South Taranaki

Ngā Mahere ā tau | ***Annual Plan***

2026/27

Te Kaunihera ō Taranaki ki Te Tonga
South Taranaki
District Council

TARANAKI KI TE TONGA – KA PUTA, KA ORA!
SOUTH TARANAKI – GREAT PEOPLE, CONNECTED COMMUNITIES, WHERE WE BELONG!

Mihi
Introduction

Ko Taranaki kei runga.
Ko Aotea, ko kurahaupo e urunga mai ki uta.
Ko Turi, ko Ruatea ngā tūpuna,
Tihei mauri tū ki runga!

Mai i Ōkurukuru ki Rāwa o Turi,
Rāwa o Turi ki Waingōngoro
Waingōngoro ki Whenuakura,
Whenuakura ki Waitōtara.

Ko wai tērā, ko Taranaki ki te Tonga.

E ngā tini wairua, kua whetūrangihia, koutou e Korowaitia ana te tauheke rā, ko Pukehaupapa, ko Pukeonaki, e moe. Haere i raro i te kahu kōrako ki Tua whakarere. Ki te kāinga o tāua te tangata.

Hoki atu rā koutou ki Hawaiki nui, Hawaiki roa, Hawaiki pāmamao.

Ki a tātou ngā uri o Tiki, ki ngā kanohi kitea. Tātou mā e kawea nei ngā kete matauranga o te ao tūroa, o te ao hurihuri.
Tihei mouri ora.

Ko te kaupapa e anga atu nei, ko te Hōtaka o te wā, hei tirohanga ki mua mā tātou ki te Tonga. Kia whai nei i ngā wawata kia pākari ai te rohe.

Kāti rā, ki a koutou, ki a tātou, rire, rire Hau Pai marire!

So stands Taranaki above
Aotea and Kurahaupo are anchored ashore,
Turi and Ruatea are our ancestors.
So, we share the breath of life!

From Ōkurukuru to Rāwa o Turi,
From Rāwa o Turi to Waingōngoro River,
From the Waingōngoro to the Whenuakura River,
From the Whenuakura to the Waitōtara River.

Who are we, South Taranaki.

To those spirits, who have passed beyond, you who cloak our mountain, Pukehaupapa, Pukeonake, rest in peace. Go beyond the veil with the protection of peace. To the ancestral home of us, the people.

Return to Hawaiki nui, Hawaiki roa and Hawaiki pāmamao.

To those of us who remain, the descendants of Tiki, the living. We, the bearers of the baskets of knowledge from the past and present.
So, the breath of life.

So, the focus for this is the Long Term Plan, to
Look forward for us the people of South Taranaki.
To achieve the hopes and dreams to enhance our region.
In conclusion, to you and us all, Peace flow across us!

Ihirangi
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Taranaki ki te Tonga - Ka Puta, Ka Ora!

South Taranaki - Great people, connected communities, where we belong!

This Annual Plan sets out how Council will deliver key services and projects in the 2026/27 year, while carefully balancing rising costs with what our community can reasonably afford.

Following a number of discussions, Council has focused on maintaining momentum on important projects, looking after the infrastructure we already have, and being realistic about delivery, particularly at a time when households and businesses across South Taranaki are feeling ongoing cost of living pressures.

Keeping rates as affordable as possible.

For 2026/27, the average rates increase is 5.97%, which is lower than the 6.2% forecast in the Long Term Plan. We know any increase matters, and Council has worked hard to keep this as low as possible without compromising essential services or long term sustainability.

To help moderate the increase, Council has:

- Increased the non funded portion of depreciation for this year to reduce immediate pressure on ratepayers while still recognising the need to renew assets over time, noting that funded depreciation will increase back to prior levels over the next couple of years.
- Budgeted additional income through property sales, including the transfer of the former Hāwera Library building to the Council's in-house business unit to deliver water services.
- Deferred or rephased some capital projects, to better align with delivery capacity.
- Benefited from lower interest rates, reducing the cost of borrowing.
- Continued to use income from the Long Term Investment Fund to subsidise rates.

These measures have helped reduce the overall funding needed from rates while allowing Council to continue investing in core services like water, wastewater, roading, and community facilities.

