment systems. We have also enhanced collaboration with neighbouring councils and specialist contractors, creating valuable opportunities to share expertise, learn from others, and access technical knowledge and resources that can be challenging for a small council to maintain independently. Together, these improvements are helping to build a more capable, resilient, and future-focused Three Waters team.

Projects

We have continued to make steady progress on our programme of three waters renewals and infrastructure improvements, investing in projects that strengthen the resilience, reliability, and performance of our networks. During the year, key works included the Paul Street Rising Main, Lahore Street Watermain, wastewater pump station renewals, stormwater CCTV investigations and pipeline renewals, as well as improvement works at Māhia Beach.

Alongside these larger projects, we have delivered a range of smaller renewals and operational enhancements across our water, wastewater, and stormwater networks. While these projects may be less visible, they play an important role in maintaining service levels, reducing risks, and extending the life of critical infrastructure.

We have also continued to improve our understanding of the condition and performance of our assets. Through activities such as CCTV inspections, condition assessments, and the collection of operational knowledge, we are building a more complete picture of our networks. This information is helping us make better-informed decisions, identify and prioritise risks, and ensure renewal funding is directed to the areas of greatest need. These improvements will support more effective long-term planning and help Council maximise the value of future infrastructure investment.

Drinking Water

Our focus for drinking water continues to be the delivery of safe, reliable services while strengthening our understanding of network condition and maintaining compliance with regulatory requirements.

Throughout the year, we have introduced a more structured approach to routine operational activities, including reservoir maintenance, hydrant testing programmes, leak detection, network inspections, and ongoing monitoring. These improvements are helping us maintain service reliability while supporting proactive asset management.

We are also developing a clearer understanding of the condition and performance of our critical water infrastructure. This knowledge is enabling better planning, informing future renewal programmes, and ensuring investment is directed towards areas of highest priority. Each network presents unique operational, asset management, and compliance challenges, and our continued focus is ensuring these systems remain sustainable and fit for the future.

Stormwater

Stormwater management has remained a significant focus area, particularly in response to recent severe weather events and the increasing need to build network resilience. The completion of the stormwater model has provided valuable insights into how the network performs under different conditions, identifying key constraints, flood-prone locations, and the factors that contribute to flooding across Wairoa.

The modelling has also improved our understanding of the broader influences on flooding, including river levels, rainfall intensity, overland flow paths, and ground conditions. This information is strengthening

our ability to make informed investment decisions and target funding towards projects that will deliver the greatest benefit for the community.

To support this work, we have continued a programme of CCTV inspections, maintenance activities, and targeted renewals. The data gathered through these initiatives is helping us better understand the condition of our assets and prioritise future works based on risk and network performance.

Wastewater

We have continued to enhance wastewater operations through a greater emphasis on planned maintenance, pump station management, SCADA and telemetry systems, network monitoring, and compliance with resource consent requirements. These improvements are supporting more proactive management of critical infrastructure and helping to reduce operational risk.

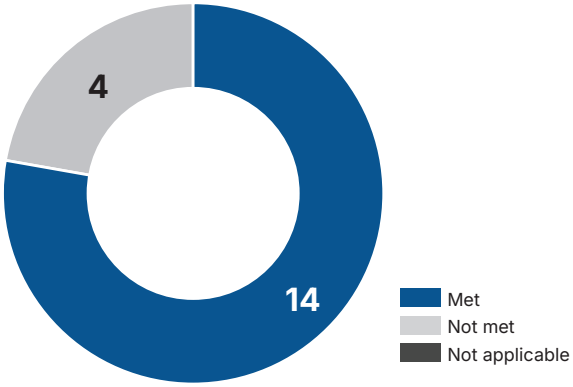
Several key projects progressed during the year, including the Paul Street Rising Main, wastewater pump station renewals, and improvements to the Māhia Beach wastewater system. Work has also continued across the Tuai and Opoutama wastewater schemes, supporting the long-term reliability and performance of these networks.

In addition, we have focused on building wastewater capability across the wider Three Waters team. This has increased operational resilience, improved knowledge sharing, and reduced reliance on individual staff members for specialised expertise.

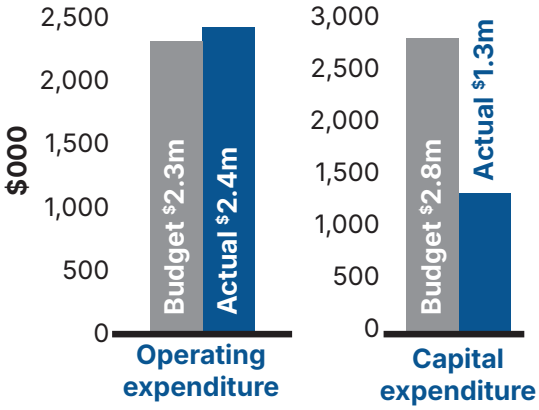


Te Puna Wai | Water Supply

Performance Summary



Financial Summary



Water Supply Performance Data

Levels of Service	Performance Measure	2023/24 Actual	2024/25 Actual	2025/26 Target	2025/26 Actual	
Safe, high quality water supply is provided	**Compliance with the Drinking Water Standards (Part 4 bacterial compliance criteria):**					
	Wairoa / Frasertown (M)	Compliant	Compliant	Compliant	Compliant	✓
	Tuai (M)	Compliant	Compliant	Compliant	Non Compliant	✗
	Compliance with Drinking Water Standards (Part 5 protozoal compliance criteria):					
	Wairoa / Frasertown (M)	Compliant	Compliant	Compliant	Compliant	✓
Provide reliable water networks	Residents (%) satisfied with the water supply	63%	63%	≥80%	83%	✓
Water Pressure and flow appropriate for its intended use	**Number of complaints about water supply per 1,000 connections:**					
	Drinking water clarity (M)	1.8	0	10	0	✓
	Drinking water taste (M)	9.9	0.9	10	0.4	✓
	Drinking water odour (M)	0.9	0	10	0	✓
	Drinking water pressure or flow (M)	7.2	1.4	20	7.2	✓
	Continuity of supply (M)	25.3	16.3	20	18.3	✓
	Responsiveness to issues (M)	5	0	10	19.7*	✗
	Percentage of real water loss from our networked reticulation system (M)	33%	38%	30%	27%	✓
Water supply assets are managed prudently to ensure long-term financial sustainability for current and future generations	**Median response time for urgent callouts**					
	Wairoa / Frasertown (attendance time in hours) (M)	0.7	0.3	1	6.25	✗
	Other areas (attendance time in hours) (M)	1.8	0	2	0.65	✓
	Wairoa / Frasertown (resolution time in hours) (M)	1.2	0	4	6.25	✗
	Other areas (resolution time in hours) (M)	1.3	0	5	0.85	✓
	Median response time for non-urgent callouts					
	(attendance time in days) (M)	0.6	0.12	2	0.2	✓
	(resolution time in working days) (M)	0.7	0.01	3	1	✓
Water resources are used efficiently and sustainably	Average drinking water consumption per day per resident (resident/day*litres) (M)	535.6	263*	500	355	✓

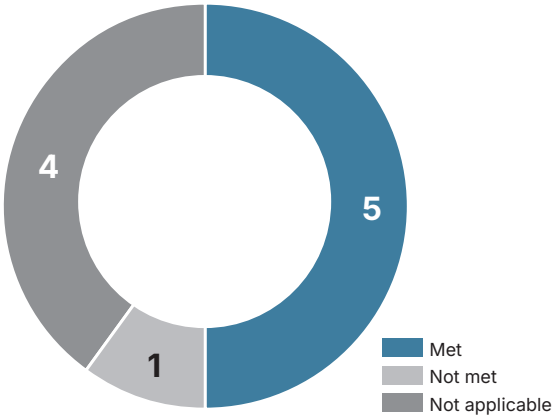
**This year's result is lower than previous due to a change in the calculation method used for this measure. (M) is a DIA mandatory Measure. Private customer service requests are excluded from SSP measures.*

Funding Impact Statement For 1 July 2025 - 30 June 2026
Water Supply

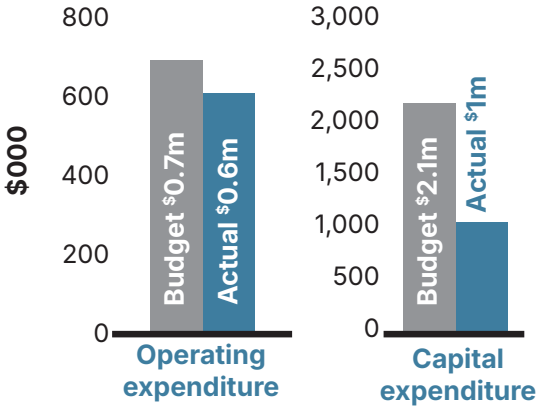
	2024/25 LTP $000	2024/25 Actual $000	2025/26 AP $000	2025/26 Actual $000
Sources of operating funding				
General rates	260	251	276	274
Targeted rates	2,342	2,263	2,481	2,468
Subsidies and grants for operating purposes	-	33	-	-
Fees and charges	331	521	344	508
Internal charges and overheads recovered	-	-	-	-
Other operating funding	-	-	-	-
Total operating funding (A)	**2,933**	**3,068**	**3,101**	**3,250**
Applications of operating funding				
Payments to staff and suppliers	1,572	1,920	1,453	1,311
Internal Finance costs	147	122	201	84
Internal charges applied	368	332	630	1,018
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**2,087**	**2,374**	**2,284**	**2,413**
Surplus (deficit) of operating funding (A - B)	**846**	**694**	**817**	**837**
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	2,337	741	1,979	433
Gross proceeds from sale of assets	-	-	-	-
Total sources of capital funding (C)	**2,337**	**741**	**1,979**	**433**
Application of capital funding				
Capital expenditure:				
• to meet additional demand	-	-	-	-
• to improve the level of service	245	36	276	43
• to replace existing assets	5,353	1,134	3,583	768
Increase (decrease) in reserves	(2,415)	265	(1,063)	459
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**3,183**	**1,435**	**2,796**	**1,270**
Surplus (deficit) of capital funding (C-D)	**(846)**	**(694)**	**(817)**	**(837)**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**	**-**

Te Wai Āwhā | Stormwater

Performance Summary



Financial Summary



Stormwater Performance Data

Levels of Service	Performance Measure	2023/24 Actual	2024/25 Actual	2025/26 Target	2025/26 Actual	
Mitigate risk of flooding in urban areas	Number of flooding events in the district (M)	47	5	≤10	1	✓
	For each flooding event, number of habitable floors affected (per 1,000 properties) (M)	8.26	1.74	≤50	0	✓
To provide reliable stormwater networks	Residents (%) satisfied with the stormwater system	38%	41%	≥80%	35%	✗
	Number of complaints about stormwater system performance (per 1,000 connections) (M)	37	23	≤50	38	✓
Stormwater disruption during natural disaster events are minimised	Median response time for emergency flooding event (attendance time in hours) (M)*	317.4	No emergency flooding events	1	No emergency flooding events	✓
	Median response time for urgent flooding event (attendance time in hours) (M)*	317.7	No Urgent Flooding Events	2	No Urgent Flooding Events	✓
Effects on the natural environment are minimised	**Compliance with Council's resource consents for discharge from its stormwater system:**					
	Abatement notices (M)	No Consent Application underway	No Consent Application underway	0	No Consent Application underway	–
	Infringement notices (M)			0		–
	Enforcement orders (M)			0		–
	Convictions (M)			0		–

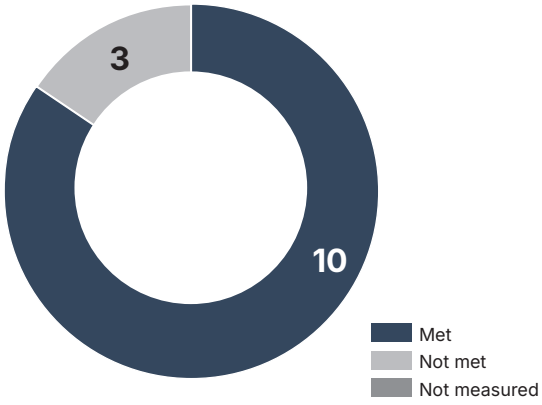
*(M) is a DIA mandatory Measure. * DIA defines a flooding event as water entering a habitable floor.*
Private customer service requests are excluded from SSP measures.

Funding Impact Statement For 1 July 2025 - 30 June 2026
Stormwater

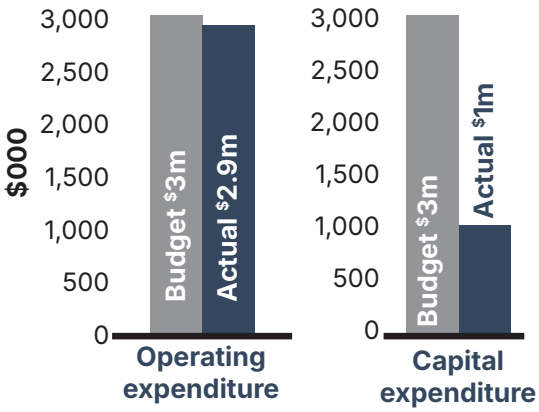
	2024/25 LTP $000	2024/25 Actual $000	2025/26 AP $000	2025/26 Actual $000
Sources of operating funding				
General rates	71	69	91	91
Targeted rates	637	616	820	815
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Other operating funding	-	-	-	-
Total operating funding (A)	**708**	**685**	**911**	**906**
Applications of operating funding				
Payments to staff and suppliers	264	311	272	261
Internal Finance costs	114	77	180	54
Internal charges applied	68	70	216	334
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**446**	**458**	**668**	**649**
Surplus (deficit) of operating funding (A - B)	**262**	**227**	**243**	**257**
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	1,125	417	1,820	748
Gross proceeds from sale of assets	-	-	-	-
Total sources of capital funding (C)	**1,125**	**417**	**1,820**	**748**
Application of capital funding				
Capital expenditure:				
• to meet additional demand	-	-	-	-
• to improve the level of service	511	233	2,080	739
• to replace existing assets	965	472	68	28
Increase (decrease) in reserves	(89)	(61)	(85)	238
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**1,387**	**644**	**2,063**	**1,005**
Surplus (deficit) of capital funding (C-D)	**(262)**	**(227)**	**(243)**	**(257)**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**	**-**

Te Wai Paru | Wastewater

Performance Summary



Financial Summary



Wastewater Performance Data

Levels of Service	Performance Measure	2023/24 Actual	2024/25 Actual	2025/26 Target	2025/26 Actual	
Mitigate risk of environmental and public health impacts	Dry weather wastewater overflows per 1000 connections (M)	2.1	0.4	10	3.4	✓
To provide safe and reliable wastewater service to customers	**Number of complaints about wastewater per 1,000 connections:**					
	Sewage odour (M)	3	0.4	15	0.5	✓
	Sewerage system faults (M)	3	1.7	15	18.5	✗
	Sewerage system blockages (M)	4	1.3	15	2.7	✓
	Responses to issues with sewerage system (M)	1	0	15	5.4	✓
Wastewater assets are managed prudently to ensure long term financial sustainability for current and future generations	**Median response time for wastewater overflows:**					
	Wairoa / Frasertown (attendance time) (M)	5.9	2.3	1	2.3	✗
	Other areas (attendance time) (M)	0.67	3.39	2	3.1	✗
	Wairoa / Frasertown (resolution time) (M)	5.9	2.3	4	2.3	✓
	Other areas (resolution time) (M)	5	3.39	5	3.1	✓
Protection is provided to the community and environment	**Compliance with Council's resource consents for discharge from its wastewater system:**					
	Abatement notices (M)	0	0	0	0	✓
	Infringement notices (M)	0	0	0	0	✓
	Enforcement orders (M)	0	0	0	0	✓
	Convictions (M)	0	0	0	0	✓

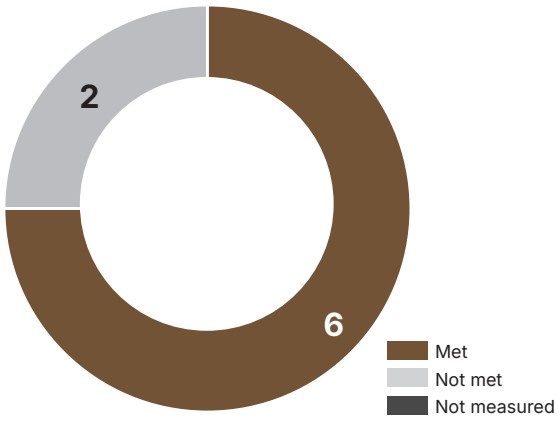
(M) is a DIA mandatory Measure.
Private customer service requests are excluded from SSP measures.

Funding Impact Statement For 1 July 2025 - 30 June 2026
Wastewater

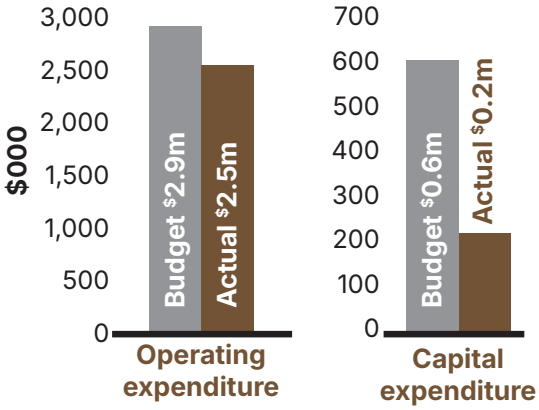
	2024/25 LTP $000	2024/25 Actual $000	2025/26 AP $000	2025/26 Actual $000
Sources of operating funding				
General rates	364	351	345	343
Targeted rates	3,277	3,166	3,101	3,086
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	25	21	26	58
Internal charges and overheads recovered	-	-	-	-
Other operating funding	-	-	-	-
Total operating funding (A)	**3,666**	**3,538**	**3,472**	**3,487**
Applications of operating funding				
Payments to staff and suppliers	2,226	2,356	2,208	2,012
Internal Finance costs	351	302	376	235
Internal charges applied	562	577	457	624
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**3,139**	**3,235**	**3,041**	**2,871**
Surplus (deficit) of operating funding (A - B)	**527**	**303**	**431**	**616**
Sources of capital funding				
Subsidies and grants for capital expenditure	-	4	-	68
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	1,708	210	2,598	271
Gross proceeds from sale of assets	-	-	-	-
Total sources of capital funding (C)	**1,708**	**214**	**2,598**	**339**
Application of capital funding				
Capital expenditure:				
• to meet additional demand	-	-	-	-
• to improve the level of service	-	107	2,598	621
• to replace existing assets	2,910	408	792	605
Increase (decrease) in reserves	(675)	2	(361)	(271)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**2,235**	**517**	**3,029**	**955**
Surplus (deficit) of capital funding (C-D)	**(527)**	**(303)**	**(431)**	**(616)**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**	**-**

Te Whakahaere Para | Waste Management

Performance Summary



Financial Summary



The 2025/26 year saw staffing changes within the Waste Team as Council strengthened the strategic management and oversight of waste services in Wairoa. A draft Waste Management and Minimisation Plan has been prepared and is currently progressing through consultation and review.

Significant work was undertaken at the Fraser Street Landfill to improve compliance and operational performance. This included major earthworks and batter reshaping to reduce stormwater infiltration into the leachate system and minimise the active tipping face.

Several changes to landfill operations were also implemented during the year. A trial of full refuse cartage to Omaranui landfill in Hastings is currently processing approximately 50 tonnes of waste per week, while options for the future management and operation of the landfill are being evaluated. Based on current disposal volumes, the remaining landfill capacity is estimated to provide a further five years of operational life.

Progress is also being made through a joint Ministry for the Environment and Wairoa District Council agreement to upgrade resource recovery infrastructure at the landfill. Key investments are focused on improving operational resilience, expanding organic waste processing capability, and increasing food waste diversion. These initiatives demonstrate Council's ongoing commitment to sustainability, innovation, and continuous improvement in waste management.



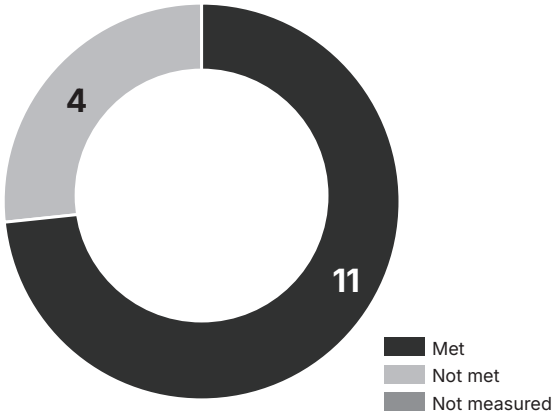
Waste Management Performance Data

Levels of Service	Performance Measure	2023/24 Actual	2024/25 Actual	2025/26 Target	2025/26 Actual	
Provide safe and reliable refuse and recycling kerbside collection services and rural waste services	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%	✓
Provide the Wairoa Landfill for safe waste disposal	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%	✓
Effects on the natural environment are minimised	Number of non-compliance events with the resource consent conditions for the Wairoa landfill, per year	0	20	0	11	✗
	Number of non-compliance events with the resource consent conditions for the closed landfill sites, per year	0	0	0	2	✗
Council facilitates waste minimisation practices and promotes reduction of the amount of waste going to landfill	The amount of material diverted from landfill by the Wairoa community in tonnes (excludes green waste)	301.25	1559.03	≥75	542.75	✓

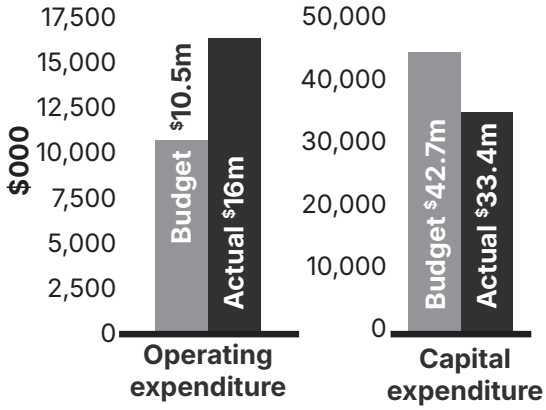
Funding Impact Statement For 1 July 2025 - 30 June 2026
Waste Management

	2024/25 LTP $000	2024/25 Actual $000	2025/26 AP $000	2025/26 Actual $000
Sources of operating funding				
General rates	135	131	121	121
Targeted rates	1,219	1,178	1,092	1,087
Subsidies and grants for operating purposes	-	181	-	18
Fees and charges	1,288	1,969	1,711	1,300
Internal charges and overheads recovered	-	-	-	-
Other operating funding	-	-	-	-
Total operating funding (A)	**2,642**	**3,459**	**2,924**	**2,526**
Applications of operating funding				
Payments to staff and suppliers	2,276	2,634	2,515	1,957
Internal Finance costs	122	96	90	105
Internal charges applied	198	170	320	465
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**2,596**	**2,900**	**2,925**	**2,527**
Surplus (deficit) of operating funding (A - B)	**46**	**559**	**(1)**	**(1)**
Sources of capital funding				
Subsidies and grants for capital expenditure	1,657	19	119	89
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	1,701	(578)	481	85
Gross proceeds from sale of assets	-	-	-	-
Total sources of capital funding (C)	**3,358**	**(559)**	**600**	**174**
Application of capital funding				
Capital expenditure:				
• to meet additional demand	-	-	-	-
• to improve the level of service	3,403	24	944	199
• to replace existing assets	20	-	-	-
Increase (decrease) in reserves	(19)	(24)	(345)	(26)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**3,404**	**-**	**599**	**173**
Surplus (deficit) of capital funding (C-D)	**(46)**	**(559)**	**1**	**1**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**	**-**

Performance Summary



Financial Summary



Ranga Whenua | Land Transport
Wairoa District Council's Transport department is responsible for a significant and diverse network of infrastructure, including 875 kilometres of road pavement, 560 kilometres unsealed and 315 kilometres sealed, along with 346 retaining structures, 3,000 road signs, more than 30,000 square metres of carparks, footpaths, kerb and channel, and extensive guardrail and sight rail infrastructure. The team also maintains roadside drains and culverts, undertakes vegetation control including roadside spraying, and responds to emergency events such as fallen trees and slips.

This year has continued to be one of steady progress and recovery for the roading team. The focus has remained on maintaining our network, delivering recovery projects and strengthening the resilience of our transport infrastructure, while ensuring that our communities remain connected and our roads are safe and accessible.

Across our rural roads and sealed network, the team delivered a strong programme of business-as-usual maintenance. More than 8.6 kilometres of heavy metal build-up was laid, extending the life of unsealed roads and improving access for rural communities. A further 92 kilometres of maintenance metal was placed to maintain the condition and ride quality of the unsealed network.

Approximately 17 kilometres of roads were resealed, helping to protect the sealed network and reduce deterioration. The team also completed more than 22,000 square metres of stabilisation and dugout repairs, addressing areas of pavement failure and preventing further deterioration.

Drainage maintenance remained a key part of the programme, with 200 kilometres of roadside drains cleared and 30 culverts renewed. These works play an important role in protecting the road network from water damage and maintaining reliable access throughout the district.

Bridge and Recovery Works
A significant milestone for the district has been the completion of the Te Reinga Bridge replacement project. This new bridge provides an important piece of resilient transport infrastructure and represents a major achievement within the wider roading recovery programme.



The Waikare Bridge (Glenbrook) replacement is progressing well and is very close to completion, while work on the Te Puna Bridge repair continues. The wider recovery programme also continues to progress, with 70 sites included across the programme.

Resilience
Building resilience across the roading network remains a key priority. Part one of The Blacks Beach resilience project has been completed with the second stage set to be delivered before the end of 2026; this work has strengthened a vulnerable coastal section of the network. Work is also progressing along the Mahia East Coast Road to address coastal stability and protect an important access route for local communities.