From August 2026, Council expects to introduce financial contributions once Plan Change 4 becomes operative. Financial contributions mean that developers will contribute towards the infrastructure needed in development areas to support growth, such as roads, water, and wastewater. This approach helps ensure that the cost of growth is shared more fairly between rate payers and developers.

This Annual Plan continues investment in town centres, water and wastewater infrastructure, roading, digital transformation, and community facilities, while taking a realistic and prudent approach to what can be delivered in the year ahead.

Our total operational expenditure across all activities in 2026/27 is $ 106.7m, with capital expenditure of $26.4m (excluding three waters). For three waters, planned capital expenditure is $42.3m (including carry-forwards). However, the total budget included in this Annual Plan for three waters is capped at $16.4m, reflecting Council's ability to deliver based on available resources and previous trends. Further explanation can be found on page 13 of this plan.

We are committed to being transparent about the financial challenges we face, making responsible decisions, and planning carefully for the future of South Taranaki. Despite the economic challenges facing us, the Council is in a sound financial position, has a clear vision for the District and a focused programme of work to achieve that vision.

PHIL NIXON
Koromatua o Taranaki ki te Tonga
South Taranaki Mayor

FIONA AITKEN
Tumu Whakahaere
Chief Executive

Tīmatanga kōrero
Introduction

The Council is required to produce an Annual Plan each year between the three-yearly reviews of the Long Term Plan. The purpose of this Annual Plan is to set performance goals and budgets for the year ahead, outline Council's current plans and how they differ from what was included in the 2024-34 Long Term Plan. For more information on the Council's planning cycle, refer to our 2024-34 Long Term Plan.

Section one gives an overview of the challenges we face as we head into the 2026/27 financial year. It summarises the Council's financial information, including details of the forecast increase in rates revenue and the effects on the Council's borrowing.

Section two is dedicated to our detailed financial information and includes the various rates that will be charged and where those rates apply.

The Annual Plan is supported by information that is part of the 2024-34 Long Term Plan, for example our partnership strategy with Iwi, the activities and services we deliver, and how we will engage with the community. To access this information, visit our website ***www.southtaranaki.com/ltp***

Tō Mātou Aronga me ngā Whakaarotau-ā-Hapori
Our Vision and Community Priorities

Taranaki ki te Tonga - Ka Puta, Ka Ora!

South Taranaki - Great people, connected communities, where we belong

We use our vision and community outcomes to guide us when making decisions, developing policies and strategies or determining priorities regarding the activities and services we provide.

Our community outcomes fall under four main headings:

MANA

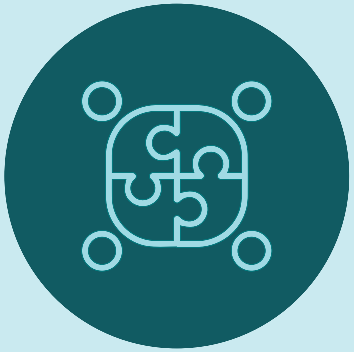
- **MAURI**
- **TANGATA**
- **ORANGA**
- **TAIAO**

Tō Mātou Aronga me ngā Whakaarotau-ā-Hapori
Our Vision and Community Priorities

OUR COMMUNITY OUTCOMES:

Our Community Outcomes are grouped under four main headings which align with the four well-beings.

MANA MAURI
CULTURAL WELL-BEING



Creative, diverse communities that enhance the mauri of our people.

MANA TANGATA
SOCIAL WELL-BEING

Safe, connected communities where people feel happy and proud of where we live.

MANA ORANGA
ECONOMIC WELL-BEING

Flourishing communities with a diverse economy, innovative people and resilient infrastructure.

MANA TAIAO
ENVIRONMENTAL WELL-BEING

Sustainable communities that manage resources in a way that improves our environment for future generations.

Tō Mātou Aronga me ngā Whakaarotau-ā-Hapori
Our Vision and Community Priorities

MANA MAURI

CULTURAL WELL-BEING

Creative, diverse communities that enhance the mauri of our people.

Key Projects and Priorities for 2026/27 to Support our Vision

- Continue to embed our Iwi-Council Partnership Strategy / He Pou Tikanga Ngā iwi o te Tai Whakarunga.

Tō Mātou Aronga me ngā Whakaarotau-ā-Hapori
Our Vision and Community Priorities

MANA TANGATA

SOCIAL WELL-BEING

Safe, connected communities where people feel happy and proud of where we live.

Key Projects and Priorities for 2026/27 to Support our Vision

- Town centre upgrades in Pātea, Waverley, Ōpunakē, and Eltham and complete the Hāwera Town centre upgrade.
- Construction of a combined community facility in Manaia on the site of the old Sports Complex (Hassard Street).
- Upgrade Waverley Grandstand ($428,000
- Continue implementing Council's digital transformation programme to replace ageing digital infrastructure with more modern systems, so we can work more efficiently and our customers can do business with us more easily.
- Start of work to upgrade amenities at Pātea Campground.
- Seating Reroofing of Hāwera Memorial Theatre
- New angle Parking area at Hāwera's King Edward Park entrance.

Tō Mātou Aronga me ngā Whakaarotau-ā-Hapori
Our Vision and Community Priorities

MANA ORANGA

ECONOMIC WELL-BEING

Flourishing communities with a diverse economy, innovative people and resilient infrastructure.

Key Projects and Priorities for 2026/27 to Support our Vision

- Continue to develop the South Taranaki Business Park.
- Complete the installation of water, wastewater and stormwater infrastructure for residential growth in Hāwera.
- Subsidise rates by $4.22 million per year using earnings from the Long Term Investment Fund.
- Fund key projects with a combination of loans, existing reserves, external funding sources and earnings from the Long Term Investment Fund, as well as through rates.
- Collaborate with other Taranaki councils where appropriate to achieve efficiencies and cost savings.
- Increase expenditure on roading by an average of $1.4 million each year for the next ten years.
- Spend an average of $46 million per year on the road network, including an average of $350,000.00 on footpaths each year.
- Resurfacing around 70km of road ($3.2 million).
- Complete 4km of Pavement rehabilitation work ($3.2 million).
- Bridge renewal work on one bridge ($1.5 million).
- Complete water treatment enhancements in Pātea.
- Build new reservoirs for Ōpunakē, Waverley and Eltham.
- Complete the upgrade the Ōpunakē Water Treatment Plant.

Tō Mātou Aronga me ngā Whakaarotau-ā-Hapori
Our Vision and Community Priorities

MANA TAIAO

ENVIRONMENTAL WELL-BEING

Sustainable communities that manage resources in a way that improves our environment for future generations.

Key Projects and Priorities for 2026/27 to Support our Vision

- Investigate a regional solution for organic materials in partnership with all Taranaki District Councils and private enterprise.
- Complete the build and open the Resource Recovery Centre in Hāwera
- Develop a climate adaptation plan to strengthen the resilience of Council's core services to climate change, with supporting mitigation actions.
- Council agreed to establish a $10 million emergency disaster recovery fund, starting with an annual contribution of $100,000 in 2024/25. This contribution will increase by $100,000 each year, capped at $500,000 per annum, until the fund reaches the $10 million target. For the 2026/27 financial year, the Council has allocated $300,000 to the disaster recovery fund.

Ngā Kaikōwhiri | Elected Members

Ō KOUTOU KAIKAUNIHERA

Your Councillors


Andy Beccard


Mark Bellringer


Heather Brokenshire


Karen Cave


Raquel Cleaver-Pittams


Janet Fleming


Leanne Kuraroa Horo


Aarun Langton


Cheryl Luke-Maraki


Robert Northcott


Diana Reid


Brian Rook


Garth Weir

Ō KOUTOU POARI HAPORI

Your Community Boards


Eltham - Kaponga


Pātea


Taranaki Coastal


Te Hāwera

Balanced Budget

Under Section 100 of the Local Government Act 2002 (LGA 2002), a council is required to deliver a balanced budget and explain areas where projected operating expenditure needs are not met from operating revenues. In accordance with that requirement, the Council has satisfied itself that it is not financially prudent to fund all/part of the depreciation expenditure on its strategic and non-strategic assets. It funds enough of the depreciation to enable components of the assets to be replaced, to ensure that the useful life of the asset's structure can be achieved. A decision on the total replacement of the asset will be made at the time its useful life has expired. The Council will increase funded depreciation for its strategic assets as part of the LTP process.

We have considered the current global economic climate and our significant debt programme when considering the funding of depreciation.