New Maintenance Contracts
The Transport team is entering a new phase of its maintenance programme, with two new maintenance contracts commencing. These contracts will provide an opportunity to build on the work undertaken to date and ensure a consistent and responsive level of maintenance. The new contracts will support the Council's ongoing focus on safety, asset preservation, customer service and value for money across the district's extensive roading network.

Funding and Professional Services
Council received confirmation from NZ Transport Agency Waka Kotahi (NZTA) of the funding assistance rates for the upcoming programme, with a Financial Assistance Rate (FAR) of 75% and a Special Purpose Roads (SPR) funding rate of 100%. These funding levels secure continued investment in, maintenance of, and improvement of the district's transport infrastructure.

During the year, Council appointed Beca as its new professional services partner. Beca provides specialist engineering and professional services support to the Transport team, strengthening Council's capability to deliver the roading programme, recovery works, resilience initiatives, and ongoing asset management activities.

The completion of Te Reinga Bridge, commencement of new maintenance contracts, confirmation of NZTA funding arrangements, and the establishment of a new partnership with Beca have strengthened the foundations for the ongoing recovery and renewal of Wairoa's transport network

Papa Rererangi | Airport
Wairoa Airport continues to provide critical infrastructure for the district, supporting medical transport, agricultural aviation, and regional connectivity. The introduction of weekday Sunair services to Napier has improved access for residents, businesses, and visitors.

The future of the airport has been significantly strengthened through a $4.2 million Central Government grant to extend the runway and upgrade key infrastructure, including lighting, navigation aids, drainage, and fencing. Once completed, these improvements will accommodate larger aircraft, enhance resilience during emergencies, and improve connectivity for Wairoa.

Airport Landing Report			
	2023/24	2024/25	2025/26
July	85	138	78
August	259	113	105
September	189	177	102
October	110	142	90
November	111	159	150
December	124	79	94
January	82	75	129
February	110	113	159
March	82	162	405
April	188	92	137
May	98	117	161
June	76	92	112
Total	**1,514**	**1,459**	**1722**

The airport experienced increased activity in 2025/26, with landings up 18% on the previous year. On average, there were 22 more landings each month than the average over the last three years. It is important to note that 2023/24 landing numbers were boosted by flights supporting the Cyclone Gabrielle recovery effort.

Transport Performance Data

Levels of Service	Performance Measure	2023/24 Actual	2024/25 Actual	2025/26 Target	2025/26 Actual	
The land transport network is designed and maintained to be safe	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 (M)	2	3	≤0	-2	✓
Road users will experience a fair ride quality on a well-maintained and managed sealed road network asset	Average Roughness – sealed roads which meet smooth road standards for 'fair' ride quality (M)	94	102	Average NAASRA of the sealed road network <110	104	✓
	The average quality of ride on a sealed local road network, measured by Smooth Travel exposure (M)	95%	89%	≥90% of sealed network smoother than specified threshold	92	✓
	The percentage of footpaths in average condition or better (measured against WDC condition standards (M)	83%	85%	95%	85%	✗
	Road users consider the land transport service to be "fairly good, very good or better"	29%	26%	>75%	38%	✗
The land transport network is managed in a manner that assists the economic development of the district	Percentage of network unavailable to Class 1	0.50%	0.35%	<0.1%	0.10%	✓
	Percentage of network unavailable to 50 max	4%	4%	<15%	2%	✓
	Number of bridges not meeting HCV Class 1 requirements	6	5	≤4	4	✓
Road assets are managed prudently to ensure long term financial sustainability for current and future generations	The percentage of sealed road network that is resurfaced annually (by area) (M)	6%	6%	6%	7%	✓
	Response to service requests:Percentage of customer service requests responded to within 5 days (M)	67%	85%	>90%	87%	✗
Council quickly restores access on key routes after natural event	No. of journeys impacted by unplanned events	54,699	73,730	2% decrease on previous year	3,093	✓
	No. of instances where road access is lost	30,979	54,020	Decreasing trend on previous year	25	✓
	CSR complaints related to dust	24	40	Decreasing trend on previous year	13	✓
	Percentage of programmed dust reduction initiatives completed annually	100%	0%	100%	0%	✗
Airport	Number of times when the airport is closed (not available to be used), per year	1	0	0	0	✓

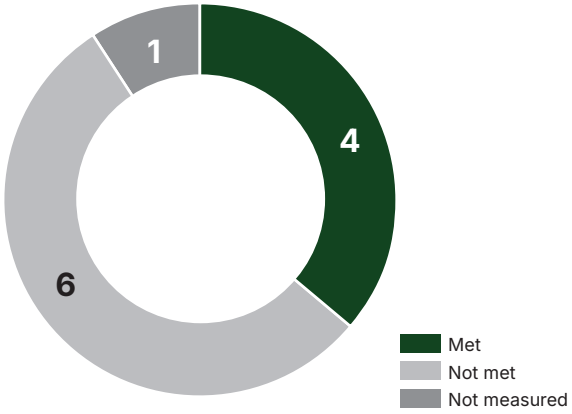
∗The NAASRA score reported here is an average of the scores of sealed roads across the district (both urban and rural roads). There has been a change in the collection method used this year resulting in results recorded as not measured. The 2023/24 Annual Report also incorrectly recorded last years result as a percentage rather than a score.
(M) is a DIA mandatory Measure.

Funding Impact Statement For 1 July 2025 - 30 June 2026
Transport

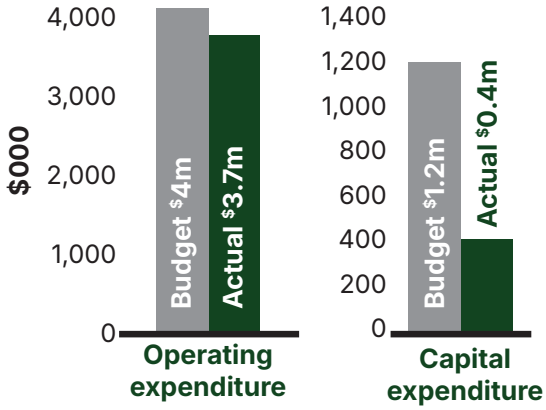
	2024/25 LTP $000	2024/25 Actual $000	2025/26 AP $000	2025/26 Actual $000
Sources of operating funding				
General rates	5,352	5,025	4,821	4,797
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	12,224	24,258	7,708	13,524
Fees and charges	59	101	61	59
Internal charges and overheads recovered	-	-	-	-
Other operating funding	-	-	-	-
Total operating funding (A)	**17,635**	**29,384**	**12,590**	**18,380**
Applications of operating funding				
Payments to staff and suppliers	14,073	24,631	8,660	14,154
Internal Finance costs	148	314	290	272
Internal charges applied	1,939	1,970	1,585	1,730
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**16,160**	**26,915**	**10,535**	**16,156**
Surplus (deficit) of operating funding (A - B)	**1,475**	**2,469**	**2,055**	**2,224**
Sources of capital funding				
Subsidies and grants for capital expenditure	27,309	15,287	40,687	30,376
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	1,578	765	-	824
Gross proceeds from sale of assets	-	-	-	-
Total sources of capital funding (C)	**28,887**	**16,052**	**40,687**	**31,200**
Application of capital funding				
Capital expenditure:				
• to meet additional demand	-	-	-	-
• to improve the level of service	5,414	7,112	31,684	14,589
• to replace existing assets	25,403	10,967	11,896	18,438
Increase (decrease) in reserves	(455)	442	(838)	397
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**30,362**	**18,521**	**42,742**	**33,424**
Surplus (deficit) of capital funding (C-D)	**(1,475)**	**(2,469)**	**(2,055)**	**(2,224)**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**	**-**

Ngā Taputapu Hapori | Community Facilities

Performance Summary



Financial Summary



Council continues to provide and maintain public cemeteries across Wairoa, Nūhaka, Frasertown, Ruakituri, and Mōrere, ensuring these important community facilities remain accessible, well maintained, and respectfully managed. Ongoing investment in cemetery operations supports the needs of families while preserving the dignity and heritage of these sites.

During the year, traffic barriers and entry gates were installed at the upper cemetery exit road to improve security and reduce antisocial behaviour. These measures have helped minimise illegal dumping and unauthorised camping, creating a safer and more appropriate environment for visitors.

Maintenance programmes in place include contractor-led removal of invasive weeds and bamboo, while assessments of boundary fencing continue to support the sustainable management and protection of historic cemetery areas.

Wairoa Centennial Library

Together, the Library and Digital Hub provide a broad range of services that support literacy, education, digital inclusion, lifelong learning, community connection, and access to local history and information. The continued high level of patronage, demand for educational programmes, and growing interest in local history confirm that these services remain an important and well-utilised community asset.

During the current year, the library recorded more than 38,000 patron visits, with a physical collection of more than 17,000 items issued over 22,000 times. These figures do not include the extensive range of e-book resources available to residents across the Wairoa District.

Wairoa Digital Hub provides the community with access to internet services, Wi-Fi, and technical assistance, complementing the library's existing services in a welcoming and accessible environment. The close relationship between the the two services allows them to work effectively together, particularly in the delivery of community education and learning opportunities.

The Library and Digital Hub run a range of programmes throughout the year, including daily after-school classes and school-term holiday programmes, incorporating varied educational approaches and activities for different ages, interests, and learning needs. Demand remains consistently high, with sessions regularly reaching capacity and operating with waiting lists reflecting strong community interest.

During the daytime, the library offers literacy, learning, and community activities for adults, supporting lifelong learning in an accessible environment for developing knowledge and skills.

A particularly strong area of interest is local history and historical research. The library has become a valuable resource for people researching local events, places, families, and historical locations, helping preserve and provide access to Wairoa's history for current and future generations.

Kōpututanga Taonga o Te Wairoa - Wairoa Museum
The Wairoa Museum has continued to serve as an important cultural and community hub, delivering a diverse range of exhibitions, public programmes, educational opportunities, and heritage initiatives throughout the 2025-2026 year.

The museum hosted several significant exhibitions, including Echoes of Memories, showcasing historical photographs and memorabilia from Wairoa; Kāwitiwiti, Katoatoa by Toihoukura students, inspired by collection material from the museum; Isolation Paintings by internationally recognised artist Matthew Couper, who has strong family ties to Wairoa; and Tōku Papakāinga by Louise Walsh, reflecting her connections and upbringing in the district. The museum also presented the Wairoa 50th Celebration Exhibition, highlighting important local stories and achievements.

Community engagement remained a strong focus. Public programmes included a successful book launch for Portland Island by local author Will Coop, a children's programme exploring the history of dinosaurs in Wairoa, a floor talk with guest speaker Pete Shaw, and an adult Manu tukutuku kite-making workshop. The museum also hosted a violin, piano and taonga pūoro recital, enriching cultural experiences for local audiences.

A highlight of the year was the community viewing of taonga returned from Te Papa as part of the Hokinga Mai Taonga programme, ahead of their inclusion in the He Toi Whakairo exhibition. Two Oral History workshops were also delivered, providing participants with practical skills in question development, interviewing techniques, and ethical oral history practices.

Education programmes continued to strengthen connections with schools and young people. The museum welcomed visits from Nūhaka School, Wairoa Primary School, and Aurora Education Foundation students, delivering place-based learning experiences focused on local history, taonga, and technology. Work has also commenced on the development of a children's book that will further support local storytelling and education.

Behind the scenes, volunteers made an invaluable contribution to museum operations. The growing volunteer programme supports the transcription of historical records, the creation of collection housing, and the delivery of public events. Their commitment and expertise continue to be the backbone of many museum activities.

Wairoa Visitor Information Centre (isite)
The Wairoa isite continued to strengthen its role as the district's primary visitor information and booking hub throughout the reporting period. Following the successful relocation to its new premises, the isite experienced increased visitor numbers, strong retail sales, and growth in partnerships with local suppliers, along side continued transport, booking, and visitor support services for both visitors and the local community.

Key achievements during the year included the successful opening of the new isite, hosting Wairoa's first isite Cluster Hui to showcase the district's tourism offerings and strengthen relationships with neighbouring isites, and progressing the redevelopment of the Visit Wairoa website. A strong focus was also placed on building relationships with local tourism operators, accommodation providers, and suppliers to increase local representation within the isite - supported by expanded marketing and social media activity that helped raise the profile of Wairoa's visitor experiences and encourage greater engagement with local businesses.

Looking ahead, priorities include further strengthening these local partnerships, expanding the range of locally produced goods available through the isite, enhancing the Visit Wairoa website, and continuing to promote Wairoa as a destination through targeted marketing and community engagement.

While visitor numbers continue to be influenced by seasonal fluctuations, particularly during the winter months, overall demand for isite services remains strong. Ongoing investment in local partnerships, marketing initiatives, visitor information services, and digital platforms positions the Wairoa isite well to support future tourism growth and contribute to the district’s economic development.

Gaiety Theatre

During 2025/26, the Gaiety Theatre continued to strengthen its position as a key cultural, community, and regional venue for Wairoa and the wider East Coast. A key focus during the year was strengthening relationships and collaborations with local businesses and organisations, creating new opportunities to support local enterprise, broaden audiences, and deliver mutually beneficial community initiatives. Alongside public events, private venue hire bookings increased steadily throughout the year, reflecting growing recognition of the theatre as a versatile and valued community asset.

Marketing and promotional efforts were expanded through social media, digital advertising, posters, flyers, and local outreach, helping to raise awareness of the Gaiety Theatre as an attractive, affordable, and supportive venue for community groups, businesses, schools, performers, and event organisers establishing it as a venue, capable of delivering a diverse range of entertainment and cultural experiences for residents and visitors alike.







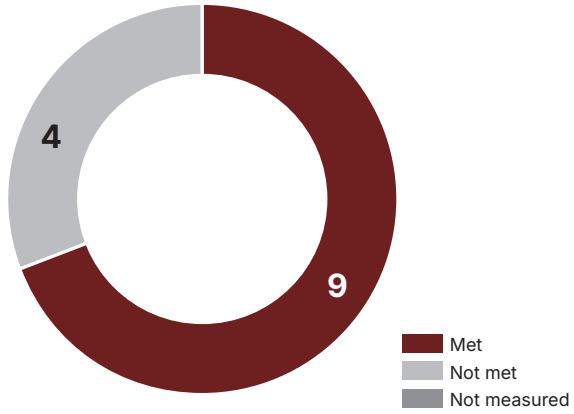
Community Facilities Performance Data

Levels of Service	Performance Measure	2023/24 Actual	2024/25 Actual	2025/26 Target	2025/26 Actual	
Parks, Reserves & Cemeteries						
Cemetery assets are well maintained	Percentage of residents' overall satisfaction with cemetery maintenance	66%	63%	80%	72%	⊗
Parks and reserve assets are well maintained	Percentage of residents' overall satisfaction with parks and reserves maintenance	60%	58%	80%	62%	⊗
Provide prompt responses for service	Percentage of open space requests responded to within 24 hours	29%	50%	≥85%	50%	⊗
Library						
Library delivers positive and high quality experiences	User satisfaction (%) with library services	95%	93%	≥80%	90%	✓
	User satisfaction (%) with library collection	88%	77%	≥80%	75%	⊗
Library is accessible and well utilised by community	Completion rate (%) of programme attendees	89%	95%	≥80%	not measured	⊖
	Library physical visits	33,158	36,786	32,000	38,510	✓
Museum and Community Centre						
Community Centre is accessible and well utilised by community	Total visits to the Wairoa Community Centre	94,242	93,186	Visitor numbers ≥ previous year	97,971	✓
	User satisfaction (%) Community Centre	76%	86%	≥80%	76%	⊗
Museum is accessible and well utilised by community	Total visits to the Wairoa Museum	3,359	5,003	Visitor numbers ≥ previous year	3,446	⊗
	User satisfaction (%) Wairoa Museum	98%	96%	≥80%	94%	✓

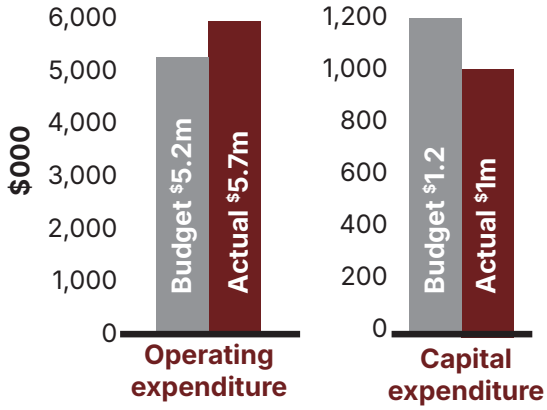
Funding Impact Statement For 1 July 2025 - 30 June 2026
Community Facilities

	2024/25 LTP $000	2024/25 Actual $000	2025/26 AP $000	2025/26 Actual $000
Sources of operating funding				
General rates	3,561	3,437	3,978	3,374
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	25	180	33	3
Fees and charges	191	287	207	302
Internal charges and overheads recovered	-	-	-	-
Other operating funding	-	-	-	-
Total operating funding (A)	**3,777**	**3,904**	**4,218**	**3,679**
Applications of operating funding				
Payments to staff and suppliers	2,881	2,925	3,078	2,367
Internal Finance costs	46	(65)	(126)	4
Internal charges applied	634	582	1,055	1,336
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**3,561**	**3,442**	**4,007**	**3,707**
Surplus (deficit) of operating funding (A - B)	**216**	**462**	**211**	**(28)**
Sources of capital funding				
Subsidies and grants for capital expenditure	5,880	1,144	812	(79)
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	887	45	128	468
Gross proceeds from sale of assets	-	-	-	-
Total sources of capital funding (C)	**6,767**	**1,189**	**940**	**389**
Application of capital funding				
Capital expenditure:				
• to meet additional demand	-	-	-	-
• to improve the level of service	2,163	1,177	702	130
• to replace existing assets	5,257	382	708	108
Increase (decrease) in reserves	(437)	92	(259)	123
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**6,983**	**1,651**	**1,151**	**361**
Surplus (deficit) of capital funding (C-D)	**(216)**	**(462)**	**(211)**	**28**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**	**-**

Performance Summary



Financial Summary



Bylaw Enforcement

Wairoa remains a popular destination for visitors seeking to enjoy the district's natural beauty and camping opportunities. Throughout the holiday period, Council's Compliance team maintained a strong presence across the district, providing guidance and education to ensure visitors understood designated and restricted camping areas.

By focusing on proactive engagement and awareness, the team helped promote responsible freedom camping while supporting a positive visitor experience and contributing to the protection of local amenities for the enjoyment of residents and visitors alike.

This approach reflects Council's commitment to balancing visitor needs with the responsible stewardship of our district's public spaces and natural environment.

Resource Management and Spatial Planning

The 2025/26 year marked the most significant overhaul of Aotearoa New Zealand's resource management system in more than 30 years. The Natural Environment Bill and the Planning Bill were introduced to Parliament on 9 December 2025 to replace the Resource Management Act 1991 (RMA). Under the new system, each region will have one combined plan made up of a 30-year Regional Spatial Plan, a Natural Environment Plan, and district-level Land Use Plans, which will in time replace existing district plans, including the Wairoa District Plan. During the transition, the RMA and current plans remain in place.

The Government also introduced a significant package of new and amended national direction during the year, which Council must now implement. Council has been updating its processes and guidance and identifying where District Plan changes may be needed.

Spatial planning will be central to the new system and is a critical tool for managing growth, natural hazard risk and infrastructure needs in our district. Work on spatial planning for Wairoa has included background research, consolidating the district's evidence base, identifying key information gaps including natural hazard data, and commissioning a Housing and Business Capacity Assessment for key settlements. Council also held a partnership workshop for Post Settlement Governance Entities, kāhui, iwi/hapū and the Māori Standing Committee on how we can work together on spatial planning for Wairoa.

Regionally, Council is working with the other Hawke's Bay councils to prepare a Regional Spatial Plan, with our Spatial Planner on the regional project team. Our focus is on making sure the priorities and aspirations of the Wairoa District are clearly represented within the wider regional framework.

Resource Consents

During the 2025/26 financial year, Wairoa District Council received 37 resource consent applications between 1 July 2025 and 30 June 2026. Of these, 11 applications are currently on hold, with a further two applications still in progress. One application was not processed within the statutory 20-working-day timeframe.

Overall, resource consent activity remained steady throughout the year, with application volumes consistent with those recorded in FY2023/24 and FY2024/25. This reflects continued development activity across the district.
A significant highlight for the year was the granting of resource consent for the Wairoa Flood Mitigation

Project. The granting of consent has enabled the project to progress towards the next stage of delivery.

Residential development also continued during the year, with Kāinga Ora undertaking four separate subdivision projects, resulting in the addition of 12 new dwellings. These developments provide a positive contribution to the district's housing supply and support ongoing residential growth.

Building Control

Building consents

During the year ended 30 June 2026, the Building Consent Authority (BCA) issued 82 building consents from 86 applications received, representing a total value of $15.09 million. New consent applications continued to decline from the peak experienced in 2025. Despite this reduction in volume, the BCA maintained strong performance, issuing 94.3% of consents (77 of 82) within the statutory 20 working day timeframe.

A total of 773 building inspections were completed during the year, slightly higher than the 764 inspections undertaken in the previous year. Inspection demand remained strong as construction activity associated with earlier subdivision developments continued. Performance against statutory requirements remained high, with 98.3% of inspections completed within the Regulation 7A target of three working days.

Number of Building Consents Issued	
2023/24	107
2024/25	161
2025/26	82

Challenges and achievements

In April 2026, the BCA successfully completed its routine IANZ reassessment. The assessment identified 19 general non-compliances and no serious non-compliances. Corrective action plans addressing all findings were accepted by IANZ on 8 June 2026.

The BCA continued to strengthen its quality assurance framework through a well-maintained Continuous Improvement Register, which was positively acknowledged by IANZ during the reassessment process. Improvements arising from the assessment are now being progressively implemented.

As part of its ongoing commitment to quality assurance, the BCA is expanding its internal audit programme to include Code Compliance Certificate audits, Compliance Schedule audits and on-site inspection audits, complementing its existing consent processing audit programme.

The BCA is also updating its Quality Manual, standard operating procedures, and contractor induction processes to provide clearer guidance around contractor engagement, delegated authorities and onboarding requirements.

Meeting our required targets

The BCA continued to achieve strong regulatory performance throughout the year. A total of 94.3% of building consents (77 of 82) and 96.9% of Code Compliance Certificates (147 of 152) were issued within their statutory 20 working day timeframes.

Inspection performance also remained significantly above target, with 98.3% of building inspections completed within the Regulation 7A requirement of three working days, exceeding the minimum performance target of 80%.

Improvements

Following the implementation of Objective Build and the associated Request for Information (RFI) system in the previous year, the BCA completed a review of its manuals and procedures to remove remaining references to the legacy AlphaOne system. This work ensures that operational guidance for staff, contractors and applicants accurately reflects current consent processing and RFI practices, supporting consistency and efficiency across the service.

Environmental Health

Food control

The department continues to effectively manage its verification workload, with recognition from the Ministry for Primary Industries (MPI) for the work undertaken and the absence of overdue verifications. A total of 40 verifications were completed during the reporting period. Most premises have remained compliant with the requirements of the Food Act 2014.

However, Council has experienced an increase in the number of verifications resulting in an unacceptable outcome as well as Food Safety Officer work. Where issues or areas of non-compliance are identified, verifiers work closely with the businesses concerned to ensure these are appropriately addressed and ensure businesses understand their obligations to achieve compliance with the relevant legislation and associated regulations.

The Ministry for Primary Industries food business levies have been introduced and are being collected by Council alongside registration and renewal fees.

Alcohol Control

The department continues to undertake random compliance checks of licensed premises to ensure that licence conditions and the requirements of the Sale and Supply of Alcohol Act 2012 are being met. These checks are conducted at a range of times to assessment of compliance across different operating

periods with some being carried out alongside Police. The findings from these inspections indicate that most licensed premises are meeting their licensing obligations, with only minor issues identified. Where issues are identified, the department works with licence holders to address these and ensure ongoing compliance.

During the reporting period, the District Licensing Committee (DLC) heard one application at a public hearing. The Wairoa Local Alcohol Policy is due for review in October 2026. The review process will provide an opportunity to assess the effectiveness of the current policy and consider whether any amendments are required to reflect alcohol related harm issues within the district.

Noise Control

Over the reporting period staff have continued to attend to noise complaints during working hours if available and a contractor taken over after hours and attended during working hours when an Environmental Health Officer has not been available. Generally, noise complaints have been assessed objectively by the officer without the use of a noise level meter. The number of noise complaints are down from last year. Despite this, the implementation of new excessive noise directions and seizure notices have seen an increase in excessive noise directions served from previous years.

Other Compliance

Environmental Health Officers continue to investigate complaints relating to Environmental Health matters. These complaints can be time-consuming, particularly where Council is involved in disputes between neighbouring property owners. Council staff work closely with the Regional Council's Pollution Response Team.

The most common nuisance complaints relate to long grass and overgrown vegetation, often reported due to concerns of pest activity. Investigations generally find no evidence of pest activity, limiting the action Council can take. Where pest activity is identified, property owners are promptly contacted and advised of the necessary corrective actions.

The Environmental Health and Open Spaces departments continue to work together to reduce the instances of fly dumping in the district. During the reporting period, five litter infringements were issued under the Litter Act 1979.

As of July 2025, the Health (Hairdressers) Regulations 1980 were revoked following a Ministry for Regulation review. This resulted in hairdressers and barbers no longer needing to be registered and inspected by Council. The department continues to inspect offensive trades registered under the Health Act and associated regulations. There have been no instances of non-compliances.

Bylaw Compliance

Animal Control Overview

During the 2025/26 registration period, Council saw 94% of known dogs registered.

Most notably, the registration period also saw:

- 2,677 registered dogs
- 157 known unregistered dogs
- 476 dog-related service requests responded to by the Animal Control team
- One dangerous dog and 30 menacing dogs monitored throughout the year

Dog Attacks and Enforcement

Dog attacks continue to present a risk to public safety and other animals. During the reporting period, Council investigated 24 dog attack incidents involving people, livestock, poultry, and companion animals.