Forecast Financial Position

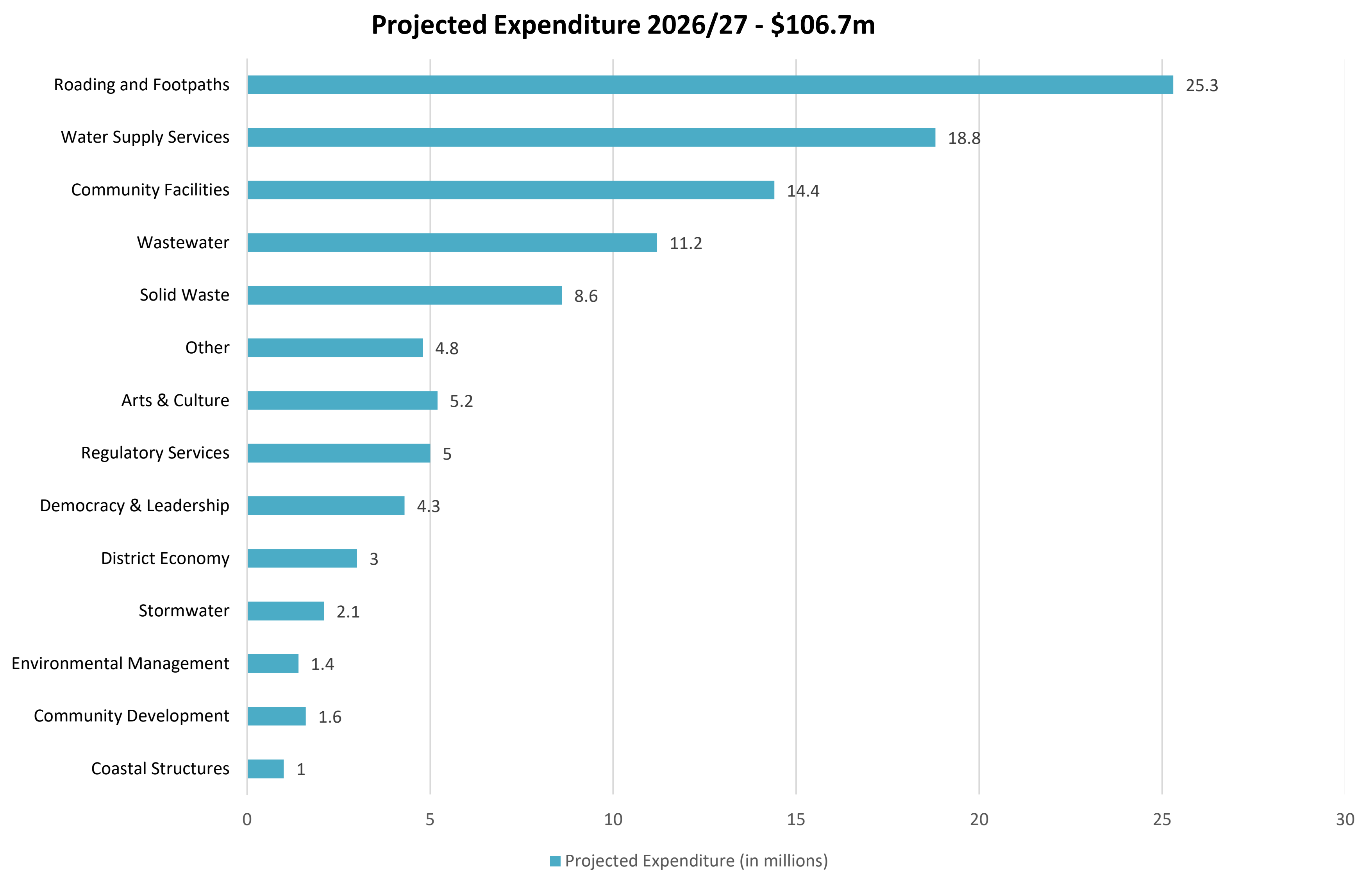
The projected financial position shows what the Council owns (assets) and what it owes (liabilities), and the difference between them (equity) is effectively the net value belonging to the Council. In 2026/27 Council forecasts that our equity would grow to $ 1,444m. The projected increase in the value of the Council's fixed assets, predominantly water, wastewater, stormwater and roading assets, clearly reflects the revaluation and investment made in prior years.

Introduction of Financial Contributions

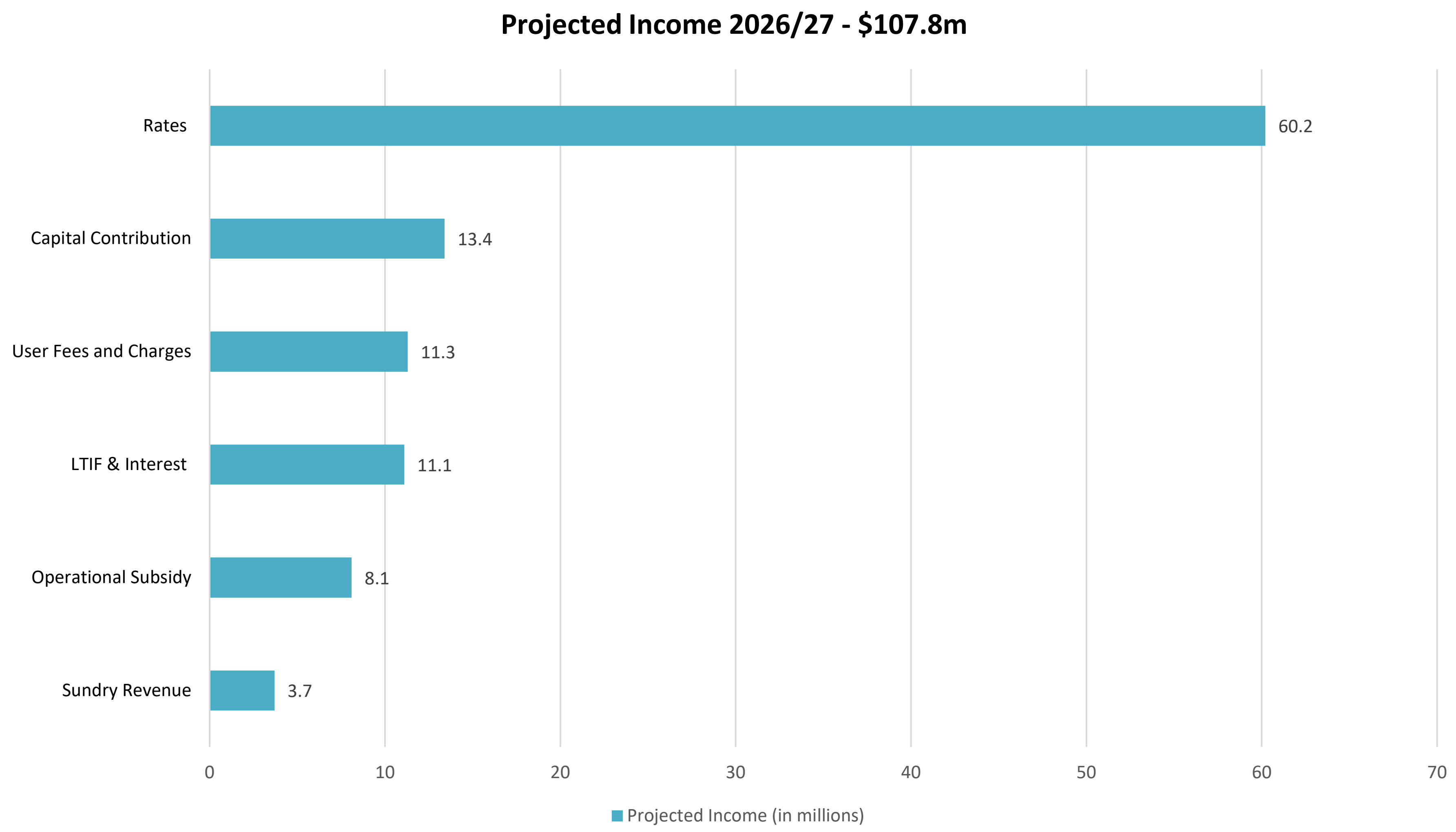
Once Plan Change 4 – Urban Growth and Financial Contributions becomes operative (expected in August 2026), the Council will be able to require financial contributions in accordance with the District Plan provisions. The District Plan sets out the methodology and formula for calculating financial contributions, while the actual contribution amounts are set through the Council's Fees and Charges Schedule and adopted as part of the Annual Plan. Financial contributions enable the Council to recover a share of the costs of providing infrastructure required as a result of growth and development, helping to ensure that development contributes fairly to the infrastructure it relies on rather than those costs being met solely by ratepayers.