A number of these incidents involved roaming dogs where the owner could not be readily identified. Animal Control Officers responded to incidents and took appropriate enforcement action, including impounding and reclassification, surrendering, and other enforcement action where required.

Supporting Dog Owners

Council continues to promote responsible dog ownership through education and proactive enforcement to reduce dog attacks and improve community safety. Media updates are also used to keep dog owners informed about seasonal issues, emerging risks, and their responsibilities as dog owners. Additionally, Council continues to offer payment plans for dog registrations to help make compliance more affordable.

Funding from the Fred Lewis Foundation has also provided targeted support for dog owners who hold Community Services Cards by helping with desexing costs. During the year, Council issued 55 desexing vouchers. This initiative helps reduce unwanted litters and decreases roaming behaviour and aggression.

Dog Pound Upgrades

During the reporting period, newly elected members visited the current dog pound and the proposed site for the new facility. The visit provided an opportunity to demonstrate the challenges and limitations of the existing pound and give elected members a clear understanding of the reasons for the proposed facility.

Livestock control

A total of 99 livestock and animal-related service requests were received and investigated during the reporting period.

These included:

- 31 incidents involving stock on state highways within the district.
- 49 incidents involving stock on Council roads.
- 19 incidents involving dead or wandering stock and smaller animals.

The team has identified key problem areas, allowing for more proactive engagement with livestock owners, other agencies, and community groups. Notices have been issued to owners where ongoing concerns have been identified, while social media has also proven to be an effective tool for raising awareness and communicating responsible animal management practices.

Number of Incidents responded to		
	Dog Control	Livestock Control
2023/24	438	203
2024/25	474	140
2025/26	476	99

Planning & Regulatory Performance Data

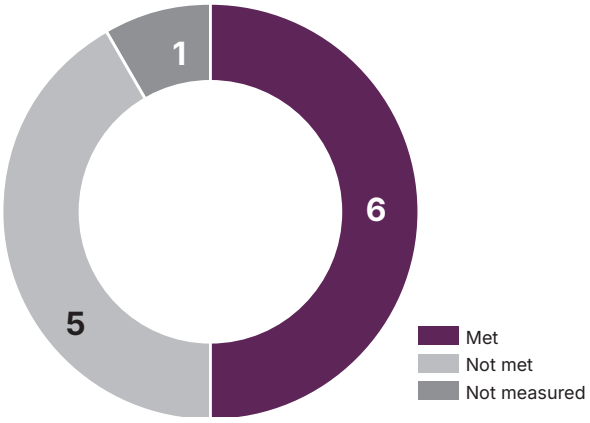
Levels of Service	Performance Measure	2023/24 Actual	2024/25 Actual	2025/26 Target	2025/2026 Actual	
Building Control						
Provide an efficient, responsive and compliant building control service	Building consents (%) processed within statutory time frames	91%	97%	90%	98%	✓
	Certificates of acceptance (%) processed within statutory time frames	100%	93%	90%	96%	✓
	Users (%) who rate building control service as good or very good	34%	39%	≥80%	52%	✗
	Building Consent Authority (BCA) accreditation retained	Retained	Retained	Retain	Retained	✓
Bylaw Compliance						
Provide an efficient, responsive and compliant dog and stock control service	Known dogs (%) registered by 30 June each year	95%	95%	≥75%	94%	✓
	Annual Report about the administration of Councils policy and dog control practices adopted by 30 August each year.	Achieved	Achieved	Achieved	Achieved	✓
Liquor Licensing and Environmental Health						
Provide an efficient, responsive and compliant liquor control service	Management licenses (%) processed within 30 days	100%	84%	100%	92%	✗
	Renewal and new licences (%) processed within statutory time frames	100%	100%	100%	100%	✓
Provide an efficient, responsive and compliant environmental health service	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%	98%	✓
	Verification reporting to be completed within 10 days of verification as per Quality Manual.	100%	90%	90%	100%	✓
Resource Planning						
Provide an efficient, responsive and compliant resource planning service	Resource consent % processed within statutory timeframe	100%	94%	100%	75%	✗
	Users (%) who rate resource consent service as good or very good	57%	52%	≥80%	55%	✗

Funding Impact Statement For 1 July 2025 - 30 June 2026
Planning & Regulatory

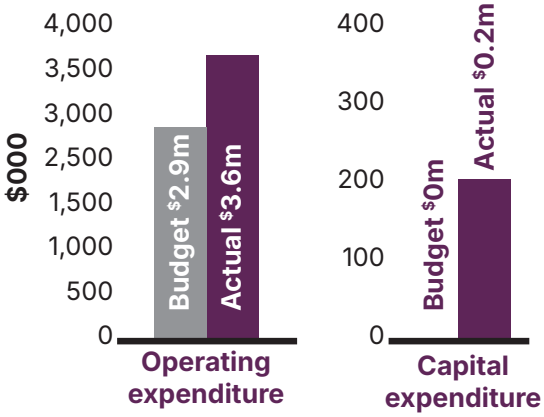
	2024/25 LTP $000	2024/25 Actual $000	2025/26 AP $000	2025/26 Actual $000
Sources of operating funding				
General rates	3,073	2,940	3,492	3,474
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	175	7,262	278	1,414
Fees and charges	1,329	1,336	938	1,219
Internal charges and overheads recovered	244	207	504	504
Other operating funding	-	-	-	-
Total operating funding (A)	**4,821**	**11,745**	**5,212**	**6,611**
Applications of operating funding				
Payments to staff and suppliers	2,617	8,025	2,870	3,467
Internal Finance costs	(4)	107	185	56
Internal charges applied	2,204	1,892	2,139	2,139
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**4,817**	**10,024**	**5,194**	**5,662**
Surplus (deficit) of operating funding (A - B)	**4**	**1,721**	**18**	**949**
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	58
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	150	(342)	1,228	11
Gross proceeds from sale of assets	-	-	-	-
Total sources of capital funding (C)	**150**	**(342)**	**1,228**	**69**
Application of capital funding				
Capital expenditure:				
• to meet additional demand	-	-	-	-
• to improve the level of service	-	1,346	1,228	112
• to replace existing assets	180	38	204	178
Increase (decrease) in reserves	(26)	(5)	(186)	728
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**154**	**1,379**	**1,246**	**1,018**
Surplus (deficit) of capital funding (C-D)	**(4)**	**(1,721)**	**(18)**	**(949)**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**	**-**

Te Mana Ārahi Me Te Hapori | Governance & Community

Performance Summary



Financial Summary



Council Rebrand

Council embarked on a rebrand process in the 2025/26 year with the aim of establishing a contemporary and cohesive visual identity that reflects the district's unique character while providing a strong foundation for future communications. Central to this project was the development of the new Council logo, supported by a comprehensive suite of brand assets including logo variations, bilingual lockups, watermark treatments and approved colour specifications. Together, these assets provide a coherent and recognisable visual identity that can be applied confidently across a wide range of communications.

With the core brand system now established, implementation is underway across the organisation. Existing templates, publications, presentations, forms, signage and other corporate documents are progressively being redesigned to align with the new identity, creating a more unified and professional appearance across both print and digital communications. This staged rollout will help embed the new brand throughout the organisation while ensuring consistency, accessibility and recognition across all Council touchpoints.

Maori Relationships

Engagement with our Māori community remains a key priority for Council. We are committed to ensuring Māori have meaningful opportunities to participate in decision-making processes and contribute to the future direction of the district.

To support this commitment, Council provides cultural guidance and advice across governance, management, and operational activities. This includes supporting the Māori Standing Committee, participating in hui and community engagements throughout the district, and creating opportunities for staff to strengthen their cultural awareness and capability.

Council continues to advocate for and uphold the principles of its Māori Policy, Te Reo Māori Policy, and other relevant policies and bylaws. Through this work, Māori perspectives and interests are actively considered and integrated into Council's planning, decision-making, and service delivery.

Emergency Management

Wairoa District Council's Civil Defence Emergency Management Team continues to work alongside communities to strengthen emergency preparedness and response capability across the district. Community Resilience Hubs have been established, or are currently in development, across the district, and training opportunities in Civil Defence Emergency Management continue to be well supported by staff, volunteers and community members. Experience gained through recent emergency events has strengthened local response arrangements and reinforced the importance of community-led resilience.

A key focus remains building a more resilient district by supporting isolated communities, enhancing emergency management infrastructure and equipment, improving community preparedness programmes, and strengthening the resilience of critical facilities and lifeline services. Local and regional emergency management exercises are also planned to ensure capabilities continue to develop and that partnerships, systems and response arrangements remain effective and ready for future events.

Community-Led Planning and Resilience

Council continued its community-led planning programme, working alongside whānau and

residents to develop long-term Community Development Plans that reflect local aspirations, priorities and opportunities. During the year, 10-year plans were progressed for Nūhaka, Kotemaori, Frasertown and North Clyde, while work also continued with communities including Māhia and Raupunga. These plans provide a practical roadmap for future development and a stronger platform for communities to advocate for investment, funding and local improvements. The Kotemaori Community Development Plan, for example, identifies priorities across infrastructure, community connection, sustainability, emergency preparedness and economic wellbeing.

At the same time, Council continued to support the development of Community Resilience Plans to strengthen preparedness across Wairoa's rural and isolated communities. Through a locally led approach, communities identified their key risks, available resources, important contacts and practical response arrangements for emergencies and natural hazards. Around seven communities now have resilience plans in place, with these living documents remaining community-owned and regularly updated to ensure they continue to reflect local needs and circumstances. Together, these planning initiatives are helping to build stronger, more connected and resilient communities across the district.

Funding Clinics

Council partnered with the Department of Internal Affairs to deliver practical funding clinics across the district, including Raupunga, Tuai, Māhia, Nūhaka and Wairoa. The clinics gave marae, clubs and community organisations practical support to better understand funder requirements, plan their projects and prepare stronger funding applications.

Destination Stewardship Planning

Council commenced development of Wairoa's first Destination Stewardship Plan, establishing an Advisory Group and beginning wider engagement with tourism operators, businesses, iwi, hapū and community representatives. The plan will provide a clear direction for how Wairoa grows its visitor economy in a way that supports local business, employment, culture, community wellbeing and the environment.

Community Events and Celebrations

Council continued to support and participate in a range of community events that brought people together to celebrate local identity, culture and connection. Wairoa's Matariki celebrations were delivered in partnership with Sport Hawke's Bay Wairoa, CLM, Wairoa Community Centre and Ngāti Kahungunu Iwi Incorporated, providing opportunities for remembrance, reflection and whanaungatanga through cultural activities, entertainment, kai and community participation. More than 1,000 people took part across the celebrations. Council also worked alongside local partners to support Waitangi Day commemorations, creating opportunities for whānau to come together and recognise the significance of Te Tiriti o Waitangi through community and cultural connection.

The annual Wairoa Christmas Parade once again brought the district together, with local businesses, schools, organisations, community groups and whānau helping bring the town centre to life. The event provided a vibrant and welcoming celebration of the festive season while supporting community pride and encouraging activity in the town centre.

Throughout the year, the Community Engagement team continued to strengthen relationships with marae, community organisations, government agencies and local groups, helping communities access funding, progress local initiatives and connect with information and support. Council's communications channels also played a vital role in keeping residents informed, particularly during severe weather and other rapidly changing events. With approximately 5.1 million views recorded on Council's Facebook page during the year, digital communications continued to provide an important source of timely, accessible and trusted information for the Wairoa community.

Mayor's Taskforce for Jobs

The Mayor's Taskforce for Jobs (MTFJ) continues to create valuable employment and training opportunities for Wairoa rangatahi while strengthening local skills and capability. Delivered through the Wairoa Young Achievers Trust, the programme provides practical training and work experience in areas such as traffic management, construction, and community projects, helping young people gain skills, qualifications, and pathways into employment.

MTFJ is also supporting workforce development and local entrepreneurship, including the establishment of new businesses within the district. These initiatives are helping to build a skilled, resilient workforce and create opportunities that benefit both our young people and the wider Wairoa community.

Through its continued investment in people, skills, and local opportunities, MTFJ is helping to build a stronger future for Wairoa and empowering the next generation to contribute to the district's long-term success and prosperity.

Records and Archives

Council made good progress this year in preserving and managing its archival collection. Cataloguing of historical maps, records, and other archival materials continued, work that protects these valued community assets and improves their accessibility for future generations.

Council also progressed plans for a long-term archive storage solution that will bring facilities into full alignment with the Public Records Act 2005. Options for a compliant, purpose-built storage solution are being scoped, with implementation to follow in the coming year(s).

Governance & Community Performance Data

Levels of Service	Performance Measure	2023/24 Actual	2024/25 Actual	2025/26 Target	2025/26 Actual	
Elected members are accessible and responsive to community	Residents (%) who know how to contact elected members	45%	73%	≥85%	76%	⊗
	Residents (%) satisfied with Mayor and Councillors	47%	40%	≥85%	54%	⊗
Council facilitates democratic decision-making, and community engagement opportunities	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%	48%	⊗
	Residents (%) who state they are satisfied with how the Council makes decisions	25%	22%	≥80%	41%	⊗
Council information is accessible and service compliant	Residents (%) who agree that Council information is easy to access (via website, libraries, social media, newspapers etc)	39%	46%	≥80%	56%	⊗
	Official information requests (%) handled within legislative time frame	100%	100%	100%	100%	✓
Council supports and facilitates Māori participation in decision-making	The required number of nominations are received within established timeframes and appointments made to Council's Māori Standing Committee	Achieved	Achieved	Achieved	Achieved	✓
	The Māori Standing Committee meetings are scheduled and attended no less than bi-monthly	Achieved	Achieved	Achieved	Achieved	✓
Council supports progressive and collaborative economic development for the district	Actions in the Economic Development Plan and Action Plan completed (% of actions completed)	84%	Not Measured*	80%	Not Measured*	⊖
isite is accessible, well utilised by visitors and delivers positive experiences	Total visits to the isite	10,823	13,200	Visitor numbers ≥ previous year	18,232	✓
	User satisfaction (%) with isite	91%	83%	≥80%	95%	✓

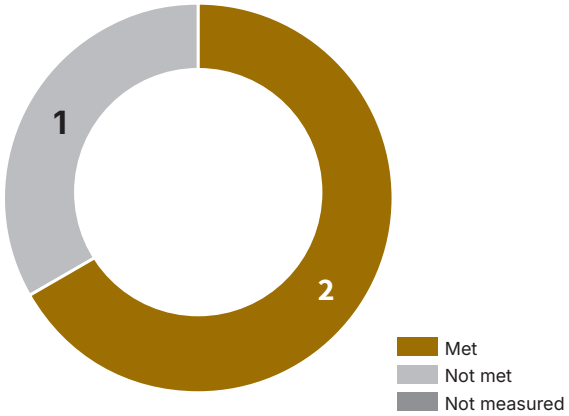
**Economic Development Plan measure is recorded as not measured in 2024/25 as Council is in the process of adopting a new Economic Development Plan for the region.*

Funding Impact Statement For 1 July 2025 - 30 June 2026
Governance & Community

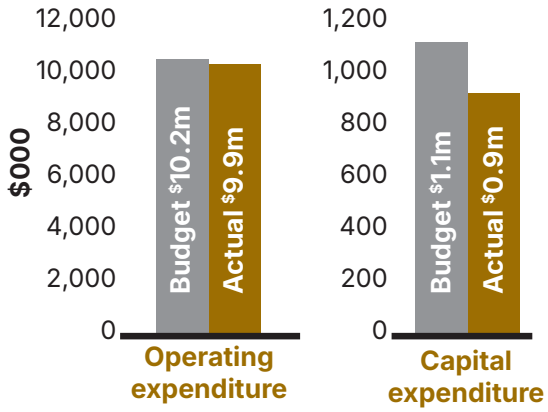
	2024/25 LTP $000	2024/25 Actual $000	2025/26 AP $000	2025/26 Actual $000
Sources of operating funding				
General rates	2,456	2,371	2,840	3,410
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	352	-	288
Fees and charges	34	4	35	27
Internal charges and overheads recovered	-	-	-	-
Other operating funding	-	-	-	-
Total operating funding (A)	**2,490**	**2,727**	**2,875**	**3,725**
Applications of operating funding				
Payments to staff and suppliers	1,623	1,957	1,955	2,730
Internal Finance costs	5	71	104	35
Internal charges applied	840	738	817	817
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**2,468**	**2,766**	**2,876**	**3,582**
Surplus (deficit) of operating funding (A - B)	**22**	**(39)**	**(1)**	**143**
Sources of capital funding				
Subsidies and grants for capital expenditure	1,450	1,671	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(22)	405	-	58
Gross proceeds from sale of assets	-	-	-	-
Total sources of capital funding (C)	**1,428**	**2,076**	**-**	**58**
Application of capital funding				
Capital expenditure:				
• to meet additional demand	-	-	-	-
• to improve the level of service	1,450	2,037	-	52
• to replace existing assets	205	31	102	13
Increase (decrease) in reserves	(205)	(31)	(103)	136
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**1,450**	**2,037**	**(1)**	**201**
Surplus (deficit) of capital funding (C-D)	**(22)**	**39**	**1**	**(143)**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**	**-**

Ngā Ratonga Rangatōpū | Corporate Services

Performance Summary



Financial Summary



Property

Pensioner Housing

Wairoa District Council owns 32 Pensioner Housing units across 6 sites in Wairoa.

Number of Units	32
Occupancy	30 (94%)

During the 2025/26 financial year, work to bring the remaining units up to the Healthy Homes Standards was completed, and all units now meet the minimum requirements for heating, insulation, ventilation, moisture ingress and drainage, and draught stopping. Where required, Council has also improved mobility and access for tenants, including ramps and steps, driveways and pathways, and site improvements at some units to make parking mobility scooters easier. Council will continue a programme of ongoing maintenance to ensure the units remain warm, safe and compliant, and suitable for tenants' needs.

To strengthen asset management and tenant wellbeing outcomes, Council increased the frequency of property inspections from annually to quarterly. This has improved visibility of property conditions, enabled a more proactive maintenance program, and support timely identification of issues before they become significant. Higher vacancy rates during the year, were largely due to tenants moving on because of age and health circumstances.

Through ongoing investment in maintenance, accessibility improvements, and property upgrades, Council remains committed to providing safe, healthy, and well-maintained housing that meets the evolving needs of its tenants.

During the year, Council began reviewing its Positive Ageing (Older Persons) Policy, first adopted in 2006, alongside its Pensioner Housing Policy. In May 2026, Council resolved to engage with relevant organisations supporting older people before making any decisions, so that the future direction reflects the needs of kaumātua and older residents in Te Wairoa. The review was not completed within the 2025/26 reporting period. A combined report on both policies will be presented to Council following this engagement.

Property Corporate

Renovations have been completed to office space for finance department (behind rates) to allow for increased occupancy in the administration building. Renovations have commenced at War Memorial Park, formerly the girl guide building. This collaborative project with property and waste team intends to create a community waste education hub with hands-on workshops. Purpose is to educate the community on how to reduce, reuse, recycle and manage waste responsibly to reduce environmental impact and landfill use.

Community Halls & Facilities

Council owned Celtic building renovations had been completed in time for the 2025 Ross Sheild Tournament, which proved to be a very successfully event for the whole community. Netball Pavilion repairs were completed with a CCC for the pavilion granted. New isite building (winters building) was completed and opened in August 2025 with the honourable Ian Jones opening this facility.
Community Leisure Management have completed their first year as facility manager of the Wairoa Community centre, CLM have maintained operational stability for the facility and users all round.

Support Services

Support Services provide the behind-the-scenes functions that help Council deliver services to our community.

While these activities are not always visible to the public, they play a vital role in ensuring Council operates efficiently and effectively. Support Services include finance, records and archives, administration, customer services, information and communications technology (ICT), and Geographic Information Systems (GIS).

The costs of these functions are allocated across Council activities through an overhead allocation process, ensuring that each service reflects its share of the support required to operate successfully.

Finance

At the core of the Council's financial strategy lies our Treasury function, responsible for the prudent management of investments, cash reserves, debt obligations, equity, and property assets. We ensure the availability of low-cost capital for critical projects, immediate financial readiness for emergencies, and certainty for daily operational funding.

We are proactively strengthening our Business Partnering framework, delivering integrated expert advice, dedicated support, and strategic insights directly to Council departments. This collaborative model is instrumental in elevating the quality of reporting, project execution, and long-term planning.

Additionally, our Rates team provides an essential service, guiding ratepayers through the complexities of rates rebates and other inquiries. This commitment ensures that all residents, particularly those with fixed incomes, can easily access the government support designed to assist them.

Rates Rebate Applications	
2023/24	346
2024/25	386
2025/26	392

Customer Services

This year Council's Customer Services Team continued to provide the community with accessible, responsive, and professional customer support.

Key responsibilities included managing Council's main phone lines, responding to general enquiries, and delivering front counter services to residents and visitors.

Through their commitment to service excellence, the team helped ensure the community could access information, assistance, and Council services in a timely and efficient manner, contributing to positive customer experiences and strong community engagement.

Number of Calls taken by Council Customer Services		
2023/24	2024/25	2025/26
2,639	2,642	2,198

Information and Communications Technology

This year, Information and Communications Technology (ICT) services came under strengthened oversight, with a focused programme of work to ensure staff have the tools, systems, and support needed to deliver services to our community effectively.

Key initiatives included improving the management and lifecycle tracking of ICT assets and establishing a comprehensive ICT governance and policy framework. Council also undertook a market review of its ICT service delivery model to ensure the approach remains fit-for-purpose and cost effective.

These improvements have increased the reliability, security, and resilience of Council's technology environment, reduced operational risk, and positioned Council well for the next phase of its technology strategy.

Corporate Services Performance Data

Levels of Service	Performance Measure	2023/24 Actual	2024/25 Actual	2025/26 Target	2025/26 Actual	
To provide Council buildings that are compliant with legislative requirements	All pensioner housing units are proactively inspected six monthly	100%	100%	100%	100%	✓
Provide prompt responses for service	Percentage of requests responded to within 3 days (including safety defects)	50%	80%	≥80%	98%	✓
To provide Council buildings that are well maintained	Percentage of defects in pensioner housing resolved within 24 hours	100%	0%	100%	67%	✗

Funding Impact Statement For 1 July 2025 - 30 June 2026
Corporate Services

	2024/25 LTP $000	2024/25 Actual $000	2025/26 AP $000	2025/26 Actual $000
Sources of operating funding				
General rates	(450)	671	(21)	709
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	400	-	1
Fees and charges	190	426	209	293
Internal charges and overheads recovered	8,464	7,877	9,709	10,240
Other operating funding	1,563	1,839	701	683
Total operating funding (A)	**9,767**	**11,213**	**10,598**	**11,926**
Applications of operating funding				
Payments to staff and suppliers	7,414	7,731	8,888	7,882
Internal Finance costs	1,031	603	1,017	549
Internal charges applied	799	423	328	1,444
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**9,244**	**8,757**	**10,233**	**9,875**
Surplus (deficit) of operating funding (A - B)	**523**	**2,456**	**365**	**2,051**
Sources of capital funding				
Subsidies and grants for capital expenditure	1,775	220	650	(46)
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	235	(3,064)	60	(1,124)
Gross proceeds from sale of assets	-	-	-	-
Total sources of capital funding (C)	**2,010**	**(2,844)**	**710**	**(1,170)**
Application of capital funding				
Capital expenditure:				
• to meet additional demand	-	-	-	-
• to improve the level of service	2,175	831	621	146
• to replace existing assets	849	200	596	270
Increase (decrease) in reserves	(491)	(1,419)	(142)	465
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**2,533**	**(388)**	**1,075**	**881**
Surplus (deficit) of capital funding (C-D)	**(523)**	**(2,456)**	**(365)**	**(2,051)**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**	**-**

Quality Roading and Services (Wairoa) Limited (QRS) is a Council Controlled Organisation (CCO) wholly owned by Wairoa District Council.

Council Controlled Organisations (CCO)
Council Controlled Organisations (CCO) are defined by the Local Government Act 2002 as entities in which the Council holds over fifty percent shareholding or has the authority to appoint over fifty percent of directors. There are trading and non-trading CCOs, with trading ones like Council-Controlled Trading Organisations (CCTO) functioning akin to profit-making companies. An example is QRS, serving as both a CCO and CCTO.

Reasons for owning a CCO
Ownership of a CCO serves several purposes. It allows the Council to maintain expertise in construction, roading, and other areas while fostering competition to reduce ratepayer costs. Supporting community initiatives is also central, with QRS being a major local employer and contributor to various community events, sports, and strategic sponsorships.

Accountability
Accountability is crucial, with QRS answerable to the Council, which sets objectives and monitors performance. The Council, in turn, is accountable to ratepayers for QRS' effectiveness and cost-efficiency. Annually, QRS agrees to a publicly available Statement of Corporate Intent with the Council, detailing activities, performance targets, reporting requirements, and more. QRS reports on its performance against this statement at the financial year-end.

The Local Government Act 2002 outlines key objectives for CCOs, including meeting shareholders' objectives, being a responsible employer, exhibiting social and environmental responsibility, and trading CCOs, adhering to sound business practices.

As per legal requirements, the Long-Term Plan includes information on Council-Controlled Organisations, with the following section summarising details from QRS' Statement of Corporate Intent.

Nature and scope of activities
QRS is an ISO-accredited civil construction company that provides solutions and excellence across a range of infrastructural services including:
- Roading maintenance and associated construction
- Traffic management
- Civil construction projects
- Quarrying operations
- Concreting Services

Ownership policy and objectives
Any surplus profits generated by QRS are directed to the Council in the form of dividends and community support initiatives.

The Council's plans for QRS remain unchanged, with no intention to alter its ownership or control. The objectives set for QRS are:
- Maintain profitability and achieve all financial targets.
- Ensure positive cash flow for the company.
- Maintain effective governance within the company.

Further details can be found on QRS' website at www.qrs.co.nz

Key Performance Indicators

	2024/25 Target	30 June 2025 Actual	2025/26 Target	2025/26 Actual
Shareholder distribution forecast	$250,000	$300,000	$585,000	$372,155
Net profit pre-tax of opening shareholder funds	6%	20.20%	6.00%	3.80%
Ratio of shareholder funds	>45%	47.60%	>45%	53%



Ngā Tauāki Pūtea
Financial Statements

Te Whakamāramatanga i Tā Te Kaunihera Tauāki Ahupūtea | Understanding Council's Financial Statements

The following descriptions have been provided to help explain the Council's Financial Statements.

For further information, please contact Wairoa District Council.

P 06 838 7309
E info@wairoadc.govt.nz
W www.wairoadc.govt.nz

Statement of Financial Position
This is Wairoa District Council's Balance Sheet and shows its financial position at the end of the 2025/26 financial year. The Council's financial position is determined by subtracting the value of all its liabilities, or what it owes, from all its assets, or what it owns. Wairoa District Council's assets include items such as cash and property, and its liabilities include items such as creditors and loans. The result is represented as equity and describes in financial terms what the Council is 'worth.' Due to the high investment in infrastructure, like roads and water networks, the value of Council's assets are significantly more than its liabilities and so its equity is substantial.

Statement of Comprehensive Revenue And Expense
This is the Council's Income Statement and shows how much total revenue or income Wairoa District Council received in the 2025/26 financial year versus how much it spent on running costs. Council's financial performance is determined by subtracting the value of its expenses or 'what it costs to run Council' from its total income. However, this is because the revenue includes capital subsidies from NZ Transport Agency Waka Kotahi (NZTA), the Department of Internal Affairs and Crown Regional Holdings Limited (CRHL). This money is spent on assets which are recorded in the balance sheet.

Statement of Changes In Equity
This statement shows the changes to the Council's equity or 'worth.' The change is represented by the difference in equity at the start of the 2025/26 financial year versus the end. The equity at the end of the 2025/26 year is determined by adding the net surplus from the Council's Statement of Comprehensive Revenue and Expense to the value of the Council's equity at the beginning of the 2025/26 financial year.

Equity is divided into three components:
1. **Ratepayer's Equity:** the total of all operating surpluses and deficits since Council began
2. **Special Funds:** represent amounts accumulated and held for specific purposes, such as township development and asset renewals. When these funds are used or topped up there are transfers between Ratepayer Equity and Special Funds.
3. **Revaluation Reserve:** this reflects changes in the value of infrastructure and the current cost of replacing assets that were built years ago. Wairoa District Council's roading and water assets are revalued every three years or more frequently if required.

Statement of Cash Flows
This statement shows the flow of cash within Council's operating, investing and financing activities in the 2025/26 financial year. Council's cash at the end of the 2025/26 financial year is determined by subtracting the cash that flows out (is spent) from the cash that flows in (is received). The council's inflows of cash include rates and investment income, and its outflows of cash include payments to suppliers and loan repayments.

Budget Data
The budget data used in the following financial statements is the second year of the Long-Term Plan 2024-2027, which was updated in the 2025/26 Annual Plan.

He Tauāki Tūtohu Me Te Takohanga
Statement of Compliance and Responsibility

Reporting Entity
Wairoa District Council is a territorial local authority governed by the Local Government Act 2000.

The Council group consists of Wairoa District Council and its 100% owned subsidiary, Quality Roading and Services (Wairoa) Limited. The reporting date of the Council and its controlled entity is 30 June.

The group operates in one geographic segment (New Zealand) and in two industries, being that of local government and construction and maintenance activities (operated by the 100% owned subsidiary). Both entities included within the Group are domiciled in Wairoa, New Zealand.

The primary objective of the Council and Group is to provide goods or services for the community or social benefit rather than making a financial return. As a defined public entity under the Public Audit Act 2001, the Council is audited by the Office of the Auditor General and is classed as a Public Sector Public Benefit Entity for financial reporting purposes.

Compliance
The Council and management of Wairoa District Council confirm that all statutory requirements in relation to the Annual Report, as outlined in Schedule 10 of the Local Government Act 2002, including the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP) have been complied with. The financial statements have been prepared to comply with Public Sector Public Benefit Entity Accounting Standards (PBE accounting standards) for a Tier 1 entity* and were authorised for issue by the Council on 28 October 2026.

Responsibility
The Council and management of Wairoa District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them. They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the opinion of the Council and management of Wairoa District Council, the Annual Report for the year ended 30 June 2026 fairly reflects the financial position, results of operations and service performance of the Wairoa District Council and Group.

Matthew Lawson	Craig Little
Te Tumu Whakarae Chief Executive	*Te Kahika Mayor*
28 October 2026	*28 October 2026*

**Note: A Tier 1 entity is defined as being either publicly accountable or large (e.g. expenses over $30m). Wairoa District Council exceeds the expenses threshold.*

He Tauāki Pūtea Whiwhi Me Te Pūtea Whakahaere

Statement of Comprehensive Revenue and Expense

For the period ended 30 June 2026

	Note	Council			Group	
		Actual 2026 $000	AP 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Revenue						
Rates	2	24,049	23,437	22,472	24,049	22,472
Subsidies and grants	2	45,542	50,286	50,832	45,542	50,832
Petrol tax		81	82	78	81	78
Construction revenue		-	-	-	15,379	11,787
Fees and charges		3,936	3,532	4,843	3,794	4,666
Investment revenue	2	586	620	1,541	214	358
Miscellaneous revenue		16	-	220	69	268
Total revenue		**74,210**	**77,957**	**79,986**	**89,128**	**90,461**
Expense						
Water supply		3,696	3,493	3,522	3,696	3,522
Stormwater		1,118	1,072	870	1,118	870
Wastewater		3,713	3,824	4,107	3,713	4,107
Waste Management		3,402	3,169	3,800	3,402	3,800
Transport		24,579	17,326	33,938	24,578	33,938
Community facilities		4,126	4,223	3,082	4,126	3,082
Planning and regulatory		4,999	4,715	9,850	4,999	9,850
Governance and Community		3,710	2,890	3,408	3,710	3,408
Corporate Services		180	1,063	1,547	180	1,547
QRS		-	-	-	15,248	9,632
Total expense		**49,523**	**41,775**	**64,124**	**64,770**	**73,756**
Net surplus / (deficit) before taxation		**24,687**	**36,182**	**15,862**	**24,359**	**16,705**
Subvention income		-	-	-	-	-
Taxation	9	-	-	-	(134)	(680)
Net surplus / (deficit) for the year		**24,687**	**36,182**	**15,862**	**24,225**	**16,025**
Other comprehensive revenue and expense[1]						
Fair value movement – property, plant and equipment		(24,959)	-	(19,955)	(24,959)	(19,955)
Total comprehensive revenue and expense for the year		**(272)**	**36,182**	**(4,093)**	**(734)**	**(3,930)**

The notes from pages 60 to 95 form part of, and should be read in conjunction with, the financial statements.
[1]Other comprehensive revenue or expense is non-cash in nature.

He Tauāki Tū Ahupūtea

Statement of Financial Position

as at 30 June 2026

	Note	Council			Group	
		Actual 2026 $000	AP 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Current assets						
Cash and cash equivalents	6	2,300	4,246	1,981	3,214	2,786
Inventories	7	79	51	71	1,662	1,521
Trade and other receivables	5	9,951	7,794	13,545	11,813	15,425
Other current assets		-	39	-	139	487
Financial assets at fair value	8	251	774	-	251	-
Total current assets		**12,581**	**12,904**	**15,597**	**17,079**	**20,219**
Current liabilities						
Trade and other payables	10	13,125	9,796	16,298	13,791	16,647
Employee benefit liabilities		1,001	666	967	1,001	967
Borrowings	17	-	-	8,500	1,012	9,466
Taxes payable		-	-	-	67	341
Total current liabilities		**14,126**	**10,462**	**25,765**	**15,871**	**27,421**
Working capital		(1,545)	2,442	(10,168)	1,208	(7,202)
Non-current assets						
Property, plant and equipment	11	495,043	481,670	490,048	504,258	499,292
Work in progress	11	6,098	58,083	11,149	6,098	11,149
Investment in subsidiary	14	1,250	1,250	1,250	-	-
Loan to subsidiary	16	1,026	1,026	1,037	-	1
Investment Property	15	7,963	8,385	8,147	7,963	8,147
Biological asset - forestry	13	115	115	115	115	115
Intangible assets	12	87	114	197	127	246
Assets held for sale	11	-	-	-	-	
Financial assets at fair value	8	475	-	828	475	828
Deferred tax	9	-	-	-	-	-
Total non-current assets		**512,057**	**550,643**	**512,771**	**519,036**	**519,778**
Non-current liabilities						
Employee benefits	10	56	-	56	380	195
Landfill aftercare	18	3,211	2,032	3,432	3,211	3,432
Quarry aftercare	18	-	-	-	111	94
Borrowings	17	9,526	21,538	1,124	12,381	3,893
Deferred tax	9	-	-	-	779	844
Total non-current liabilities		**12,793**	**23,570**	**4,612**	**16,862**	**8,458**
Net assets		**497,719**	**529,515**	**497,991**	**503,382**	**504,118**
Represented by						
Equity	19	**497,719**	**529,515**	**497,991**	**503,382**	**504,118**

The notes from pages 60 to 95 form part of, and should be read in conjunction with, the financial statements.

He Tauāki Mana Taurite

Statement of Changes in Equity

for the year ended 30 June 2026

	Note	Council			Group	
		Actual 2026 $000	AP 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Total equity - opening balance		**497,991**	**493,333**	**502,065**	**504,117**	**508,029**
Net surplus (deficit) for period		24,687	36,182	15,862	24,225	16,025
Other comprehensive income		(24,959)	-	(19,936)	(24,959)	(19,936)
Total comprehensive income		(272)	36,182	(4,074)	(734)	(3,911)
Total equity - closing balance		**497,719**	**529,515**	**497,991**	**503,382**	**504,118**
Components of equity						
Ratepayer's equity						
Ratepayer's equity - opening balance		189,262	163,175	172,032	195,388	177,996
Net surplus/(deficit) for period		24,687	36,182	15,862	24,225	16,025
Transfers to special reserves		(4,247)	(4,144)	(4,528)	(4,247)	(4,528)
Transfers from special reserves		5,617	7,522	2,839	5,617	2,839
Transfer from revaluation reserve		60	-	3,057	60	3,057
Ratepayer's equity - closing balance		**215,379**	**202,735**	**189,262**	**221,042**	**195,389**
Special funds						
Special reserves - opening balance		24,395	25,874	22,706	24,395	22,706
Transfer to ratepayer's equity		(5,617)	(7,522)	(2,839)	(5,617)	(2,839)
Transfer from ratepayer's equity		4,247	4,144	4,528	4,247	4,528
Special funds - closing balance		**23,025**	**22,496**	**24,395**	**23,025**	**24,395**
Revaluation reserves						
Revaluation reserves - opening balance		284,334	304,284	307,327	284,334	307,327
Net transfer to ratepayer's equity		-	-	(3,038)	-	(3,038)
Transfer to revaluation		(25,019)	-	(19,955)	(25,019)	(19,955)
Revaluation reserves - closing balance		**259,315**	**304,284**	**284,334**	**259,315**	**284,334**
Total equity - closing balance		**497,719**	**529,515**	**497,991**	**503,382**	**504,118**

The notes from pages 60 to 95 form part of, and should be read in conjunction with, the financial statements.

He Tauāki Kapewhiti
Statement of Cashflows
for the year ended 30 June 2026

	Note	Council			Group	
		Actual 2026 $000	AP 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Cash flows from operating activities						
Receipts from rates revenue		23,104	23,437	21,765	23,104	21,765
Other revenue		3,949	4,128	4,914	18,229	8,992
Subsidies and grants received		48,458	50,286	54,260	48,458	54,260
Investment income		586	105	1,541	324	512
Payments to suppliers and employees		(38,452)	(30,588)	(53,300)	(50,263)	(52,029)
Taxation		-	-	-	(485)	(1,258)
Interest paid		(477)	(957)	(506)	(545)	(660)
Net cash flows from operating activities		**37,168**	**46,411**	**28,674**	**38,822**	**31,582**
Cash flows from investing activities						
Sale of property, plant and equipment		-	-	41	29	106
Insurance proceeds		16	-	238	16	238
Sale of financial assets		-	-	-	-	-
Purchase of financial assets		-	-	-	-	-
Purchase of property, plant and equipment		(36,767)	(58,083)	(27,877)	(38,391)	(30,070)
Purchase of intangibles		-	-	-	-	-
Loans made to subsidiary		-	-	-	-	-
Net cash flows used in investing activities		**(36,751)**	**(58,083)**	**(27,598)**	**(38,346)**	**(29,726)**
Cash flows from financing activities						
Loans raised		8,402	8,294	(1,402)	11,081	10,995
Borrowings repaid		(8,500)	-	-	(11,047)	(12,446)
Lease repayments		-	-	-	(82)	(98)
Net cash flows from/(used in) financing activities		**(98)**	**8,294**	**(1,402)**	**(48)**	**(1,549)**
Net increase/(decrease) in cash and cash equivalents		319	(3,378)	(326)	428	(182)
Cash and cash equivalents at beginning of year		1,981	7,624	2,307	2,786	2,968
Cash and cash equivalents at end of year		**2,300**	**4,246**	**1,981**	**3,214**	**2,786**
Made up of:						
Cash		2,300	4,246	1,981	3,214	2,786
Cash and cash equivalents at end of year		**2,300**	**4,246**	**1,981**	**3,214**	**2,786**

The notes from pages 60 to 95 form part of, and should be read in conjunction with, the financial statements.

He Tauāki Kaupapa Here Mō Te Kaute Me Ngā Pitopito Kōrero Ki Ngā Tauāki Ahupūtea

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1. Reporting Entity Statement and Preparation of The Financial Statements

Basis of preparation

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

Statement of compliance

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

The financial statements have been prepared in accordance with and comply with PBE Accounting Standards.

The financial statements are presented in New Zealand dollars, rounded to the nearest thousand ($000), unless otherwise stated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Wairoa District Council (the Council) and its subsidiary Quality Roading and Services (Wairoa) Limited (QRS) Collectively the Group as at 30 June 2026.

Controlled entities are those over which the Council (the controlling entity) can govern the financial and operating policies to obtain benefits from their activities. All significant inter-entity transactions, balances and unrealised gains are eliminated on consolidation. The Council has a 100% interest in QRS (2025: 100%), a company incorporated in New Zealand **(refer to note 14)**. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Goods and services tax (GST)

All amounts in the financial statements are exclusive of GST, except for receivables and payables that are stated as GST- inclusive. When GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

Budget Figures

Annual Plan 2025-26

The Annual Plan 2025-26 was adopted by Council on 20 May 2025. The reporting period ended 30 June 2026. The budget figures were prepared in accordance with NZ PBE FRS-42, using accounting policies consistent with those adopted by Council for the preparation of the financial statements.

The Annual Plan budget figures included in these financial statements are for the Council as a separate entity. The budget figures do not include budget information relating to the controlled entity.

These figures do not include any additional expenditure subsequently approved by the Council outside the Annual Plan process. The Annual Plan figures have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and are consistent with the accounting policies adopted by the Council for the preparation of these financial statements. Explanation of major variances between actual results and forecasted figures is provided in **note 26**.

Comparatives

To ensure consistency with the current year, certain comparative information has been reclassified:

- where classifications have changed between periods.
- where the Council has made additional disclosure in the current year.
- where a greater degree of disaggregation of prior year amounts and balances is therefore required; and
- where there has been a change of accounting policy (there has been no change in the 2025/26 year).

Overhead cost allocation

The Council has derived the cost of service for each significant activity, as reported within the Statements of Service Performance, in the following way:

Direct Costs

Direct costs, which can be traced directly to a specific significant activity, are expensed directly to the relevant activity.

Indirect Costs

Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. Indirect costs are allocated as overheads across all activities. Indirect costs are charged to activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Capital Management

For the Group's capital management, the Group's capital is its equity (or Ratepayer's Funds), including accumulated comprehensive revenue and expense and all equity reserves attributable to the Council. Equity is represented by net assets.

The Council manages its capital largely as a by-product of managing its revenue, expenses, assets, liabilities, and general financial dealings. The Local Government Act 2002 requires the Council to manage its revenue, expenses, assets, liabilities, and general financial dealings in a manner that promotes the current and future interests of the community. In addition, The Local Government (Financial Reporting and Prudence) Regulations 2014 set out a number of benchmarks for assessing whether the Council is managing its revenue, expenses, assets and liabilities prudently.

The primary objective of the Group's capital management is to achieve intergenerational equity, which is a principle promoted in the Local Government Act 2002 and applied by the Council.

Intergenerational equity requires the Council to spread the funding of the cost of its assets over the current and future generations of ratepayers, such that:

- Current ratepayers are required to meet the cost of using the assets, but not the full cost of long-term assets that will benefit ratepayers in future generations and
- Ratepayers in future generations are not required to meet the costs of deferred asset renewals and maintenance.

To achieve this overall objective, the Council has in place asset management plans for major classes of assets, detailing renewals and programmed maintenance to ensure that future generations of ratepayers are not required to meet the costs of deferred renewals and maintenance.

An additional objective of capital management is to ensure that the expenditure needs identified in the Council's Long-Term Plan and Annual Plan are met in the manner set out in these plans. The Local Government Act 2002 requires the Council to make adequate and effective provision in its Long-Term Plan and in its Annual Plan to meet the expenditure needs identified in those plans. The factors the Council must consider when determining the most appropriate sources of funding for each of its activities are in the Local Government Act 2002. The sources and levels of funding are set out in the funding and financial policies in the Council's Long-Term Plan. The Council monitors actual expenditure incurred against the Long-Term Plan and Annual Plan.

No changes were made in the objectives, policies, or processes for managing capital during the year (2025: nil).

Critical Accounting Estimates and Assumptions

The preparation of these financial statements requires management to make judgements, estimates and assumptions concerning the future that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

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

1. Classification of property

The Council owns a number of pensioner housing units. The receipt of rental income from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant, and equipment rather than as investment property. **Refer note 11 and 15.**

2. Landfill aftercare provisions

Note 18 discloses an analysis of the exposure of the Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

3. Infrastructural asset valuation

There are assumptions and estimates used when performing depreciated replacement cost valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then WDC could be over-or-under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense.

To minimise this risk WDC's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of WDC's asset management activities, which give WDC further assurance over its useful life estimates. Accredited independent valuers perform Council's infrastructural asset revaluations, refer to **Note 11**.

4. Classification of costs

Judgement is used over the classification of costs between capital and maintenance. Items are reviewed regularly to ensure the cost allocation is reasonable.

Changes In Accounting Policies

No changes in accounting policies.

2. Revenue

Revenue comprises rates, revenue from operating activities, contracting services, investment revenue, subsidies, petrol tax and fees and charges and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions. Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

Exchange Transactions

Exchange transactions are transactions where the Group receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange. Exchange revenue received by Group can be summarised into the following areas:

- **Revenue from water by meter**
  Water billing revenue is recognised on an accrual basis. Unbilled usage as a result of unread meters at year end is accrued on an average usage basis.
- **Provision of services**
  Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

- **Sale of goods**
  Sales of goods are recognised when a product is sold to the customer.
- **Construction contracts**
  Revenue on construction contracts is recognised progressively over the period of each contract. The amount included in the statement of comprehensive revenue and expense, and the value of the contract assets or liabilities are established by assessment of the individual contracts taking into account the proportion of work completed, cost analysis and estimated final results. When the contract income cannot be reliably measured, revenue is recognised only to the extent of the expenses recognised which are recoverable.
- **Interest revenue**
  Interest revenue is recognised on an accrual basis with movements in fair value profits and losses disclosed in the overall income statement as interest on investments.
- **Dividend Revenue**
  Dividend revenue is recognised when the right to receive payment is established which is generally when QRS approves the dividend.
- **Subvention Payments**
  Subvention payments is recognised when the right to receive payment is established which is generally when QRS approves the payment.

The below table shows revenue received from investments for the year:

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Interest on financial assets at fair value through profit and loss	169	349	97	216
Gain / (loss) in market value and sales of bond portfolio	(1)	13	(1)	13
Cash dividends received	300	1,050	-	-
Rental income on other investments	90	115	90	115
Other income	28	13	28	13
Total investment income	**586**	**1,540**	**214**	**357**

Non-Exchange Transactions

Non-exchange transactions arise when the Group receives value from another entity without directly giving approximately equal value in exchange. Revenue received from a non-exchange transaction cannot be deferred unless there is both a performance obligation and a return obligation attached to it. For example, where grant or subsidy funding is received without performance obligation then revenue is recognised when receivable. Where a performance obligation exists, revenue is recognised upon satisfactory completion of the performance. Revenue from non- exchange transactions received by Group can be summarised as:

- **Vested assets**
  Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as non-operating, or extraordinary revenue. Assets vested in Group are recognised as revenue when control over the asset is obtained.
- **Provision of services**
  Non-exchange revenue from the rendering of services consists of services in activities where the Group subsidises the activity. Such revenue is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total service to be provided, only when there are conditions attached that require the funds to be returned if performance does not occur. Where no conditions are attached revenue is recognised when receivable.
- **Rates Revenue**
  Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when receivable.

	Council	
	2026 $000	2025 $000
General rates	16,901	15,261
Water	2,313	2,140
Sewerage	3,025	3,189
Waste management	1,118	1,254
Stormwater	1,082	916
Services	-	-
Roading	-	-
Recreation	-	-
Gross rates levied	**24,439**	**22,760**
Penalties charged	520	466
Less remissions	(910)	(754)
Less internal charges	0	-
Rating revenue received	**24,049**	**22,472**

Other Income

The Council received a dividend payment of $300,000 for the year ended 30 June 2026. Subvention payments involve the purchase of tax losses by QRS from the Council leading to a reduction in tax payable and therefore an ultimate greater cash benefit to the Wairoa District. **See note 9.**

Other Comprehensive Revenue

The below table shows other comprehensive revenue received for the year:

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Fair value movement – property, plant and equipment	(24,959)	(19,955)	(24,959)	(19,955)
Total other comprehensive revenue	**(24,959)**	**(19,955)**	**(24,959)**	**(19,955)**

Government Grants and Subsidies

Grants and subsidies received are recognised as revenue when the Council obtains control of the transferred asset (cash, goods, other assets or services) and the transfer is free from conditions that require the Council to refund or return the asset if the conditions relating to the asset are not fulfilled. When grants and subsidies include a condition, liabilities are recognised until the Council has satisfied the conditions when revenue is recognised.

The Council receives the majority of grants and subsidies revenue from New Zealand Transport Agency Waka Kotahi (NZTA), which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The right to receive the funding from NZTA arises once the work is performed therefore revenue is recognised when receivable as there are no further conditions attached to the funding.

The Government has invested in Three Waters upgrades through funding from the DIA. As the underlying contract contains an obligation in substance to return the funds if conditions of the grant are not met, revenue from the DIA is initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

During any year, other grants may be received towards the costs of constructing assets for the community's benefit or for passing to the community for supporting cultural and sporting activities, from government and other agencies. Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if the conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when the conditions of the grant are satisfied.

Subsidies and grants received and recognised as revenue for the year were:

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Planned Activities				
NZTA roading subsidies	16,095	12,034	16,095	12,034
Ministry of Business and Innovation	147	2,463	147	2,463
Kanoa	(47)	914	(47)	914
Department of Internal Affairs	(60)	726	(60)	726
Other Subsidies & Grants	755	582	755	582
Total Planned Activities	**16,890**	**16,719**	**16,890**	**16,719**
Emergency Events				
NZTA roading subsidies	18,207	21,948	18,207	21,948
Silt & Debris Fund	628	5,057	628	5,057
Crown Infrastructure Partners (Te Reinga Bridge)	9,127	4,822	9,127	4,822
Mayoral Relief Funds	304	557	304	557
Other Subsidies & Grants	386	1,731	386	1,731
Total Emergency Events	**28,652**	**34,115**	**28,652**	**34,115**
Total Government grants and subsidies	**45,542**	**50,834**	**45,542**	**50,834**

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

3. Expenditure

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The substance of the arrangement depends on whether fulfilment of the arrangement is dependent on the use of a specific asset or assets, or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term. Rent received from an operating lease is recognised as income on a straight-line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

Investment property and property used for social housing are leased under operating leases. Both investment property and social housing leases are periodic agreements, with the tenant having a right to cancel with between one to two months' notice. Therefore, there are no non-cancellable leases held. No contingent rents have been collected during the year (2025: nil).

Group as a Lessee

Finance leases are leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group. Assets held under a finance lease are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Group also recognises the associated lease liability at the inception of the lease, at the same amount as the capitalised leased asset.

After initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in surplus or deficit. Contingent rents shall be charged as expenses in the period in which they are incurred.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group. Operating lease payments are recognised as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Insurance of Assets

Council insures its buildings, contents, and critical plant and equipment primarily on a reinstatement basis, while motor vehicles are insured at their market value. The total material damage insurance coverage amounted to $172.2million in 2026(2025: $161.5million).

In general, upon a major disaster the government will provide a 60% subsidy for infrastructure recovery costs. Council must demonstrate that it is able to meet the remaining 40% through insurance and other financial means.

The Council is a member of the New Zealand Local Authority Protection Program Disaster Fund (LAPP Fund) established by the New Zealand Local Government Association Incorporated. The LAPP fund is a mutual pool, created by local authorities to cater for the replacement of infrastructure following catastrophic damage by natural disaster.

The LAPP Fund is intended to provide coverage for the balance of the replacement cost that is not expected to be covered by the provisions of the Ministry of Civil Defence and Emergency Management (i.e., 40%) of underground infrastructure assets. Council has an asset value of $95.8million in declared coverage under the LAPP Fund (2025: $100.5 million).

Council does not operate a formal self-insurance scheme or maintain a specific fund for that purpose. Various assets are however not covered by insurance. The bulk of this relates to the roading network. Roads and associated assets are not covered by Council's insurance as in a major disaster, support is expected from central government to reinstate the roading network.