Forecast Expenditure and Income

The projected expenditure shows what the Council intends to spend on each group of activities. Total expenditure, including overheads, depreciation and financing costs, is in line with the LTP at $106.7m. Council revalued its operational and infrastructure assets in June 2025, resulting in substantial increase in values and causing depreciation to increase. During the 2025/26 financial year, the official cash rate (OCR) decreased from 3.25% per year to 2.25% per year. Overall inflation and higher contract prices also contributed to the increased costs from the previous year.



Projected Expenditure 2026/27 - $106.7m
Roading and Footpaths
Water Supply Services
Community Facilities
Wastewater
Solid Waste
Other
Arts & Culture
Regulatory Services
Democracy & Leadership
District Economy
Stormwater
Environmental Management
Community Development
Coastal Structures
25.3
18.8
14.4
11.2
8.6
4.8
5.2
5
4.3
3
2.1
1.4
1.6
1
0
5
10
15
20
25
30
Projected Expenditure (in millions)



Our total revenue from rates is projected to increase by $2.8m, which is lower than the $4.8m predicted in the LTP. The balance of our income is projected to increase by $1.5m, compared to the $1.4m decrease predicted in the LTP. This is mainly due to an increase in capital contributions, grants and subsidies.

Debt and Long Term Investment Fund (LTIF)

Our debt is projected to be $196.8m (including internal borrowings of $10.2m) by the end of 2026/27, as a result of the anticipated level of spending on capital projects in the coming year. Projected loan repayments of $8.2m include repayments on internal borrowings of $1.3m for 2026/27. We believe the forecast debt levels are sustainable as they are within the Council's Liability Management Policy limits. The limits are set on the net debt level ratio, which is a sector norm.

The LTIF balance, including other investments, is projected to be $153.6m including internal borrowings of $10.2m. The return on the LTIF is projected to be $11.1m (excluding internal borrowing interest) for 2026/27. We have allowed drawdowns from the LTIF of $4.22m for the annual rate subsidy, $1.73 million to service loans for community projects, $0.8m for the Hāwera Town Centre Upgrade and earthquake-prone building projects and $1.5m for the other Town Centre Upgrades. It is prudent to highlight the risk associated with the LTIF and the fact that the net debt position can go up or down depending on the LTIF's performance. It is subject to market movements, so there is a potential risk (albeit low) that the LTIF could suffer erosion in value. To manage this risk, the Risk and Assurance Committee meets quarterly to review and monitor the performance of the Council's investment strategy. The LTIF is a perpetual fund and the Council is confident its strategy is prudent, sustainable and appropriate for the long term.

We have predicted inflation mainly by using the Local Government Cost Index (LGCI) provided by BERL. However, some of the inflation rates for large operational contracts relating to water, wastewater, stormwater, solid waste, cemeteries, parks and reserves, and roading activities are higher.

Key Factors Affecting Rates

Total rates have increased by 5.97%, which is 0.23% less than the 6.2% increase projected in Year 3 of the Long Term Plan (LTP). The overall general rate increase for 2026/27 reflects a number of cost pressures across Council's activities. The most significant driver is an increase of approximately **12% in wastewater and stormwater expenditure**, largely due to higher operating and maintenance costs required to meet service, environmental and regulatory expectations. In addition, Council is facing **reduced income from building and planning activities**, reflecting lower activity levels, while the costs of delivering these services continue to rise. The increase also incorporates **funding of depreciation**, which has risen following the revaluation of Council's assets.

The Council recognises the ongoing cost-of-living pressures facing households and businesses across the District, including the more recent escalation in fuel and other operating costs. These pressures are being experienced across the wider economy and are also affecting the costs incurred by the Council in delivering services and maintaining infrastructure. The 2026/27 Annual Plan has been prepared in this context, balancing the need to respond to rising costs while continuing to provide essential services and meet statutory obligations.