Other assets including land, playgrounds and sports fields are also not covered by insurance or any risk sharing arrangements.

Funding of uninsured risks and amounts over and above any insurance recovery and government support would be provided from a combination of reserve funds, debt and the reprioritisation of Council's planned capital and operating expenditure.

Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. The Group have chosen not to capitalise borrowing costs directly attributable to the acquisition, construction, or production of assets.

Items included in the calculation of net surplus

The following expenditure items are included in the calculation of the net surplus:

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Depreciation - Infrastructural assets	10,274	9,390	10,274	9,390
Depreciation - Operational assets	1,561	1,809	3,462	3,807
Amortisation charge - Intangible assets	1	1	11	13
Fees to auditors:				
• EY fees for financial statements audit	166	166	264	263
• EY fees for long term plan audit	-	-	-	-
• EY Fees for Debenture Trust fee	4	4	4	4
Fees to PWC for taxation advice	5	5	5	5
Interest paid - bank borrowings	452	504	562	658
Mayor and Councillor fees	527	525	527	525
Impairment of receivables (bad debts written off)	19	16	19	16
Impairment of receivables (provision for doubtful debts) (Note 6)	3,845	4,432	3,834	4,462
Impairment of property, plant and equipment	38,272	22,962	38,272	22,962
Operating lease expenses	34	34	34	34
Public ceremonies	12	9	12	9
Loss on disposal of assets	(20)		25	(40)
Directors fees	-	-	172	171
Donations	-	-	67	72

Items included in the calculation of total comprehensive revenue and expense for the year

The amounts in the table below show the value of the impairment of roading assets caused by damage from recent weather events.

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Impairment - Roading assets	38,272	22,962	38,272	22,962

The valuation includes an allowance for impairment or the replacement of damaged assets and therefore reflects the post-Cyclone assessment of value. The assessment of fair value recognises the impairment as calculated by WDC at the end of the financial year.

4. Staff and Elected Members' Remuneration Mayoral and Councillor Remuneration

The following people held office as elected members of the Council's governing body, during the reporting period. The total remuneration attributed to the Mayor and Councillors during the year was $526,638 (2025: $525,156) and is broken down and classified as follows:

	2026 $	2025 $
Craig Little, Mayor	138,489	121,307
Benita Cairns, Deputy Mayor	82,033	62,131
Sara Bird, Councillor	42,763	-
Jeremy Harker*, Councillor	59,545	62,131
Michelle Tahuri, Councillor	42,763	-
Roslyn Thomas, Councillor	59,545	62,131
Trevor Waikawa, Councillor	42,763	-
Denise Eaglesome-Karekare *(To October 2025)*	25,173	93,194
Melissa Kaimoana *(To October 2025)*	16,782	62,131
Chaans Tumataroa-Clarke (To October 2025)	16,782	62,131
Total remuneration paid to council members	526,638	525,156

** Councillor J Harker is also the Chief Executive of the Council subsidiary, Quality Roading and Services (Wairoa) Ltd (QRS).*

Chief Executive Officer's Remuneration

The Chief Executive Officer of the Council was appointed under section 42 of the Local Government Act 2002. Under the terms of his agreement, the Chief Executive Officer of the Council chooses how he wishes to take his remuneration package (salary only or a combination of salary and benefits).

Key Management Personnel Remuneration

	Council	
	2026 $	2025 $
Council members		
Total remuneration	526,638	525,156
CEO and senior leadership team		
CEO	325,710	295,110
Senior leader remuneration	957,601	777,032
Total remuneration paid to key management personnel	**1,809,949**	**1,597,298**

As of 30 June 2026, key management personnel comprised 13 individuals: 7 elected members (2025: 7) and 6 executive leaders, comprising the Chief Executive Officer and 5 senior management personnel (2025: 6 executive leaders).

Severance payments

In accordance with Schedule 10, section 33 of the Local Government Act 2002, the Council must disclose the number of employees who received severance payments during the year and the amount of each payment made.

Severance payments include any consideration (monetary and non-monetary) provided to any employee in respect of the employee's agreement to the termination of their employment with the Council. Severance payments exclude any final payment of salary, holiday pay and superannuation contributions or other contractual entitlement.

No severance payments were made in the year 2026 (2025: Nil).

Employee staffing levels and remuneration

The following table identifies the number of full-time employees as at the end of the reporting period and the full-time equivalent (FTE) number of all other part-time, fixed-term and casual employees. The table further identifies the breakdown of remuneration levels of those employees into various bands.

	Council	
	2026	2025
Full-time and full-time equivalent employee numbers		
Number of full time employees	64	76
Full time equivalent number of all other employees	14	4
Total full-time equivalent employees	**78**	**80**
Remuneration bands		
The number of employees receiving total annual remuneration of less than $60,000	21	13
Of the employees in this band, 11 are part-time or casual (2025: 10)		
The number of employees receiving total annual remuneration of more than $60,000 in bands of $20,000		
$60,001 - $80,000	16	32
$80,001 - $100,000	20	15
$100,001 - $120,000	11	16
$120,001 - $180,000*	9	7
$180,001 - $340,000*	5	3
Total employees	**82**	**86**

**If the number of employees for any band was 5 or less then we are legally required to combine it with the next highest band.*

Total annual remuneration has been calculated to include any non-financial benefits and other payments such as the employer KiwiSaver contribution. Total annual remuneration is reported as the higher of base salary including employer superannuation contributions or total gross payments in the year.

	Council	
	2026 $000	2025 $000
Employment expenses		
Salaries and wages	8,822	8,719
Increase (decrease) in employee benefit liabilities	(35)	(97)
Total employee benefit expenses	**8,787**	**8,622**

5. Trade and Other Receivables

Trade receivables are recognised initially at the original invoice amount as the effect of discounting is immaterial. Short-term receivables are recorded at the amount due, less any provision for un-collectability. The provision is calculated by applying an expected credit loss model. A receivable is considered uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

The below table provides a summary of all receivables at year end:

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Rates receivable	6,739	6,340	6,739	6,340
Trade receivables	6,664	11,919	8,474	13,767
Prepayments	7	-	59	31
GST receivable/payable	386	(282)	386	(282)
Total receivables – gross	**13,796**	**17,977**	**15,658**	**19,856**
Less provision for impairment of receivables	(3,845)	(4,432)	(3,845)	(4,431)
Total receivables– net	**9,951**	**13,545**	**11,813**	**15,425**

Current trade, rates and sundry receivables are non-interest bearing and receipt is generally on 30-day terms, therefore the carrying value approximates their fair value. There is no concentration of credit risk with respect to receivables outside the group, as the group has many customers.

The Group provides for impairment provision on trade receivables and other debtors. The impairment provision has been calculated by applying an expected credit loss model based upon an analysis of the Group's losses in previous periods, and a review of specific debtors. The Group holds no collateral as security or other credit enhancements over receivables that are either past due or impaired. The provision is calculated by applying an expected credit loss model.

The Council provides for impairment on rates receivables, trade receivables and other debtors. The carrying amount is reduced directly when an asset is determined to be unrecoverable. An allowance for impairment is used when there is a reasonable likelihood that a debt may be impaired. A reversal to a write-down is made when an impaired debt is subsequently determined to be recoverable.

The impairment provision for rates has been calculated by applying an expected credit loss model based upon the percentage of rates debtors expected to be impaired. The impairment is collective and reflects the actual impairment of rates debtors over the past three years. The Council has power under the Local Government (Rating) Act 2002 to recover outstanding debts.

The Council can commence legal proceedings within 4 months after due date for payment. If payment has not been received within 3 months of the Court judgement, then the Council can apply to the Registrar of the High Court to have judgement enforced by sale or lease of the rating unit for land that is not Māori freehold land.

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

	2026 Council			2025 Council		
	Gross $000	Impairment provision $000	Net $000	Gross $000	Impairment provision $000	Gross $000
Not past due	6,191	-	6,191	11,445	-	11,445
Past due 30-60 days	27	-	27	14	-	14
Past due 60-90 days	19	-	19	21	-	21
Past due >90 days	427	329	98	439	384	55
Total trade receivables	**6,664**	**329**	**6,335**	**11,919**	**384**	**11,535**

	2026 Group			2025 Group		
	Gross $000	Impairment provision $000	Net $000	Gross $000	Impairment provision $000	Gross $000
Not past due	7,739	-	7,739	13,083	-	13,083
Past due 30-60 days	176	-	176	177	-	177
Past due 60-90 days	69	-	69	23	-	23
Past due >90 days	490	329	161	484	384	100
Total trade receivables	**8,474**	**329**	**8,145**	**13,767**	**384**	**13,383**

The ageing profile of rates receivables as at 30 June is detailed below:

	2026 Council			2025 Council		
	Gross $000	Impairment provision $000	Net $000	Gross $000	Impairment provision $000	Gross $000
Not past due	924	242	682	1,122	282	840
Up to 2 years	3,590	1,566	2,024	3,045	1,809	1,236
2 to 5 years	1,128	827	301	1,190	1,019	171
Over 5 years	1,097	882	215	983	938	45
Total rates receivables	**6,739**	**3,517**	**3,222**	**6,340**	**4,048**	**2,292**

The movement in the provision for impairment of total receivables is analysed follows:

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Opening balance	4,432	3,664	4,431	3,685
Addition to provision	(513)	628	(512)	606
Bad debts written off	(19)	(16)	(19)	(16)
Release of provision	(55)	156	(55)	156
Provision for impairment of total receivables – closing balance	**3,845**	**4,432**	**3,845**	**4,431**

6. Cash and Cash Equivalents

Cash or cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits, and other short-term highly liquid investments, with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Cash at bank and in hand	2,300	1,981	3,214	2,786
Short term deposits	-	-	-	-
Total cash and cash equivalents	**2,300**	**1,981**	**3,214**	**2,786**

7. Inventories

Inventory is measured at cost upon initial recognition. Costs of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing each product to its present location and condition.

The Group's finished goods inventory includes items held for resale, such as Council rubbish bags and items sold at the Gaiety Theatre and isite shop, as well as items held for distribution, such as recycle bins.

After initial recognition, inventories are valued at the lower of cost, determined on a first-in, first-out basis, and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The carrying amount of inventories held for distribution as at 30 June is:

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Metal Stocks	-	-	464	907
Water reticulation spare parts	-	-	-	-
Water treatment chemicals	67	59	67	59
Other supplies	12	12	1,131	555
Work in progress	-	-	-	-
Total inventories	**79**	**71**	**1,662**	**1,521**

The write-down of inventories held for distribution amounted to nil (2025: nil), while reversal of write downs amounted to nil (2025: nil). The carrying amount of inventories pledged as security is nil (2025: nil) and for liabilities is nil (2025: nil).

8. Financial Assets

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets are classified at initial recognition. The classification depends on the purpose for which the financial assets were acquired.

Management determines the classification of its financial assets at initial recognition and re-evaluates this classification at each reporting date.

All financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit and loss in which case the transaction costs are recognised in the statement of comprehensive revenue and expense.

Purchases and sales of financial assets are recognised on trade- date, the date on which the Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially the risks and rewards of ownership. The fair value of financial instruments traded in active markets is based on the quoted market prices at the balance sheet date. The quoted price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions based on market conditions at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Financial assets at fair value through profit and loss - upon initial recognition				
Shares and debentures	251	504	251	504
Financial assets at fair value through OCI				
LGFA borrower notes	454	303	454	303
Civic Financial Services Limited	22	22	22	22
Financial assets at amortised cost				
Cash and cash equivalents	2,300	1,981	3,214	2,786
Trade and other receivables	9,565	13,827	9,705	15,707
Other financial assets	-	-	-	-
Total financial assets	**12,592**	**16,637**	**13,646**	**19,322**

8.A. Financial Assets at Fair Value Through Profit And Loss

This category has two sub categories: financial assets held for trading and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Included in this category are short- term investments, which are valued at fair value.

Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the statement of comprehensive revenue and expense.

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Shares and debentures	251	504	251	504
Total financial assets at fair value through surplus or deficit	**251**	**504**	**251**	**504**
Current	251	-	251	-
Non-current	-	504	-	504
Total financial assets at fair value through surplus or deficit	**251**	**504**	**251**	**504**

Council has classified its investments as financial assets at fair value through surplus or deficit. The portfolio includes investments in local authority and Government stock, registered bank bills and bonds, and corporate stocks and bonds. The reason for the classification is that the investments were acquired for the purpose of selling and trading in the near term and they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a pattern of short-term profit-taking. In addition, there is a quoted market price in an active market where fair value can be reliably measured.

Financial assets at fair value through surplus or deficit are designated as such upon initial recognition because they are managed and their performance is evaluated on a fair value basis, in accordance with the Council's investment policy. Information is provided quarterly to Council on the performance of these financial assets.

The fair value of financial assets at fair value through surplus or deficit has been determined by reference to published price quotations in an active market. The maturity dates for financial assets through surplus or deficit are detailed in the following table:

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
One year or less	251	-	251	-
Weighted average interest rate	3.94%	0.00%	3.94%	0.00%
Between one and five years	-	504	-	504
Weighted average interest rate	0.00%	4.05%	0.00%	4.05%
Over five years	-	-	-	-
Weighted average interest rate	0.00%	0.00%	0.00%	0.00%
Total financial assets at fair value through surplus or deficit	**251**	**504**	**251**	**504**

The stocks and debentures are local authority stocks and commercial bonds that are actively traded. The coupon rate is 3.94% (2025: 3.8% to 5.2%) with yields of 2.85% (2025: 3.46% to 3.49%). Purchases and sales are accounted for at settlement date. These assets are exposed to cash flow interest rate risk.

8.B. Fair Value Through Revenue and Expense

Equity investments in non-listed companies (previously classified as AFS financial assets or held to maturity investments) are classified and measured as Equity instruments designated at fair value through OCI. The Group elected to classify irrevocably its non-listed equity investments under this category as it intends to hold these investments for the foreseeable future.

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
LGFA borrower notes	454	303	454	303
Civic Financial Services Limited	22	22	22	22
Total financial assets at fair value through OCI	**476**	**325**	**476**	**325**

Civic Financial Services Limited (formerly Civic Assurance) is the trading name for the New Zealand Local Government Insurance Corporation Limited. The Council holds a 0.20% (2025: 0.20%) shareholding in this entity and has no present intention to sell. Due to the immaterial size and nature of the Council's investment in Civic Financial Services Limited, the Council has estimated the fair value of this investment based on net asset backing as at 30 June 2026.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised (i.e. removed from the Group's statement of financial position) primarily when:

- The rights to receive cash flows from the asset have expired **or**
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either **(a)** the Group has transferred substantially all the risks and rewards of the asset, **or (b)** the Group has neither transferred nor retained substantially all the risks and rewards of the asset by has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a 'pass-through' arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of Financial Assets

At each balance date, the Group assesses if there is objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the statement of comprehensive revenue and expense.

An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions

9. Income Tax

Current Income Tax

Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and laws used to compute the amount are those enacted or substantially enacted by balance date.

Deferred Income Tax

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arose from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

At 30 June 2026, there is $779,000 deferred tax liability (2025: $844,000) for taxes that would be payable on the unremitted earnings of the Group's controlled entity. The Group has determined that undistributed profits of its controlled entity will not be distributed in the foreseeable future. The parent does not foresee such consent being given at the reporting date.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to allow all or part of the deferred income tax asset to be utilised.

Current and deferred tax is charged or credited to the statement of comprehensive revenue and expense, except when it relates to items charged or credited directly to equity, in which case the tax is charged or credited directly to equity.

Breakdown of Taxes and Further Information

The major components of taxation expense are:

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Current tax expense				
Current year income tax charge	-	-	200	728
Adjustments to current tax in prior years	-	-	-	-
Total current tax expense	**-**	**-**	**200**	**728**
Deferred tax expense				
Origination and reversal of temporary differences	-	-	(66)	(48)
Recognition of previously unrecognised tax losses	-	-	-	-
Total deferred tax expense	**-**	**-**	**(66)**	**(48)**
Income tax expense reported in the statement of financial performance	**-**	**-**	**134**	**680**

Reconciliation of tax on the surplus / (deficit) and tax expense:

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Surplus / (deficit) for the period before taxation	24,687	15,862	24,224	16,705
Less: non assessable surplus / (non qualifying deficit)	(24,687)	(15,862)	(23,747)	(14,327)
Assessable profits	-	-	477	2,378
Income tax based on domestic tax rate – 28% (2025: 28%)	-	-	133	666
Plus taxation effect of permanent differences	-	-	(3)	1
Effect of non-deductible expenses	-	-	4	13
Income tax expense reported in the statement of financial performance	**-**	**-**	**134**	**680**

Movement in deferred tax asset:

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Opening balance	-	-	844	892
Current year charge	-	-	(65)	(48)
Use of prior year recognised loss and other movement not recognised	-	-	-	-
Closing balance	**-**	**-**	**779**	**844**

The Council has taxable income from commercial operations at the Wairoa airport and the landfill (prior to Smart Environmental Limited providing Solid Waste management services for the Council). The imputation credits attached to dividends received from QRS offset the tax payable which results in a nil tax bill. These tax losses are not carried on the balance sheet as the Council does not expect to make taxable profits in the future against which these carry forward losses could be utilised.

The Council holds $170,244.95 in tax losses which had accumulated over a number of years. These losses were primarily due to the "grossing-up" of excess imputation credits attached to dividends received from QRS. The balance of losses held by Council at 30 June 2026 is $170,244.95 (2025: $127,036).

Deferred income tax as at 30 June relates to the following:

	Council				Group			
	Statement of financial position		Statement of financial performance		Statement of financial position		Statement of financial performance	
	2026 $000	2025 $000	2026 $000	2025 $000	2026 $000	2025 $000	2026 $000	2025 $000
Deferred tax liabilities								
Contract retentions	-	-	-	-	276	564	288	(50)
Future amortisation	-	-	-	-	-	-	-	-
Right of use assets	-	-	-	-	12	45	33	27
Future depreciation	-	-	-	-	977	975	(2)	74
Gross deferred tax liabilities	**-**	**-**	**-**	**-**	**1,265**	**1,584**	**319**	**51**
Deferred tax assets								
Doubtful debts	-	-	-	-	-	-	-	-
Subcontractor retentions	-	-	-	-	65	66	(1)	36
Provisions								
• Annual leave	-	-	-	-	142	141	1	26
• Staff gratuities	-	-	-	-	9	9	-	1
• Sick leave	-	-	-	-	8	13	(6)	4
• Time in lieu	-	-	-	-	33	52	(19)	(5)
• Long service leave	-	-	-	-	90	38	52	19
• Aftercare	-	-	-	-	31	38	5	14
• Redundancy	-	-	-	-	23	-	23	-
Lease asset depreciation	-	-	-	-	-	-	-	-
Operating lease payments	-	-	-	-	-	-	-	-
Lease interest	-	-	-	-	-	-	-	-
ACC premiums	-	-	-	-	-	-	-	-
Maintenance accruals	-	-	-	-	-	-	-	-
Construction accruals	-	-	-	-	-	-	-	-
Corporate accruals	-	-	-	-	-	18	-	-
Contract liabilities	-	-	-	-	71	316	(50)	(72)
Future depreciation	-	-	-	-	-	-	-	-
Lease liability	-	-	-	-	14	49	(259)	(27)
Deferred tax assets	**-**	**-**	**-**	**-**	**486**	**740**	**(254)**	**(4)**
Net deferred tax assets/ (liabilities)	**-**	**-**	**-**	**-**	**(779)**	**(844)**	**-**	**-**
Deferred tax income/ (expense)	**-**	**-**	**-**	**-**	**-**	**-**	**65**	**47**

10. Trade and Other Payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. Trade and other payables as at 30 June are:

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Current				
Trade payable - exchange transactions	10,070	11,695	9,528	10,931
Taxes payable	61	(29)	109	(37)
Employee benefits	1,001	-	2,161	-
Trust funds and deposits	42	42	42	42
Revenue in advance	2,952	4,590	2,952	4,590
Total current	**14,126**	**16,298**	**14,792**	**15,526**
Non-current				
Employee benefits	56	56	380	195
Trade payable - exchange transactions	-	-	-	-
Total non-current	**56**	**56**	**380**	**195**
Total trade and other payables	**14,182**	**16,354**	**15,172**	**15,721**

Exchange Transactions, Transfers and Taxes Payable

Payables under exchange transactions, transfers and taxes payable are non-interest bearing and are normally settled on terms varying between seven days and the 20th of the month following the invoice date, therefore the carrying value approximates their fair value. Most of Council's payables are exchange transactions as they are directly with another party on an arm's length basis. Non-exchange payables are classified as either taxes (e.g. PAYE and GST) or transfers payable (e.g. Council grants).

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Exchange transactions				
Trade payables and accruals	10,077	11,705	7,813	10,941
Total trade payable - exchange transactions	**10,077**	**11,705**	**7,813**	**10,941**

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Taxes payable				
GST	38	(40)	86	(48)
PAYE	23	11	23	11
Total taxes payable	**61**	**(29)**	**109**	**(37)**

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of comprehensive revenue and expense net of any reimbursement. Refer to **Note 18** for further information about the recorded landfill and quarry aftercare provision.

Employee Benefits

Short-term employee entitlements

Employee benefits, which the Group expects to be settled within 12 months of the balance date, are measured at nominal values based on accrued entitlements at current rates of pay.

A provision for employee benefit liabilities is recognised as a liability when benefits are earned but not paid. This provision includes salaries and wages accrued up to balance date, holiday leave earned, but not yet taken at balance date, retirement and long service leave entitlements expected to be settled within 12 months)

Holiday leave includes annual leave, long service leave, statutory time off in lieu and ordinary time off in lieu. Annual leave is calculated on an actual entitlement basis in accordance with section 21(2) of the Holidays Act 2003.

Long-term employee entitlements

Retirement gratuities

The Council's retirement gratuities provision is a contractual entitlement for a reducing number of employees who, having qualified with 10 years' continuous service will, on retirement, be entitled to a payment based on years of service (up to a maximum) and current salary. This entitlement has not been offered to Council employees since 1990. Based on the remaining participants' age, the provision may not be extinguished until 2030, assuming retirement at 65.

Retirement gratuities are calculated on an actuarial basis based on the likely future entitlements accruing to employees, after taking into account years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and other contractual entitlement information.

The gross retirement gratuities provision as at 30 June 2026, after discounting is $55,857 (2025: $55,857). This figure is inflation adjusted using the Treasury-defined long-term salary discount factor of 3.33% (2025: 3.33%).

Superannuation

Defined contribution pension plan obligations are recognised as an expense in the statement of comprehensive revenue and expense as incurred.

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Current				
Short-term benefits				
Payroll accruals	469	368	953	854
Holiday leave	532	599	1,208	1,234
Total current employee benefits	**1,001**	**967**	**2,161**	**2,088**
Non-current				
Long-term benefits				
Retirement gratuities provision	56	56	56	56
Long service leave	-	-	324	139
Total non-current employee benefits	**56**	**56**	**380**	**195**
Total employee benefit liabilities and provisions	**1,057**	**1,023**	**2,541**	**2,283**

Trust Funds and Deposits

The trust funds are restricted cash with their purpose limited to use by the group "Safer Community Committee".

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Deposits	38	38	38	38
Trust funds	4	4	4	4
Total trust fund and deposits	**42**	**42**	**42**	**42**

Revenue in Advance

Any exchange or non-exchange trade receivable where an overpayment of the account has been recorded is reclassified as a trade payable. The carrying amount is the actual amount of overpayment and is considered the fair value.

Subsidy and grants: Council and the Group have received non-exchange transfer monies for specific purposes, which apply to periods beyond the current year, with conditions that would require the return of the monies if they are not able to fulfil the agreement. The revenue from these agreements will only be recognised as the conditions are fulfilled over time.

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Exchange transactions				
Other income in advance	140	81	140	81
Taxes				
Rates	723	918	723	918
Transfers				
Subsidies and grants	2,089	3,591	2,089	3,591
Total revenue in advance	**2,952**	**4,590**	**2,952**	**4,590**

11. Property, Plant and Equipment

Property, plant and equipment consists of:

- Operational assets – these include land, buildings, library books, furniture, office equipment and motor vehicles
- Restricted assets – restricted assets are parks and reserves owned by the Council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- Infrastructure assets - infrastructure assets are the roads, bridges and fixed utility systems owned by the Council. Each asset class includes all items required for the network to function; for example, sewer reticulation includes reticulation piping and sewer pump stations.
- Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Initial Recognition and Subsequent Expenditure

Property, plant and equipment is measured initially at cost. Cost includes expenditure directly attributable to the acquisition of the items. The cost of an item of property plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the Group, and if the item's cost or fair value can be measured reliably.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to **Note 18** for further information about the recorded landfill and quarry aftercare provision. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

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

Subsequent costs that meet the recognition criteria above are recognised in the carrying value of the item of property, plant and equipment. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

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

Measurement Subsequent to Initial Recognition

Subsequent to initial recognition, property, plant and equipment are measured using either the cost model or the revaluation model. Roads and Three Waters assets are carried at fair value, less impairment losses and accumulated depreciation recognised after the date of the revaluation. All other asset classes are carried at depreciated historical cost.

Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

The valuation cycle for revalued asset classes is normally three years. Revaluation is performed on a class-by-class basis. If an item of property, plant and equipment is revalued, the entire class to which the asset belongs is revalued.

Increases in assets carrying amounts, due to revaluation, are recorded as a revaluation surplus in other comprehensive revenue and credited to the asset revaluation reserves in equity. Decreases in asset carrying amounts decrease revaluation reserves in equity only to the extent that the class of asset has sufficient reserves to absorb the reduction. All other decreases are charged to the statement of comprehensive revenue and expense. If a revaluation increase reverses a decrease previously recognised in the statement of comprehensive revenue and expense, the increase is recognised first in the statement of comprehensive revenue and expense to reverse any previous reduction.

Operational land and buildings were valued at fair value effective from 30 June 2005. The Council has elected to use the fair value of operational land and buildings as at 30 June 2005 as deemed cost. Operational land and buildings are no longer revalued.

Restricted land and buildings were valued at fair value effective from 30 June 2005. The Council has elected to use the fair value of restricted land and buildings as at 30 June 2005 as deemed cost. Restricted land and buildings are no longer revalued.

Infrastructure assets (roads, water treatment and reticulation, sewerage treatment and reticulation and stormwater systems) are carried at fair value on a depreciated replacement cost (DRC) basis as assessed by an independent valuer. At balance date the Council assesses the carrying values of its infrastructure assets to ensure that they do not differ materially from the assets' fair value. If there is a material difference, then the off-cycle asset classes are revalued. Any additions since valuation are carried at depreciated cost.

Land under roads was valued on the basis of fair value of adjacent land as at 30 June 2005. The Council has elected to use the fair value of land under roads as at 30 June 2005 as deemed cost.

Plant and equipment (including leased equipment under finance leases) are measured at cost, net of accumulated depreciation and impairment losses, if any.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment for the Council other than land, at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

QRS uses the diminishing value basis for depreciating plant, equipment and motor vehicles, office equipment and furniture, and computer hardware.

Category	Estimated Life (Years)
Quarries	30-40
Buildings	6-50
Other improvements	6-50
Plant, equipment and vehicles	4-50
Library collection	2-10
Office equipment, furniture & fittings	4-40
Computer equipment	4-5
Sewerage	
Structures	50
Oxidation ponds	40
Pipes	80-120
Manholes	80
Pumps	10-35
Plant	10-35
Resource consents	25
Stormwater	
Reticulation piping	50-100
Culverts	50-120
Manholes/sumps	50-100
Open drains	Not depreciated
Water Supply	
Structures	50
Pumps	15-35
Reticulation piping	60-120
Meters	20
Hydrants	40
Resource consents	20-25
Reservoirs	80-100

Roads	
Top surface (seal)	14
Basecourse	100-120
Formation	Not depreciated
Bridges	20-80
Footpaths	15-40
Kerbs	50
Streetlights (poles)	50

Application of the estimated useful economic lives of assets is subject to change depending on the individual circumstances of the asset, particularly when assets are revalued, and the valuers provide an annual depreciation figure.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end. For revalued assets, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets. An asset's carrying amount is written down immediately to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

Assets Held for Sale
As at 30 June 2026, no properties held by the Group were classified as held for sale. The Group had no properties held for sale in 2025.

Policy on Replacement of Assets

The following policy was consulted on in 1999 and reconfirmed on 30th August 2006 with regards to depreciation. The Council has reviewed its assets and advises that the following assets will be depreciated but not rated for replacement.

1. Community halls
2. Housing
3. Camping ground
4. Roading (NZTA subsidised portion of roading)
5. Community Centre
6. Loan-funded assets including the Māhia and Ōpoutama wastewater systems.

The above assets will be maintained on an ongoing basis at a level that meets the community's needs. Where appropriate the Council will cover each asset with insurance cover for fire, earthquake and natural catastrophe. The effects of this decision are that:

1. The existing assets will be available for many years to come.
2. Once an asset or part thereof reaches the point where it is considered unsafe to use then that asset will be removed and replaced if the Council's Long-Term Plan provides for this.
3. Should any asset under this policy be the subject of an insurance claim then, prior to reinstatement, Council will decide whether reinstatement of the asset should proceed or whether the service should be discontinued at the time of loss.
4. By not rating loss of service potential (depreciation) there is a reduction in rates payable by the present ratepayers.

2026 Depreciation not rated (Council Only)

	2026	
	Budget $	Actual $
Community halls	149	74
Housing	1	1
Camping ground	6	48
Roading (Waka Kotahi subsidised portion of roading)	4,731	5,564
Community Centre	-	38
Loan-funded assets including the Māhia and Ōpoutama wastewater systems	907	1,087
Other assets	275	1,128
Total depreciation not funded	**6,069**	**7,938**

Impairment of Non-Financial Assets

Impairment of Cash Generating Assets
For non-financial cash-generating assets, the Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. An asset or CGU's recoverable amount is the higher of an assets or CGU's fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The value in use for cash-generating assets and cash generating units is the present value of expected future cash flows. Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of comprehensive revenue and expense.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such an indication exists, the Group estimates the assets or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in surplus or deficit.

The following assets have specific characteristics for impairment testing:
Intangible assets with indefinite useful life

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a

finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use

Impairment of Non-Cash Generating Assets
For non-financial non-cash-generating assets, the Group assesses at each reporting date whether there is an indication that the carrying amount may not be recoverable. If any indication exists, the Group estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash- generating asset's fair value less costs to sell and its value in use.

In assessing value in use, the Group has adopted the depreciated replacement cost approach. Under this approach, the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount.

For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

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

For each asset, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the Group estimates the asset's recoverable service amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable service amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

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

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

Impairment on infrastructural assets
The impairment, as at 30 June 2026, to WDC's transport network due to extreme weather events consist of two critically damaged bridges (Te Puna Bridge and Murphy's No.1 Bridge) a further 24 bridges requiring repairs, 68 road dropouts, 12 landslides, and 10 general impairments (e.g. flooding, fallen trees, pavement and/or culvert damage). These weather events have resulted in impairment adjustments of $38,272,290 as at 30 June 2026 (Wairoa District Council Transport Asset Revaluation as at 30 June 2026 – WSP 18 September 2026).

Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in surplus or deficit. Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold is transferred to accumulated comprehensive revenue and expense.

	Council											
	30 June 2025			Current year						30 June 2026		
	Cost / revaluation $000	Accumulated depreciation & impairment $000	Carrying amount $000	Revaluation $000	Disposal $000	Accumulated depreciation on disposals $000	Additions $000	Impairment (charges)/ recoveries $000	Depreciation charges $000	Carrying amount $000	Cost / revaluation $000	Accumulated depreciation & impairment $000
Land	4,354	(7)	4,347	-	-	-	41	-	(2)	4,386	4,395	(9)
Buildings	14,352	(5,564)	8,788	-	-	-	3,452	-	(407)	11,833	17,804	(5,971)
Other Improvements	12,471	(4,847)	7,624	-	-	-	352	-	(738)	7,238	12,823	(5,585)
Vehicles	1,123	(869)	254	-	(343)	343	414	-	(96)	572	1,194	(622)
Furniture and office equipment	5,290	(3,231)	2,059	-	(255)	255	663	-	(289)	2,433	5,698	(3,265)
Library collections	813	(618)	195	-	(551)	551	44	-	(29)	210	306	(96)
Total non- infrastructural assets	**38,403**	**(15,136)**	**23,267**	**-**	**(1,149)**	**1,149**	**4,966**	**-**	**(1,561)**	**26,672**	**42,220**	**(15,548)**
Roading	426,592	(87,126)	339,466	(6,549)	-	-	13,177	(13,732)	(5,923)	326,439	433,220	(106,781)
Land under roads	5,344	-	5,344	-	-	-	-	-	-	5,344	5,344	-
Bridges	69,739	(26,241)	43,498	(11,792)	-	-	21,767	7,114	(1,876)	58,711	79,714	(21,003)
Water supply - treatment plant & facilities	9,586	(1,880)	7,706	-	-	-	76	-	-	7,782	9,662	(1,880)
Water supply - other assets	24,535	(3,954)	20,581	-	-	-	-	-	(1,064)	19,517	24,535	(5,018)
Sewerage - treatment plant & facilities	31,062	(3,590)	27,472	-	-	-	1,059	-	(907)	27,624	32,121	(4,497)
Sewerage - other assets	8,259	-	8,259	-	-	-	-	-	-	8,259	8,259	-
Stormwater	16,294	(2,104)	14,190	-	-	-	744	-	(504)	14,430	17,038	(2,608)
Parking	328	(64)	264	-	-	-	-	-	-	264	328	(64)
Total infrastructural assets	**591,739**	**(124,959)**	**466,780**	**(18,341)**	**-**	**-**	**36,823**	**(6,618)**	**(10,274)**	**468,370**	**610,221**	**(141,851)**
Total assets	**630,142**	**(140,095)**	**490,047**	**(18,341)**	**(1,149)**	**1,149**	**41,789**	**(6,618)**	**(11,835)**	**495,042**	**652,441**	**(157,399)**
Capital work in progress	11,149	-	11,149	-	(10,619)	-	5,568	-	-	6,098	6,098	-
Total assets including work in progress	**641,291**	**(140,095)**	**501,196**	**(18,341)**	**(11,768)**	**1,149**	**47,357**	**(6,618)**	**(11,835)**	**501,140**	**658,539**	**(157,399)**

	Group											
	30 June 2025			Current year						30 June 2026		
	Cost / revaluation $000	Accumulated depreciation & impairment $000	Carrying amount $000	Revaluation $000	Disposal $000	Accumulated depreciation on disposals $000	Additions $000	Impairment (charges)/ recoveries $000	Depreciation charges $000	Carrying amount $000	Cost / revaluation $000	Accumulated depreciation & impairment $000
Land	4,777	(399)	4,378	-	-	-	41	-	(2)	4,417	4,818	(401)
Buildings	21,091	(6,454)	14,637	-	(10)	-	3,639	-	(627)	17,640	24,720	(7,080)
Other Improvements	12,472	(4,847)	7,625	-	-	-	352	-	(738)	7,239	12,824	(5,585)
Vehicles	17,802	(12,638)	5,164	-	(601)	539	2,342	-	(1,669)	5,775	19,543	(13,768)
Furniture and office equipment	5,859	(3,660)	2,199	-	(317)	317	688	-	(318)	2,569	6,230	(3,661)
Library collections	813	(617)	196	-	(551)	551	44	-	(29)	211	306	(95)
Total non- infrastructural assets	**62,814**	**(28,614)**	**34,200**	**-**	**(1,479)**	**1,407**	**7,106**	**-**	**(3,383)**	**37,851**	**68,441**	**(30,590)**
Roading	422,270	(87,141)	335,129	(6,549)	-	-	12,671	(13,732)	(3,044)	324,475	428,392	(103,917)
Land under roads	5,344	-	5,344	-	-	-	-	-	-	5,344	5,344	-
Bridges	69,739	(26,241)	43,498	(11,792)	-	-	21,767	7,114	(1,876)	58,711	79,714	(21,003)
Water supply - treatment plant & facilities	9,586	(1,880)	7,706	-	-	-	76	-	-	7,782	9,662	(1,880)
Water supply - other assets	24,535	(3,954)	20,581	-	-	-	-	-	(1,064)	19,517	24,535	(5,018)
Sewerage - treatment plant & facilities	31,062	(3,590)	27,472	-	-	-	1,059	-	(907)	27,624	32,121	(4,497)
Sewerage - other assets	8,259	-	8,259	-	-	-	-	-	-	8,259	8,259	-
Stormwater	16,294	(2,104)	14,190	-	-	-	744	-	(504)	14,430	17,038	(2,608)
Parking	328	(64)	264	-	-	-	-	-	-	264	328	(64)
Total infrastructural assets	**587,417**	**(124,974)**	**462,443**	**(18,341)**	**-**	**-**	**36,317**	**(6,618)**	**(7,395)**	**466,406**	**605,393**	**(138,987)**
Total assets	**650,231**	**(153,588)**	**496,643**	**(18,341)**	**(1,479)**	**1,407**	**43,423**	**(6,618)**	**(10,778)**	**504,257**	**673,834**	**(169,577)**
Capital work in progress	11,149	-	11,149	-	(10,619)	-	5,568	-	-	6,098	6,098	-
Total assets including work in progress	**661,380**	**(153,588)**	**507,792**	**(18,341)**	**(12,098)**	**1,407**	**48,991**	**(6,618)**	**(10,778)**	**510,355**	**679,932**	**(169,577)**

	Council											
	30 June 2024			Prior Year						30 June 2025		
	Cost / revaluation $000	Accumulated depreciation & impairment $000	Carrying amount $000	Revaluation $000	Disposal $000	Accumulated depreciation on disposals $000	Additions $000	Impairment charges $000	Depreciation charges $000	Carrying amount $000	Cost / revaluation $000	Accumulated depreciation & impairment $000
Land	4,354	(5)	4,349	-	-	-	-	-	(2)	4,347	4,354	(7)
Buildings	14,331	(5,154)	9,177	-	-	-	21	-	(410)	8,788	14,352	(5,564)
Other Improvements	8,120	(3,756)	4,364	-	-	-	4,351	-	(1,091)	7,624	12,471	(4,847)
Vehicles	972	(852)	120	-	(41)	41	192	-	(58)	254	1,123	(869)
Furniture and office equipment	5,247	(4,052)	1,195	-	(1,045)	1,045	1,088	-	(224)	2,059	5,290	(3,231)
Library collections	768	(594)	174	-	-	-	45	-	(24)	195	813	(618)
Total non- infrastructural assets	**33,792**	**(14,413)**	**19,379**	**-**	**(1,086)**	**1,086**	**5,697**	**-**	**(1,809)**	**23,267**	**38,403**	**(15,136)**
Roading	413,432	(62,141)	351,291	-	-	-	13,160	(19,436)	(5,549)	339,466	426,592	(87,126)
Land under roads	5,344	-	5,344	-	-	-	-	-	-	5,344	5,344	-
Bridges	69,370	(21,260)	48,110	-	-	-	369	(3,526)	(1,455)	43,498	69,739	(26,241)
Water supply - treatment plant & facilities	9,170	(1,434)	7,736	349	-	-	67	-	(446)	7,706	9,586	(1,880)
Water supply - other assets	26,368	(3,291)	23,077	(2,795)	-	-	962	-	(663)	20,581	24,535	(3,954)
Sewerage - treatment plant & facilities	28,293	(2,725)	25,568	2,297	-	-	472	-	(865)	27,472	31,062	(3,590)
Sewerage - other assets	8,259	-	8,259	-	-	-	-	-	-	8,259	8,259	-
Stormwater	12,550	(1,692)	10,858	3,156	-	-	588	-	(412)	14,190	16,294	(2,104)
Parking	328	(64)	264	-	-	-	-	-	-	264	328	(64)
Total infrastructural assets	**573,114**	**(92,607)**	**480,507**	**3,007**	**-**	**-**	**15,618**	**(22,962)**	**(9,390)**	**466,780**	**591,739**	**(124,959)**
Total assets	**606,906**	**(107,020)**	**499,886**	**3,007**	**(1,086)**	**1,086**	**21,315**	**(22,962)**	**(11,199)**	**490,047**	**630,142**	**(140,095)**
Capital work in progress	4,568	-	4,568	-	(2,318)	-	8,899	-	-	11,149	11,149	-
Total assets including work in progress	**611,474**	**(107,020)**	**504,454**	**3,007**	**(3,404)**	**1,086**	**30,214**	**(22,962)**	**(11,199)**	**501,196**	**641,291**	**(140,095)**

	Group											
	30 June 2024			Prior Year						30 June 2025		
	Cost / revaluation $000	Accumulated depreciation & impairment $000	Carrying amount $000	Revaluation $000	Disposal $000	Accumulated depreciation on disposals $000	Additions $000	Impairment charges $000	Depreciation charges $000	Carrying amount $000	Cost / revaluation $000	Accumulated depreciation & impairment $000
Land	4,777	(397)	4,380	-	-	-	-	-	(2)	4,378	4,777	(399)
Buildings	21,070	(5,830)	15,240	-	-	-	21	-	(624)	14,637	21,091	(6,454)
Other Improvements	8,121	(3,756)	4,365	-	-	-	4,351	-	(1,091)	7,625	12,472	(4,847)
Vehicles	18,276	(10,970)	7,306	-	(43)	43	(431)	-	(1,711)	5,164	17,802	(12,638)
Furniture and office equipment	5,816	(4,446)	1,370	-	(1,045)	1,045	1,088	-	(259)	2,199	5,859	(3,660)
Library collections	768	(593)	175	-	-	-	45	-	(24)	196	813	(617)
Total non- infrastructural assets	**58,828**	**(25,992)**	**32,836**	**-**	**(1,088)**	**1,088**	**5,074**	**-**	**(3,710)**	**34,200**	**62,814**	**(28,614)**
Roading	409,596	(62,156)	347,440	-	-	-	12,674	(19,436)	(5,549)	335,129	422,270	(87,141)
Land under roads	5,344	-	5,344	-	-	-	-	-	-	5,344	5,344	-
Bridges	69,370	(21,260)	48,110	-	-	-	369	(3,526)	(1,455)	43,498	69,739	(26,241)
Water supply - treatment plant & facilities	9,170	(1,434)	7,736	349	-	-	67	-	(446)	7,706	9,586	(1,880)
Water supply - other assets	26,368	(3,291)	23,077	(2,795)	-	-	962	-	(663)	20,581	24,535	(3,954)
Sewerage - treatment plant & facilities	28,293	(2,725)	25,568	2,297	-	-	472	-	(865)	27,472	31,062	(3,590)
Sewerage - other assets	8,259	-	8,259	-	-	-	-	-	-	8,259	8,259	-
Stormwater	12,550	(1,692)	10,858	3,156	-	-	588	-	(412)	14,190	16,294	(2,104)
Parking	328	(64)	264	-	-	-	-	-	-	264	328	(64)
Total infrastructural assets	**569,278**	**(92,622)**	**476,656**	**3,007**	**-**	**-**	**15,132**	**(22,962)**	**(9,390)**	**462,443**	**587,417**	**(124,974)**
Total assets	**628,106**	**(118,614)**	**509,492**	**3,007**	**(1,088)**	**1,088**	**20,206**	**(22,962)**	**(13,100)**	**496,643**	**650,231**	**(153,588)**
Capital work in progress	4,568	-	4,568	-	(2,318)	-	8,899	-	-	11,149	11,149	-
Total assets including work in progress	**632,674**	**(118,614)**	**514,060**	**3,007**	**(3,406)**	**1,088**	**29,105**	**(22,962)**	**(13,100)**	**507,792**	**661,380**	**(153,588)**

Valuation: Roading, Bridges and Parking Infrastructural Assets

Roading, bridges, and parking infrastructural assets are valued on a depreciated replacement cost basis. Replacement cost is the cost of building the existing infrastructure using present day technology but maintaining the originally designed level of service and performance. Replacement cost was calculated by multiplying asset quantities by unit cost rates factored to allow for other direct costs such as professional fees.

The following significant assumptions are used in determining the replacement cost of these assets:

- Estimating the replacement cost of the asset.
- Estimates of the useful lives for the purpose of calculating depreciation.
- Estimating any diminishment in the capacity of assets that would be required if the assets were replaced.

The revaluation for roading, bridges and parking were performed by WSP, as at 30 June 2026. The carrying value of assets are the assessed fair value of the assets as per the conclusions of the revaluation reports. This reflects the fair value as at 30th June 2026. The revaluation includes impairments to the roading infrastructure assets totalling $38,272,000 resulting from flooding events in the Wairoa District. There are assumptions and estimates used when performing depreciated replacement cost valuations over infrastructural assets.

These include:

- The physical deterioration and condition of an asset, for example the council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over-or-under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk the Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management activities, which give the Council further assurance over its useful life estimates.

Valuation: Water Networks, Waterwater Treatment Plants and Wastewater Pump Stations

Water Networks, Treatment Plants, and Wastewater Pump Stations are valued using the optimised depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the optimised depreciated replacement cost method.

These include:

- Estimating the replacement cost of the asset.
- Estimates of the remaining useful life over which the asset will be depreciated.

Useful lives were determined with reference to the NZ Infrastructure Asset Valuation and Depreciation Guidelines 2006 and local conditions and knowledge.

The revaluation for Water Networks, Treatment Plants, and Wastewater Pump Stations was performed by GHD, as at 31 March 2025.

12. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made prospectively.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in surplus or deficit when the asset is derecognised.

Software Acquisition and Development

The Group holds several computer software packages for internal use, including purchased software and software developed in-house by the Group. Staff training costs and costs associated with maintaining computer software are recognised as expenses in surplus or deficit when incurred.

Costs incurred to configure or customise software in a cloud computing arrangement are recognised as intangible assets only if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria.

Trademarks

A trademark is an exclusive right to use a phrase or term that has been approved on application by the New Zealand Intellectual Property Office. The Council owns three phrases: “Space Coast Aotearoa,” "Space Coast New Zealand” and “Earth Base One.” Acquired trademarks are capitalised on the basis of the costs incurred to acquire the specific trademark, which is considered to reflect the fair market value of the assets.

Emmissions Units (Carbon Credits)

Carbon Credits, recognised as intangible assets upon acquisition by the Council, have been initially measured at fair value. Council's primary objective in acquiring carbon credits is environmental mitigation rather than utilising them as financial instruments for profit or investment purposes. Consequently, they have not been subject to subsequent revaluation in accordance with applicable accounting standards.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use, and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of comprehensive revenue and expense. A summary of the policies applied to the Group’s major classes of intangible assets is, as follows:

	Software	Trademarks	Emissions Trading Credits
Useful life	Finite: 3 years	Indefinite	Indefinate
Amortisation method	Straight line basis	Not amortised	Not amortised
Internally-generated or acquired	Some acquired and some internally-generated	Acquired	Acquired

Impairment Testing of Intangible Assets with Indefinate Useful Life

Trademarks

The trademarks held by the group have been registered with New Zealand Intellectual Property Office with the option to renew at the end of the period at little cost to the Group, which has allowed the Group to determine that these assets have indefinite useful lives. As trademarks are a non-cash-generating intangible asset, they were not allocated to a cash generating unit for impairment testing.

The Group performed its annual impairment test for these trademarks in June 2026. No impairment loss has been recognised in relation to the trademarks (2025: nil).

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Software				
Cost as at 1 July	90	798	403	1,106
Additions	-	-	-	5
Disposals	(44)	(708)	(100)	(708)
Total cost as at 30 June	**46**	**90**	**303**	**403**
Accumulated amortisation and impairment 1 July	89	796	352	1,047
Current year amortisation charge	1	1	11	1
Disposals	(44)	(708)	(100)	(696)
Total accumulated amortisation and impairment at 30 June	**46**	**89**	**263**	**352**
Software carrying value 30 June	**-**	**1**	**40**	**51**
Trademarks				
Cost as at 1 July	12	12	12	12
Additions	-	-	-	-
Disposals	-	-	-	-
Total cost as at 30 June	**12**	**12**	**12**	**12**
Accumulated amortisation and impairment 1 July	-	-	-	-
Current year amortisation charge	-	-	-	-
Disposals	-	-	-	-
Total accumulated amortisation and impairment at 30 June	**-**	**-**	**-**	**-**
Trademarks carrying value 30 June	**12**	**12**	**12**	**12**
Emissions Trading Credits				
Cost as at 1 July	184	359	184	359
Additions	-	280	-	280
Disposals	109	455	109	455
Total cost as at 30 June	75	184	75	184
Net carrying value of intangible assets 1 July	197	373	247	430
Net carrying value of intangible assets 30 June	**87**	**197**	**127**	**247**

13. Biological Assets – Forestry

The Group's biological assets consist of forestry. Forestry assets are independently valued triennially at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and environmental, operational and market restrictions.

Gains or losses arising on the initial recognition of biological assets at fair value less estimated sale costs and from a change in fair value less estimated point of sale costs are recognised in the statement of comprehensive revenue and expense. The costs to maintain forestry assets are included in the statement of comprehensive revenue and expense.

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Balance at 1 July	115	115	115	115
Increases due to purchase	-	-	-	-
Gains / (losses) arising from changes in fair value	-	-	-	-
Balance at 30 June	**115**	**115**	**115**	**115**

The Council owns 29.3 hectares (2025: 29.3 hectares) of forest, mostly Pinus radiata, which are at varying stages of maturity. No trees have been harvested during the year (2025: nil).

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

Valuation Assumptions

Forestry assets are valued by fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. Future costs and revenue are discounted from the year in which they occur to the date of the valuation by applying an appropriate discount rate. The appropriate discount rate is determined by considering the implied discount rate based on recent sales of forests.

Council's forestry holdings were valued as at 30th June 2020 by registered valuer Trevor Kitchin of Telfer Young Limited (Hawkes Bay). This reflects the fair value as at 30th June 2020. Council considers that there have been no events that would give rise to a material change in this valuation during the year.

Significant assumptions applied in this determination of fair value are:

- A pre-tax discount rate of 8.00% has been used in discounting the present value of expected cash;
- Growing and harvesting costs and revenues are based on current and actual industry based costs and revenues experienced by similar forests in the wider district;
- The valuations involve the tree crop only and not the land under the trees;
- The valuation excludes any liabilities or credits associated with NZ units under the Emissions Trading Scheme.

Financial Risk Management Strategies

The valuer identified that the forests owned by Council are sensitive to financial risks arising from changes in timber prices. The Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore has not taken any measures to manage the risks of a decline in timber prices. The Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

14. Investments in Subsidiary

The Council's investment in its subsidiary is carried at cost less any impairment charges in the Council's own "parent entity" financial statements. There are no significant restrictions on the ability of the controlled entity to transfer funds to the Council in the form of cash distributions or to repay loans or advances.

In accordance with the company's Statement of Intent, an independent valuation was conducted by Price Waterhouse Coopers in May 2019. The 'fair market value' was assessed as being between $7.1 million and $8.8 million. Council carries this investment at cost in its balance sheet.

Information on inter-company transactions is included in **Note 21**.

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Quality Roading and Services (Wairoa) Limited	1,250	1,250	-	-
Total investment in subsidiary	**1,250**	**1,250**	**-**	**-**

15. Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Investment property is measured initially at its cost including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day maintenance of an investment property.

After initial recognition, the Council measures all investment property at cost less accumulated depreciation. Depreciation is provided on a straight-line basis on all investment property for the Council other than land, at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Category	Estimated Life (Years)
Buildings	30-40
Furniture and Fittings	5-20

Investment properties are derecognised when they have been disposed of or when the investment property is permanently withdrawn from use and no future benefit

is expected from its disposal. Any gains or losses on derecognition of an investment property are recognised in the statement of comprehensive revenue and expense in the year of derecognition.

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Cost at 1 July	8,366	8,377	8,366	8,377
Disposals	-	(49)	-	(49)
Prior Year Adjustment	(57)	-	(57)	-
Additions	39	38	39	38
Total cost at 30 June	**8,348**	**8,366**	**8,348**	**8,366**
Accumulated depreciation as at 1 July	(219)	(45)	(219)	(45)
Current year depreciation charge	(166)	(174)	(166)	(174)
Total accumulated depreciation as at 30 June	**(385)**	**(219)**	**(385)**	**(219)**
Net carrying value of investment properties 1 July	8,147	8,332	8,147	8,332
Net carrying value of investment properties 30 June	**7,963**	**8,147**	**7,963**	**8,147**

	Council and Group	
	2026 $	2025 $
Rental revenue	90	115
Direct operating expenses from investment property generating revenue	85	157

16. Loan to Subsidiary

As of June 30, 2026, Council has extended a loan to its Subsidiary, in the amount of $1,026,000. The loan features a fixed interest rate of 5.719% and is due for full repayment in April 2029. This receivable loan is classified as a non-current asset in accordance with applicable accounting standards. The accounting treatment for the loan is in accordance with applicable accounting standards, recognizing a current portion as of the reporting date, reflecting the interest income expected to accrue within the next twelve months. The remaining portion of the loan is classified as a non-current asset.

Council recognises interest income over the loan term using the effective interest rate method. As of the reporting date, there are no indications of impairment, and Council continues to accrue interest income in accordance with the agreed terms.

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Quality Roading and Services (Wairoa) Limited	1,026	1,037	-	-
Total investment in subsidiary	**1,026**	**1,037**	**-**	**-**

17. Borrowings

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Council or QRS has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Current				
Secured loans	-	8,500	1,012	9,466
Total current	**-**	**8,500**	**1,012**	**9,466**
Non-current				
Secured Loans	9,526	1,124	12,381	3,893
Total non-current	**9,526**	**1,124**	**12,381**	**3,893**
Total borrowings	**9,526**	**9,624**	**13,393**	**13,359**

Fair Value of Borrowings

The fair values are based on cash flows discounted using a rate based on the weighted average borrowing rate of 3.8% Council (2025: 4.95%) and 2.95% Group (2025: 4.25%). The carrying amounts of borrowings repayable within one year approximate their fair value. The Council and the Group have $4.25 million in floating rate debt.

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Carrying amounts	9,526	9,624	13,393	13,359
Fair values	9,557	9,400	13,220	11,495

Maturity Analysis and Effective Interest Rates

The following is a maturity analysis of the Group's borrowings. There are no early repayment options.

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Less than one year	-	8,500	1,012	9,465
Weighted average effective interest rate	0.00%	4.85%	1.06%	5.02%
Later than one year but less than two years	8,500	-	11,355	2,770
Weighted average effective interest rate	3.57%	0.00%	2.94%	1.09%
Later than two years but less than five years	1,026	1,124	1,026	1,024
Weighted average effective interest rate	5.72%	5.72%	5.72%	5.72%
Later than five years	-	-	-	-
Weighted average effective interest rate	-	-	-	-
Total borrowings	**9,526**	**9,624**	**13,393**	**13,259**

Security

The Council's loans are secured over either separate or general rates of the district.

QRS has term loan facilities secured over the carrying value of the companies assets. At 30 June 2026, QRS has a loan to finance the purchase of a 50t horizontal cement silo.

Internal Borrowing

The Council manages its borrowings in accordance with its funding and financial policies which includes an Investment and Liability Management Policy.

The Council holds internal borrowings for the following groups of activities:

	1 July Opening balance $000	Borrowed (repaid) in year $000	30 June Closing balance $000
Water supply	2,161	254	2,415
Stormwater and drainage	1,136	654	1,790
Wastewater	6,604	(277)	6,327
Waste management	(122)	85	(37)
Transport	7,353	213	7,566
Community facilities	(276)	468	192
Governance and Community	983	(24)	959
Planning and regulatory	1,589	(121)	1,468
Support services	2,731	(139)	2,592
Total internal borrowings	**22,159**	**1,113**	**23,272**

The Council uses an assumed internal interest rate of 3.8% (2025: 4.95%), consistent with its weighted average external borrowing rate, in relation to internal borrowing amounts. Interest charges for the year are:

	Interest charged	
	2026 $000	2025 $000
Water supply	84	122
Stormwater and drainage	54	77
Wastewater	235	302
Waste management	(3)	33
Transport	272	314
Community facilities	4	(65)
Leadership and governance	35	71
Planning and regulatory	56	107
Support services	97	98
Total internal interest charged	**834**	**1059**

18. Landfill and Quarry Aftercare Provisions

Landfill Aftercare Provision

The management of the landfill will influence the timing of recognition of some liabilities. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The cash outflows for landfill post-closure are expected to occur within the next 8 years. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises, which is when each stage of the landfill is commissioned and refuse begins to accumulate.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including known changes to legal requirements and known improvements in technology. The provision includes all costs associated with landfill post-closure including final cover application and vegetation; incremental drainage control features; completing facilities for leachate collection and monitoring; completing facilities for water quality monitoring; completing facilities for monitoring and recovery of gas. Amounts provided for landfill post-closure are capitalised to the landfill asset. The capitalised landfill asset is depreciated over the life of the landfill based on the capacity used.

This note discloses an analysis of the exposure of the Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision. The Council has assumed that the aftercare provision for Wairoa Landfill is operative until 2076, based upon the resource consent issued by the Hawke's Bay Regional Council which will need to be extended in 2031. There is capacity available for this extension. The Council has a responsibility under the resource consent to provide for ongoing maintenance and monitoring of the landfill site.

The following key assumptions have been used in calculating the landfill rehabilitation provision:

- Estimated year of closure: 2031 (2025: 2026)
- Length of post-closure monitoring period: 50 years (2025: 50 years)
- Total expected cash outflow – undiscounted: $2.82m (2025: $3.432m)
- Discount rate: 2.97% (2025: 3.14%)

There are closure and post-closure responsibilities such as the following:

Closure responsibilities

- Final cover application and vegetation
- Incremental drainage control features
- Completing facilities for leachate collection and monitoring
- Completing facilities for monitoring and recovery of gas

Post-closure responsibilities

- Treatment and monitoring of leachate
- Ground water and surface monitoring
- Gas monitoring and recovery
- Implementation of remedial measures such as needed for cover, and control systems
- Ongoing site maintenance for drainage systems, final cover and vegetation

Landfill post closure costs

The Māhia landfill was closed and capped in 2004 and aftercare of the landfill finished in 2014. There is however ongoing monitoring of the bores with an estimated annual cost (at today's dollar values) of $786 per annum.

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Opening balance	3,432	2,032	3,432	2,032
Movement in provision	(221)	1,400	(221)	1,400
Amount utilised	-	-	-	-
Landfill post closure costs – closing balance	**3,211**	**3,432**	**3,211**	**3,432**
Current	-	-	-	-
Non-current	3,211	3,432	3,211	3,432
Landfill post closure costs – closing balance	**3,211**	**3,432**	**3,211**	**3,432**

19. Equity

Equity is the community's interest in the Council and Group and is measured as the difference between total assets and total liabilities. Equity is broken down and classified into a number of components to enable clearer identification of the specified uses of equity within the Council and the Group.

The components of equity are accumulated funds and retained earnings, revaluation reserves which include a fair value through other comprehensive revenue and expense reserve and restricted funds which comprise special fund reserves.

Special reserves are restricted by Council decision and subject to specific conditions of use. Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met. The Council may alter them without references to any third party or the Courts. Transfers to or from these reserves are at the discretion of the Council.

Wairoa District Council has the following Council created special reserves:

- A disaster recovery reserve is held to fund Council's share of any costs relating to a natural disaster or unforeseen event.
- Reserves held for future asset purchases include proceeds from the sale of Council-owned infrastructure, land and buildings. These are held in the district development reserve and may be used towards the cost of purchasing or constructing new assets.
- A number of depreciation reserves are held to fund the renewal of infrastructure and other assets.
- Reserves held to meet future operational costs include administration reserves – funds carried over from one financial year to the next to match related expenditure, and retirement and restructuring reserves – to fund future retirement, redundancy, long service gratuities and costs associated with Council reorganisations.
- Reserves held for the repayment of debt as it matures.

Equity Management

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Special reserves	23,025	24,395	23,025	24,395
Revaluation reserves	259,315	284,334	259,315	284,334
Ratepayer's equity	215,379	189,262	221,042	195,389
Total equity	**497,719**	**497,991**	**503,382**	**504,118**

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

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

The Act requires the Council to make adequate and effective provision in its Long Term Plan and its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's Long Term Plan. The Council monitors actual expenditure incurred against the Long Term Plan and Annual Plan. No changes were made in the equity management objectives, policies or processes for the year ended 30 June 2026.

Revaluation Reserves

The revaluation reserves are used to record accumulated increases and decreases in the fair value of certain asset classes. Revaluation movements are non-cash in nature and represent the restating of the Council's assets, subject to revaluation, into current dollar values after taking into account the condition and remaining lives of the assets.

The result of any revaluation of the Group's property, plant and equipment is recognised within other comprehensive revenue and expense and taken to the asset revaluation reserve. Where this results in a debit balance in the reserve for a class of property, plant and equipment, the balance is transferred to the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised within surplus or deficit will be recognised firstly, within surplus or deficit up to the amount previously expensed, and with any remaining increase recognised

within other comprehensive revenue and expense and in the revaluation reserve for that class of property, plant and equipment. Any impairment in a revalued class of asset is recognised within other comprehensive revenue and expense and the portion relating to previous revaluation gains is taken to the asset revaluation reserve.

Accumulated depreciation at the revaluation date is eliminated so that the carrying amount after revaluation equals the revalued amount. While assumptions are used in all revaluations, the most significant of these are in infrastructure. For example where stormwater, wastewater and water supply pipes are underground, the physical deterioration and condition of assets are not visible and must therefore be estimated. Any revaluation risk is minimised by performing a combination of physical inspections and condition modelling assessments.

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Revaluation reserves - opening balance	284,334	307,327	284,334	307,327
Transfer to ratepayers equity	-	(3,038)	-	(3,038)
Revaluation recognised in other comprehensive revenue and expense	(25,019)	(19,955)	(25,019)	(19,955)
Revaluation reserves - closing balance	**259,315**	**284,334**	**259,315**	**284,334**

Ratepayers Equity (Retained Earnings)

Retained earnings are accumulated surpluses and deficits from operations not transferred to special or restricted reserves over the life of the council.

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Ratepayer's equity - opening balance	189,262	172,032	195,388	177,996
Surplus (deficit) for year	24,687	15,862	24,225	16,025
Transfers to special reserves	(4,247)	(4,528)	(4,247)	(4,528)
Transfers from special reserves	5,617	2,839	5,617	2,839
Transfers from revaluation reserves	60	3,057	60	3,057
Ratepayer's equity - closing balance	**215,379**	**189,262**	**221,042**	**195,389**

Special Reserves

	01 July 2025 Opening balance $000	Transfer to $000	Transfer from $000	30 June 2026 Closing balance $000
Reserves held for emergency purposes				
Disaster recovery reserve	918	-	-	918
Total reserves held for emergency purposes	**918**	**-**	**-**	**918**
Reserves held for future asset purchases				
District development fund	306	-	-	306
Water supply	6,000	837	(378)	6,459
Stormwater	3,285	243	(19)	3,509
Wastewater	3,455	431	(887)	2,999
Waste Management	1,297	-	(26)	1,271
Transport	(375)	2,060	(1,808)	(123)
Community facilities	114	212	(125)	201
Planning and regulatory	521	53	(120)	454
Governance and Community	61	-	(7)	54
Corporate Services	2,835	411	(375)	2,871
Total reserves held for future asset purchases	**17,499**	**4,247**	**(3,745)**	**18,001**
Reserves held for future operational costs				
General purpose fund	669	-	-	669
Wairoa urban fund	328	-	-	328
Retirement and restructuring reserve	123	-	-	123
Tuai village reserve	162	-	-	162
Total reserves held for future operational costs	**1,282**	**-**	**-**	**1,282**
Reserves held for repayment of maturing debt				
Loan repayment reserve - external	2,824	-	-	2,824
Loan repayment reserve - internal	1,872	-	(1,872)	-
Total reserves held for repayment of maturing debt	**4,696**	**-**	**(1,872)**	**2,824**
Total special funds reserves	**24,395**	**4,247**	**(5,617)**	**23,025**

20. Reconciliation of Operating Surplus with Net Cash Flow from Operating Activities

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Net surplus/ (deficit) for the period	**(272)**	**(4,093)**	**(734)**	**(3,930)**
Add/(deduct) non-cash items:				
Depreciation	12,017	11,364	13,918	13,362
Loss on disposal of assets	(20)	-	25	36
Gain on sale of assets	-	18	(11)	(22)
Amortisation	1	1	11	13
Decrease (increase) in deferred taxation	-	-	(66)	(48)
Increase (decrease) in employee benefit provision	35	97	220	169
Net (decrease) in bad debts provision	-	-	-	-
Unrealised loss (gain) on investments	102	(47)	102	(47)
(Decrease) in landfill aftercare provision	(221)	1,400	(221)	1,400
Increase in quarry aftercare provision	-	-	17	8
Loss / (gain) revaluation	24,959	19,955	24,959	19,955
Total non-cash items	**36,873**	**32,788**	**38,954**	**34,826**
Add/(deduct) movement in working capital[1]:				
(Increase) decrease in rates receivable	(398)	(954)	(398)	(954)
(Increase) decrease in trade and other receivables	4,818	4,444	7,912	4,030
Increase (decrease) in trade and other payables	(3,177)	(3,431)	(5,824)	(1,358)
(Increase) decrease in GST receivable	(668)	(66)	(673)	(67)
Increase (decrease) in taxation payable	-	-	(274)	(530)
(Increase) / decrease inventories	(8)	(14)	(141)	(435)
Total movement in working capital	**567**	**(21)**	**602**	**686**
Net cashflows from operating activities	**37,168**	**28,674**	**38,822**	**31,582**

[1] *Excluding non-cash items*

21. Transactions with Related Parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include all members of the Group (Council and controlled entities) and key management personnel. Key management personnel include the Mayor and Councillors as elected members of the governing body of the Council reporting entity, the Chief Executive and all members of the senior leadership team, being key advisors to the Council and Chief Executive.

There were close family members of key management personnel employed by the Council and Group. The terms and conditions of those arrangements are no more favourable than the Council and Group would have adopted if there was no relationship to the key management Personnel.

Material related party transactions - key management personnel of Council

During the year, key management personnel, as part of normal local authority relationships, were involved in transactions with the Council such as payment of rates and purchases of rubbish bags or other Council services. These transactions were on normal commercial terms. Except for these transactions no key management personnel have entered into related party transactions with the Group.

- The Mayor and Councillor's disclose their personal interests in a register available on the Council website.
- There are no commitments from Council to key management personnel.

Material Related Party Transactions - QRS

Council's purchase of services and sales income from QRS for the year were as follows:

	2026 $000	2025 $000
Revenue received by Council for services provided to QRS	142	107
Expenditure payments made by Council for services provided by QRS	28,739	30,485
Dividend received from QRS	300	1,050
Subvention payment from QRS	0	0
Current receivables and recoverables owing to the Council from QRS	42	2
Current payables owed by the Council to QRS	3,047	5,064
Contract retentions	851	1968

The receivable and payable balances are non-interest bearing and are to be settled on normal trading terms and conditions, except for $850,776 (2025: $1,967,589) of contract retentions which are payable at closure of defects liability period.

No related party transactions were forgiven or written off during the period (2025: nil).

22. Fair Value of Financial Assets and Financial Liabilities

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's and Council's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Group			
	Carrying amount		Fair value	
	2026 $000	2025 $000	2026 $000	2025 $000
Financial assets				
Other financial assets:				
• At fair value through OCI	476	325	476	325
Financial liabilities				
Interest-bearing loans and borrowings:				
• Floating rate borrowings	4,250	2,000	4,263	2,000
• Fixed rate borrowings	9,143	11,359	8,957	9,495

	Council			
	Carrying amount		Fair value	
	2026 $000	2025 $000	2026 $000	2025 $000
Financial assets				
Other financial assets:				
• At fair value through OCI	476	325	476	325
Financial liabilities				
Interest-bearing loans and borrowings:				
• Floating rate borrowings	4,250	2,000	4,229	2,000
• Fixed rate borrowings	5,276	7,624	5,329	7,400

Management assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate borrowings are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the counterparty and the risk characteristics of the financed project.
- Fair value of the quoted shares and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- Fair value of the remaining AFS financial assets is derived from quoted market prices in active markets. Due to the immaterial size and nature of the Council's investment in Civic Financial Services Limited, the Council has estimated the fair value of this investment based on net asset backing as at 31 December 2024.
- Fair values of the Group's interest-bearing borrowings and loans are determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The carrying amounts of borrowings repayable within one year approximate their fair value.

Fair Value Hierachy

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

Level 1 – Quoted market price
Financial instruments with quoted prices for identical instruments in active markets.

Level 2 – Valuation techniques using observable inputs
Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 – Valuation techniques with significant non-observable inputs
Financial instruments valued using models where one or more significant inputs are not observable.

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities as at 30 June:

	2026			2025		
	Level 1 $000	Level 2 $000	Level 3 $000	Level 1 $000	Level 2 $000	Level 3 $000
Financial assets carried at fair value						
Financial assets at fair value through other comprehensive revenue and expense	251	-	-	504	-	-
Financial assets at fair value through OCI	-	476	-	-	325	-
Financial liabilities measured at amortised cost						
Fixed rate borrowings	9,143	-	-	11,359	-	-

The level 2 equity investments comprise the Group's LGFA borrower notes and investment in Civil Financial Services. There have been no transfers between Level 1 and Level 2 during the year.

23. Financial Instrument Risk

Financial Risk Management Objectives and Policies

As part of its normal operations, the Group is exposed to a number of risks. The most significant are credit risk, liquidity risk and market risk, which includes interest rate risk. The Council's senior management oversees the management of these risks. The Council's senior management is supported by a Assurance, Risk and Infrastructure (ARI) Committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The ARI Committee provides assurance to the Council that financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Council is risk averse and seeks to minimise exposure from its treasury activities. The Council has approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

The Group's exposure to identified credit, liquidity and market risks and the action that the Group has taken to minimise the impact of these risks is outlined below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and AFS investments.

The sensitivity analyses in the following sections relate to the position as at 30 June 2026. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt are all constant at 30 June 2026.

The analyses exclude the impact of movements in market variables on provisions and the non-financial assets and liabilities. The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of comprehensive revenue and expense item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 30 June 2026.

Interest Rate Risk

The interest rates on the Council's investments are disclosed in **note 8** and on the Council's borrowings in **note 17**. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group can manage its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings, and a spread of maturities over several years. The Council's Investment and Liability Policy outlines the level of borrowing that is secured using fixed rate instruments. The Group's policy is to have no less than 50% of its borrowings at fixed rates of interest.

At 30 June 2026, 68% of the Group's borrowings are at a fixed rate of interest (2025: 100%). For the Council, 55% of all borrowings as at 30 June 2026 are at a fixed rate of interest (2025: 100%).

Interest Rate Sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 50 bps is equivalent to a decrease in interest rates of 0.5%.

At 30 June 2026 the Council and Group have $4.25 million in floating rate debt. Therefore a movement in interest rates has an effect on the Council or Group's interest expense.

Commodity Price Risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of materials for road maintenance and therefore requires a continuous supply of roading metal. This risk is mitigated by the fact that QRS mines its own metal. The risk is further mitigated by Government subsidies relating to roading which offset the costs to Council. If there is an increase in the volatility of the price of the raw materials, the Group will consider entering into various forward commodity purchase contracts in the future.

Equity Price Risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages equity price risk through diversification of the investment portfolio in accordance with the limits set out in the Council's Investment policy. Reports on the equity portfolio are reviewed on a regular basis.

At the reporting date, the listed equity securities at fair value was $251,000 (2025: $504,000). A decrease of 10% on the NZX market index could have an impact of approximately $25,000 (2025: $49,000) on the surplus or equity/net assets attributable to the Group, depending on whether the decline is significant or prolonged. An increase of 10% in the value of the listed securities would only impact equity/net assets and would not influence surplus.

Liquidity Risk

Liquidity risk is the risk that the Group may encounter difficulties in meeting financial liabilities as they fall due. The Group monitors and manages this risk in accordance with the Council's Investment and Liability Policy. The Group maintains sufficient funds to cover all obligations as they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and facilities, debentures, finance leases and hire purchase contracts. The Group mitigates exposure to liquidity risk by managing the maturity of its borrowings programme within policy limits.

The Group's policy is that no more than 50% of borrowings should mature in the next 12-month period. Approximately 8% of the Group's debt will mature in less than one year at 30 June 2026 based on the carrying value of borrowings reflected in the financial statements (2025: 65%).

Expenses related to Cyclone Gabrielle and other extreme weather events have unexpectedly increased our need for operational funding, highlighting the importance of effective cash flow management, particularly given the ongoing variations in payment receipts and disbursements. Access to sources of funding is sufficiently available, and debt maturing within 12 months can be rolled over with existing lenders.

The Council remains adaptable to unforeseen events while maintaining a commitment to sound liquidity risk practices, promptly restoring liquidity risk management practices in line with established policies to ensure financial stability and continuity.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Contractual cashflows of financial liabilities				
0-12 months	14,489	20,419	16,138	20,783
1-2 years	8,571	2,041	11,348	2,041
2-5 years	1,072	1,131	1,072	1,131
More than 5 years	56	56	380	195
Contractual cashflows of financial liabilities	**24,188**	**23,647**	**28,938**	**24,150**
Represented by				
Carrying amount as per the Statement of Financial Position	23,708	23,357	28,459	23,860
Future interest payable	480	290	480	290
Contractual cashflows of financial liabilities	**24,188**	**23,647**	**28,938**	**24,150**

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group's maximum credit risk exposure for each class of financial instruments is as follows:

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Cash and cash equivalents	2,300	1,981	3,214	2,786
Trade and other receivables	9,565	13,827	9,705	15,223
Total financial instruments with credit risk	**11,865**	**15,808**	**12,919**	**18,009**

Trade Receivable From Exchange Transactions

Customer credit risk in relation to trade receivables from exchange transactions is managed by the Council and the Council-controlled organisation subject to the Group's established policy, procedures and control relating to customer credit risk management.

The Group evaluates the concentration of risk with respect to trade receivables as low, the majority of the Group's receivables from non-exchange transactions arise from the Council's statutory functions. There are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. The Group does not hold collateral as security. The Group is not exposed to a material concentration of credit risk around rates and other receivables from non-exchange transactions as it has a large number of credit customers, mainly ratepayers, and has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the Group policy. Investments of surplus funds are made in accordance with the Council's Investment Policy. The Council's FAR Committee reviews investments as required. The Group aims to minimise the concentration of risks and therefore mitigate financial loss resulting from potential counterparty's failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2024 is the carrying amounts as illustrated above.

24. Contingencies

Contingent liabilities and contingent assets are disclosed at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility they will crystallise is not remote. Contingent assets are disclosed if it is probable the benefits will be realised.

Contingent Assets

A contingent asset is a future expected cashflow arriving out of council operations that has an inherent factor of uncertainty.

The Council entered into a 30 year targeted capital rating repayment plan for the connections of private individual's properties to a centralised wastewater network owned by the Council in the Māhia and Ōpoutama catchment areas. In terms of repayment of that cost, ratepayers were eligible to select an upfront payment, or to nominate between 3 and 30 years to repay the cost, plus interest through rates. The ordinary recovery of capital under a capital rating scheme is an instalment charged as a targeted rate, set with each year's rating resolution. In addition, an early repayment policy was adopted in 2016/17 for ratepayers to clear the remaining cost, exclusive of any future interest charges. The costs for the work commissioned by the Council on behalf of the ratepayers for these schemes were capitalised in the 2014/15 financial year.

The calculated value represents the amount owed and repayable under the scheme as at 30 June:

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Balance at 1 July	640	703	640	703
Less: Charged through rates this financial year	(81)	(80)	(81)	(80)
Add back: Interest charged in rates	20	22	20	22
Less: Early repayment policy payments	(11)	(5)	(11)	(5)
Balance at 30 June	**568**	**640**	**568**	**640**

Contingent Liabilities

A contingent liability is a debt that may be incurred in the future, but for which there is no current actual liability owing or an event giving rise to an obligation.

There were no contingent liabilities at 30 June 2026.

25. Commitments

Future Contractual Commitments

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Capital commitments				
Infrastructural assets - Water system	1,061	5,340	1,061	5,340
Infrastructural assets - Roading network	96,318	23,207	9,686	13,307
Other	146	861	146	994
Total capital commitments	**97,525**	**29,408**	**10,893**	**19,641**
Operational commitments				
Maintenance and service contracts	7,564	5,925	7,189	5,925
Total operational commitments	**7,564**	**5,925**	**7,189**	**5,925**
Total contractual commitments	**105,089**	**35,333**	**18,082**	**25,566**

At balance date, QRS had no capital commitments. (2025: nil).

The capital commitments above represent signed contracts in place at the end of the reporting period. The contracts will often span more than one financial year and may include capital expenditure carried forward from previous years.

Non-Cancellable Operating Lease Commitments

The Council leases photocopy machines and a building in the ordinary course of its business. New leases for each were negotiated in the current year for a 5 year term. Leases are generally renewable at the end of the lease period at market rates.

The leases have the following characteristics:

- The lease does not transfer substantially all the risks and rewards incidental to ownership;
- The lease does not transfer ownership to the Council or Group at the end of the lease term;
- The leased asset is not of a specialised nature that only the lessee can use without modifications;
- The lessee cannot cancel the lease unilaterally unless the lessor is in material breach of contract, and gains and losses in the value of the equipment remain the risk of the lessor.

The amount of minimum payments for non-cancellable operating leases is recognised as an expense in **Note 3**. The future expenditure committed by these leases is analysed in the following table:

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Office equipment and vehicles				
Up to one year	23	7	68	86
Later than one year and not later than five years	36	33	40	115
Later than five years	-	-	-	-
Buildings				
Up to one year	-	-	-	-
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total non-cancellable operating lease commitments as lessee	**59**	**40**	**108**	**201**

26. Variances from the Annual Plan

Explanations for major variances from the Council's estimated figures in the 2025/26 budget (Annual Plan 2025/26) are as follows:

- Subsidies and Grants are below budget due to emergency roading work not able to progress because of wet weather ($700k) or out for tender ($4m).
- Community facilities is over budget due to higher costs for reserve upkeep. This is caused by higher fuel prices.
- Planning and regulatory is over budget due to recovery works which were fully subsidised.
- Corporate services is under budget due to lower interest expenses and vacancies. Council had delayed filling vacancies while a restructure took place to ensure the current roles reflected the organisations requirements.
- Negative working capital relates to income received in advance for recovery projects yet to commence, along with retentions that will be payable in the coming months. The negative amount indicates the maximum amount of borrowing that might be required to cover these.
- Total borrowings are $10m below the levels expected from the annual plan due to a delays in capital works.

27. Significant Events

Simplifying Local Government

Wairoa district council resolved not to participate in the head start process. This process was subsequently paused by the government in October 2026 until after the general election. Council continues to assess its options under this process.

Water Reform In The Financial Statements

The water service delivery plan was approved by DIA in November 2025, this included the establishment of a Water Service Council Controlled Organisation (WSCCO). In October 2026, noting many other councils had been able to retain the water services in house, council resolved to consult on its own governance model to utilise a WSCCO or keep the water services in house. Either way council will be compliant with the act before 30 June 2027.

Relevant asset values are in note 11 and the associated funding and costs are outlined on pages 22 to 27.

28. Adoption of the Annual Report

Council adopted the 2025/26 Annual Report on 28 October 2026.

Rating Base

The total projected rateable units within the district at the end of the fiscal year 2025/26 is 6,968. This is projected to increase at an average of 14 rating units per year over the 3 years of this Long-Term Plan.

Forecast (rateable) rating units

	2025/26	2026/27	2027/28
Rating units	6,968	7,086	7,100

He Matapae Ahupūtea
Financial Prudence Benchmarks

The government has introduced the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations) which has a series of measures and benchmarks, disclosed in the following pages.

Readers are urged to read the commentary and explanations provided to give context to the information, as it is not always possible to compare Wairoa District Councils' results with other councils due to their size, location and provision of services.

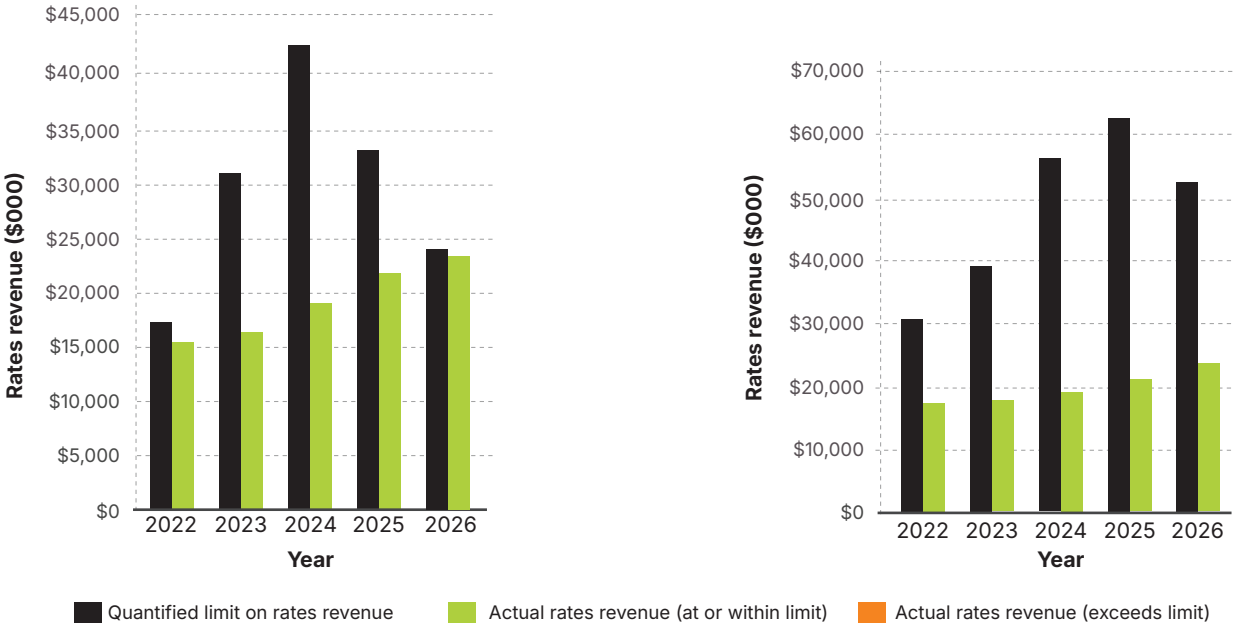
Annual Report disclosure statement for year ending 30 June 2026 - What is the purpose of this statement?
The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council must include this statement in its annual report in accordance with the regulations. Refer to the regulations for more information, including definitions of some of the terms used in this statement. Unless prescribed by the regulations the quantified limit for each benchmark is calculated using the financial information from the Council's Long Term Plan.

Rates Affordability Benchmark

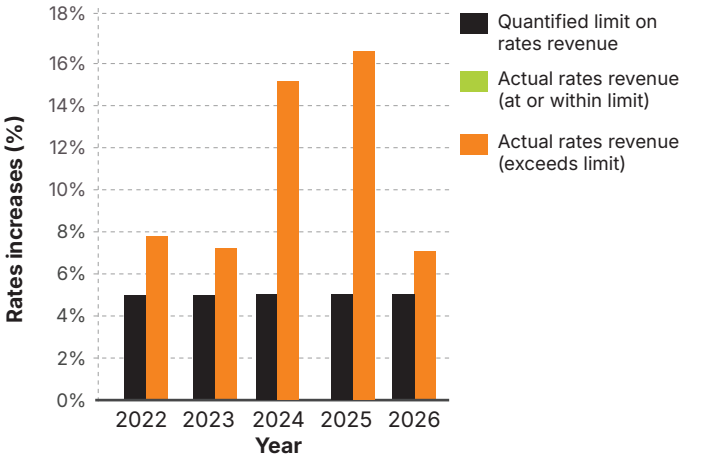
The council meets the rates affordability benchmark if:
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases' equal or are less than each quantified limit on rates increases.

Rates (Income) Affordability
The following graphs compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's Long Term Plan. The Council has two measures for rates (income) affordability, and these are set out below.



Total Rates as a Percentage of Operating Costs
The quantified limit is that total rates (excluding capital contribution rates) will not exceed 60% of operating costs.

Total Rates as a Percentage of Cash Revenue
The quantified limit is that total rates (including capital contribution rates) shall not exceed 70% of total cash revenue.



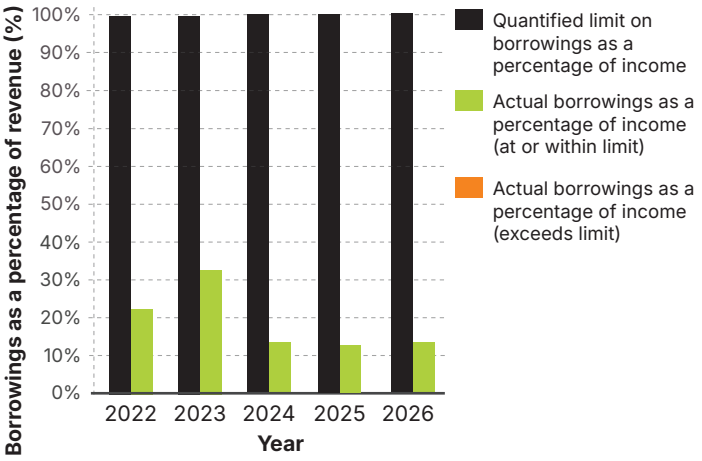
Rates (Increases) Affordability

The graph on the left compares the Council's actual rates increase with a quantifiable limit on rates increases contained in the financial strategy included in the Council's Long Term Plan.

The quantified limit is that the maximum annual total rates increase shall not exceed 5%.

In its Annual Plan 2025/26 Council adopted a budget with a 5.2% rates increase on the 2024/25 year.

Debt Affordability Benchmark



The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The quantified limit described in the Long Term Plan is debt as a percentage of income.

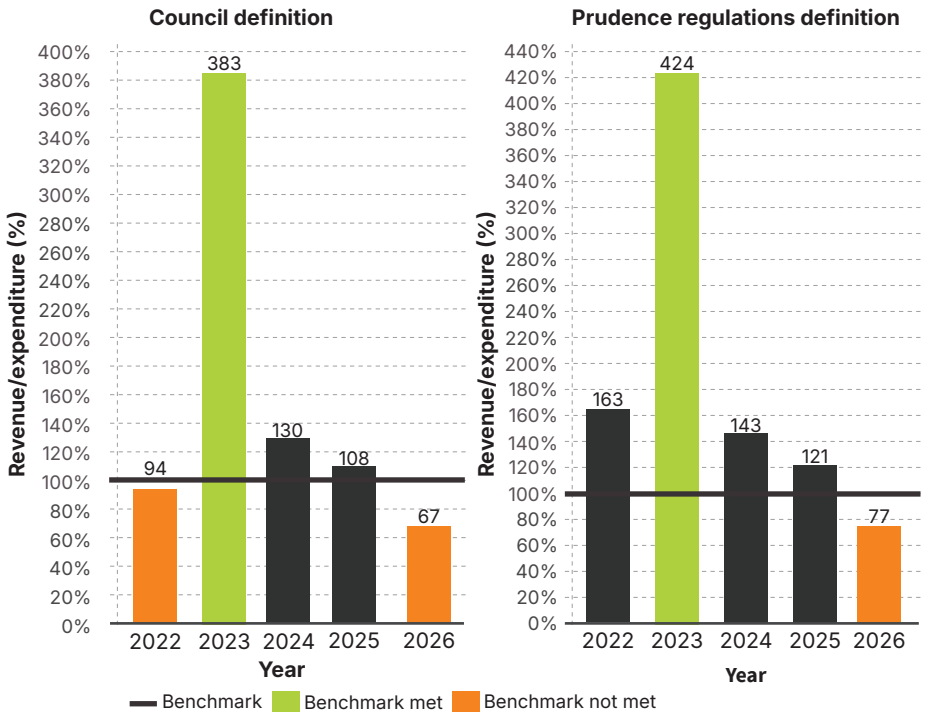
Debt as Percentage of Income

This graph compares the Council's debt with the quantified limits set out in the relevant Long-Term Plan's financial strategy.

The quantified limit is that total borrowings will not exceed annual revenue.

Balanced Budget Benchmark

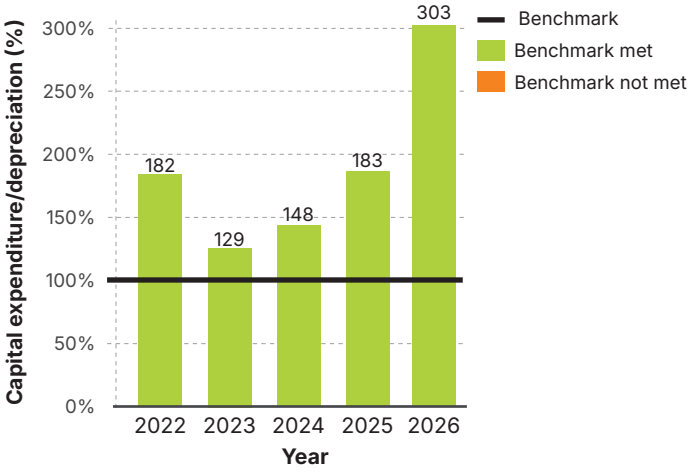
Section 100(1) of the Local Government Act 2002 (LGA) requires Council's to have a balanced budget. This is defined in the regulations as Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments, and revaluations of property, plant, or equipment). The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



The LGA does allow the Council to budget for a deficit, if it resolves that it is financially prudent to do so. The Council acknowledges that it runs deficits from a balanced budget perspective because it does not fully rate fund depreciation. For this reason, the Council has defined its balanced budget target as the above definition modified to exclude costs and gains from asset sales and the Waka Kotahi capital subsidies (from 2021, this has been refined to capital subsidies related to renewals) from the calculation of revenue, offset by the depreciation not funded.

The "Council definition" graph shows this adjusted balanced budget calculation and demonstrates the effect of Council not rating for all depreciation charges.

Essential Services Benchmark

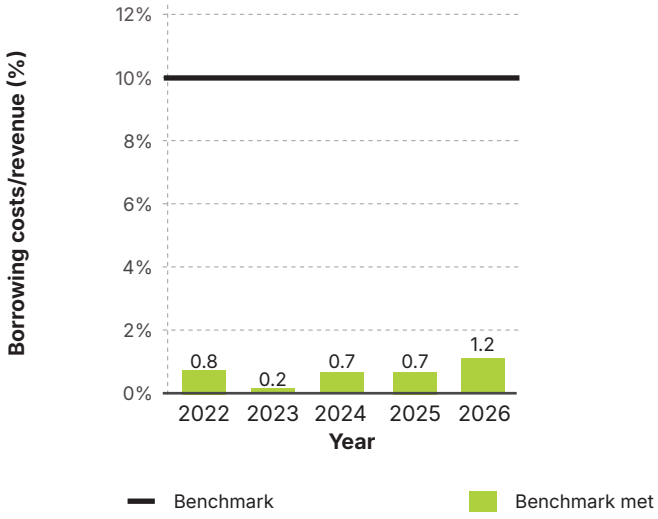


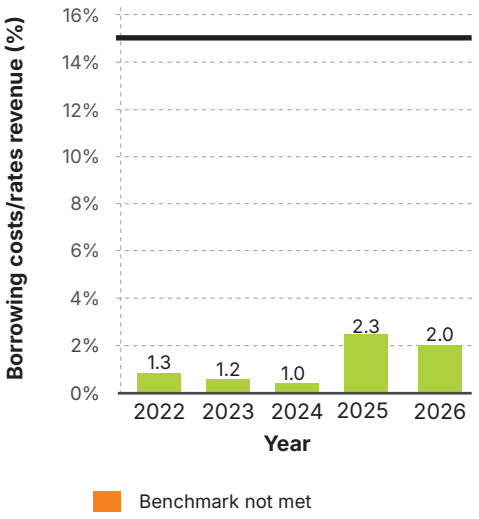
This graph displays the Council's capital expenditure on network services as a proportion of expected depreciation on network services.

The council meets the essential services benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

Debt Servicing Benchmark

This graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). The Council has two measures for debt servicing and these are set out below.





Borrowing costs as a percentage of revenue

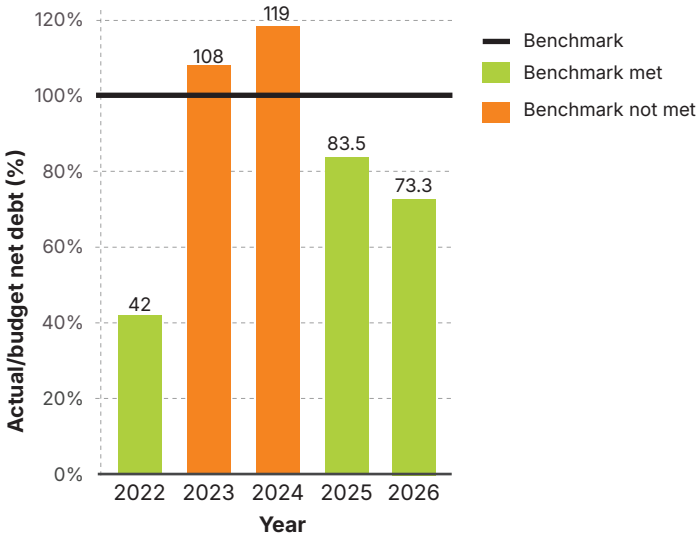
Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets this benchmark if its borrowing costs equal or are less than 10% of its revenue.

Debt servicing as a percentage of rates revenue

This graph displays the Council's debt servicing costs as a proportion of rates revenue with a quantified limit on debt servicing as a proportion of rates revenue contained in the financial strategy included in the Council's Long-Term Plan.

The quantified limit is that annual interest costs and loan repayments (debt servicing) shall not exceed 15% of rates revenue.

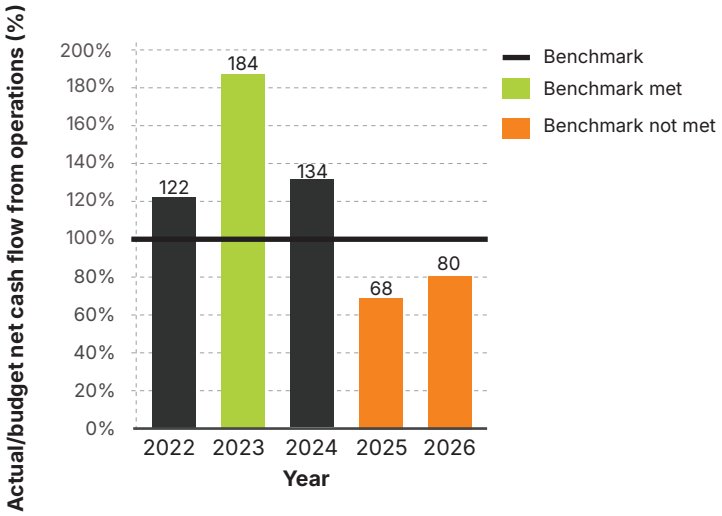
Debt Control Benchmark



This graph on the left displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

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

Operations Control Benchmark



The graph on the left displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

He Tauāki Whakaaweawe Pūtea
Funding Impact Statement

Annual report disclosure statement for year ending 30 June 2026

What is the purpose of this statement?
An annual report must include an audited funding impact statement for the financial year to which the report relates. The purpose of the funding impact statement is to disclose the amount of funds produced from each source of funding, identify how the funds were applied and compare this information against the information included in the Long-Term Plan.

One statement is prepared for the whole of Council's activities and individual statements are prepared for each strategic activity.

Understanding Funding Impact Statements
This statement sets out Council's sources of operating and capital funding for the financial year, and how this funding is applied.

The Council's sources of operating funding include items such as fees and charges, and its applications of operating funding includes items such as payments to staff and suppliers.

The 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 fund from rating for depreciation, both in the current year and from reserves built up over several years. These statements do not include depreciation as 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 sources of funding and application, and activity-level funding impact statements which separates this information into Council's key activity groups such as water supply and waste management.

Funding Impact Statement For 1 July 2025 - 30 June 2026
Whole Of Council

	2024/25 LTP $000	2024/25 Actual $000	2025/26 AP $000	2025/26 Actual $000
Sources of operating funding				
General rates	14,823	15,248	15,943	16,593
Targeted rates	7,475	7,223	7,494	7,456
Subsidies and grants for operating purposes	12,423	32,666	8,019	15,247
Fees and charges	3,447	4,666	3,532	3,765
Interest and dividends from Investments	1,353	1,413	505	467
Local authorities fuel tax, fines, infringement fees, and other receipts	210	427	196	216
Total operating funding (A)	**39,731**	**61,643**	**35,689**	**43,744**
Applications of operating funding				
Payments to staff and suppliers	34,946	52,281	30,588	36,214
Finance costs	865	506	957	477
Other operating funding applications	-	-	-	-
Total Applications of operating funding (B)	**35,811**	**52,787**	**31,545**	**36,691**
Surplus (deficit) of operating funding (A - B)	**3,920**	**8,856**	**4,144**	**7,053**
Sources of capital funding				
Subsidies and grants for capital expenditure	38,071	18,343	42,267	30,466
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	9,698	(1,402)	8,294	1,774
Gross proceeds from sale of assets	-	-	-	-
Total sources of capital funding (C)	**47,769**	**16,941**	**50,561**	**32,240**
Application of capital funding				
Capital expenditure:				
• to meet additional demand	-	-	-	-
• to improve the level of service	15,360	12,903	40,133	16,634
• to replace existing assets	41,142	13,632	17,950	20,409
Increase (decrease) in reserves	(4,813)	(738)	(3,378)	2,250
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	**51,689**	**25,797**	**54,705**	**39,293**
Surplus (deficit) of capital funding (C-D)	**(3,920)**	**(8,856)**	**(4,144)**	**(7,053)**
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**	**-**

The Audit Office
Te Mana Arotake

Independent Auditor's Report

To the readers of the annual report of Wairoa District Council for the year ended 30 June 2026

The Auditor-General is the auditor of Wairoa District Council (the Council) and its subsidiaries (the Group). The Auditor-General has appointed me, David Borrie, using the staff and resources of Ernst & Young, to carry out the audit on his behalf.

We have audited the information in the annual report of the Council and the Group that we are required to audit in accordance with the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the Council has complied with the requirements of Schedule 10 of the Act (Schedule 10) that apply to the annual report; and
- the completeness and accuracy of the Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations).

We refer to this information as "the disclosure requirements" in our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 56 to 95 present fairly, in all material respects, the Council and Group's financial position as at 30 June 2026, and the results of the operations and cash flows for the year ended on that date, in accordance with Public Benefit Entity Standards;
- the statement of service provision, referred to as "Our Performance in Detail", for the year ended 30 June 2026 on pages 19 to 51:
    - is appropriate and meaningful and prepared in accordance with the Council's measurement bases or evaluation methods and Public Benefit Entity Standards; and
    - presents fairly, in all material respects, the Council's actual levels of service for each group of activities, including the levels of service achieved compared with the intended levels of

service, whether any intended changes to levels of service were achieved, and the reasons for any significant variation between the levels of service achieved and the intended levels of service.

- the funding impact statement for the year ended 30 June 2026 on page 101, has been prepared, in all material respects, in accordance with clause 30 of Schedule 10;
- the funding impact statements for each group of activities for the year ended 30 June 2026 on pages 19 to 51 have been prepared, in all material respects, in accordance with clause 26 of Schedule 10; and
- the statements comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2026 on pages 19 to 51, have been prepared, in all material respects, in accordance with clause 24 of Schedule 10.

Report on the disclosure requirements

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of Schedule 10 for the year ended 30 June 2026; and
- the Council's disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2026 are complete and accurate.

Basis for our opinion on the audited information and the disclosure requirements

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor for the audited information and the disclosure requirements* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information and our report on the disclosure requirements.

Emphasis of Matter - Simplifying Local Government reform

The government has announced it wants to simplify local government, including reducing the number of local authorities by amalgamations within regions. As described in Note 27, the Council has not participated in the head start process. The eventual outcome for the Council is dependent on future cabinet decisions and enactment of enabling legislation. Because of the significant uncertainty

about the outcome and timing of any future reorganisation, the financial statements have continued to be prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Responsibilities of the Council for the audited information and the disclosure requirements

The Council is responsible for preparing the audited information and the disclosure requirements in accordance with the Act. The Council's responsibilities include the preparation and fair presentation of the financial statements and service performance information in accordance with Public Benefit Entity Standards.

This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of service performance information that is appropriate and meaningful; and
- the preparation of a statement of service provision, in accordance with the Council's measurement bases or evaluation methods, that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the audited information and the disclosure requirements that are free from misstatement, whether due to fraud or error.

In preparing the audited information and the disclosure requirements the Council is responsible for assessing the Council and the Group's ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the Council and the Group or there is no realistic alternative but to do so.

The Council's responsibilities arise under the Act and the Regulations.

Responsibilities of the auditor

Responsibilities for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Council's Annual plan or Long-term plan as applicable.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council and Group's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

- We evaluate whether the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the Council's service performance.

- We evaluate whether the service performance information is prepared in accordance with the Council's measurement bases or evaluation methods, and presents fairly, in all material respects, in accordance with Public Benefit Entity Standards, the actual service performance achieved compared with the intended levels of service.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Council and the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council and the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

- We plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group audited information. We are responsible for the direction, supervision

and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Responsibilities for the disclosure requirements

Our objective is to provide reasonable assurance about whether the Council has complied with the disclosure requirements. To assess whether the Council has met the disclosure requirements we undertake work to confirm that:

- the Council has made all of the disclosures required by Part 3 of Schedule 10 to the Act and Part 2 of the Regulations; and
- the disclosures required by Part 2 of the Regulations accurately reflect information drawn from the audited information and, where applicable, the Council's long-term plan and annual plans.

Our responsibilities for the audited information and for the disclosure requirements arise from the Act and the Public Audit Act 2001.

Other information

The Council is responsible for the other information included in the annual report. The other information comprises all the information included in the annual report other than the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the audited information and our report on the disclosure requirements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Council and the Group in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* as applicable for audits of public interest entities issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out a limited assurance engagement in relation to the District Council's debenture trust deed, which is compatible with independence requirements. Other than these engagements we have no relationship with or interests in the District Council or its controlled entity.



David Borrie
Ernst & Young
Chartered Accountants
On behalf of the Auditor-General
Wellington, New Zealand
28 October 2026

Glossary of Abbreviations Used

DIA	Department of Internal Affairs
FAR	Finance, Assurance and Risk (Committee)
LGFA	NZ Local Government Funding Agency Limited
CRHL	Crown Regional Holdings Limited
QRS	Quality Roading and Services (Wairoa) Limited
The Council	Wairoa District Council
The Group	The consolidated entity comprising Wairoa District Council and Quality Roading and Services (Wairoa) Limited
The Act	The Local Government Act 2002
The regulations	The Local Government (Financial Reporting and Prudence) Regulations 2014



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:
(06) 838 7309
info@wairoadc.govt.nz
www.wairoadc.govt.nz
www.facebook.com/wairoadistrictcouncil
97-103 Queen Street, Wairoa 4108
Wairoa District Council, P.O. Box 54, Wairoa 4160