Measures we have taken to reduce overall rates increase

As part of its approach to moderating the overall rate increase, the Council considered the impact of the recent revaluation of assets on depreciation costs. Asset revaluations have resulted in higher depreciation expense, which will place additional pressure on rates. In response, the Council has increased the **non-funded portion of depreciation** for the 2026/27 year. This approach helps to smooth the immediate impact of higher depreciation costs on ratepayers while continuing to recognise the long-term funding requirements for asset renewal.

In addition to the approach taken to depreciation, the Council has made a number of other adjustments to help moderate the overall rate increase. These include providing for income from the sale of three surplus properties, and the transfer of the former Hāwera Library building to the Council's in-house water services business unit. The Council has also deferred funding for the Hāwera Water Tower project. Operationally, staff salary budgets have been reduced by 2.5%, based on an assumption that some vacancies will occur during the year.

Interest rates on borrowings have decreased since the budgeting process undertaken as part of the LTP. While recent global conflict and ongoing inflationary pressures may result in higher interest rate over the longer term, we are confident that, for this Annual Plan, interest costs remain lower than initially projected in the LTP 2024-34.

Deferred Capital Works Projects and Three Waters Capital Works Projects

We fund our capital works mostly by taking out loans that are paid back over a number of years. We use loans to build infrastructure so that the costs are spread over the lifetime of the asset. This means current and future generations, who will also use and benefit from the assets, contribute their fair share of the loan repayments. The Council reviewed the capital works programme to ensure it is realistic and deliverable within current capacity and resource constraints. As part of this review, some projects have been re-phased and spread across future years, rather than removed altogether, aligning the programme with the Council's demonstrated ability to deliver capital works in recent years.

The Council reviewed its capital works programme for the 2026/27 Annual Plan to ensure it is realistic and deliverable within current organisational capacity and resourcing constraints. The three waters capital works programme (water supply, wastewater and stormwater) includes both carry-forward projects from the 2025/26 financial year, as reflected in the quarter one forecast, and the capital funding required for the 2026/27 year. As a result of this review, capital expenditure of $16 million has been included for the three waters activities in the 2026/27 Annual Plan. This reflects the Council's current assessment of delivery capacity and takes into account the complexity and multi-year nature of the projects, rather than removing projects from the longer-term programme.

At the same time, the Council is seeking approval for a total capital works programme of up to $43 million for three waters activities in the 2026/27 Annual Plan (the list is included on page 38 of this plan). Approving the full programme provides flexibility to bring projects forward where progress is better than anticipated, delivery capacity improves, or where projects need to be accelerated. This approach recognises the inherent uncertainty in complex, multi-year infrastructure programmes and allows the Council to respond proactively if conditions enable a higher level of capital delivery than currently forecast. While this mechanism has not been used in previous years, it provides a more flexible and pragmatic way to progress three waters investment while maintaining a prudent and deliverable Annual Plan.

Ngā Utu me ngā Whakarerekētanga | **Fees and Charges**

Council applies user fees and charges to recover either the full or partial cost of a variety of the services we provide such as building consents, animal control, transfer station fees, utility connections and so on. The Council undertook a review of the fees and charges schedule and most fees were adjusted by the rate proposed in Year 3 of the 2024-34 LTP, and in some places by the rate of inflation.

As noted under the Financial Commentary section, the 2026/27 Annual Plan introduces financial contributions as a new funding tool for the Council. Financial contributions will only apply once the relevant District Plan provisions are operative (anticipated to occur in August 2026). Once operative, the District Plan sets out the methodology and formulas used to calculate financial contributions, while the actual contribution amounts are adopted through the Council's Fees and Charges Schedule as part of the Annual Plan. Readers are referred to the District Plan for further detail on the financial contribution framework and the methodology underpinning the formulas.

In setting the financial contribution amounts for 2026/27, the Council has applied an adjustment factor, which allows the calculated contributions to be adjusted to reflect current circumstances. When determining the adjustment factor, the Council considered a range of factors, including market and development conditions, the ability of ratepayers to pay, relevant economic indicators, the fair recovery of growth-related infrastructure costs, and fairness between developers and existing ratepayers. This approach provides flexibility to respond to changing conditions while maintaining the overall integrity of the financial contribution framework.

The Fees and Charges Schedule includes the following disclaimer in relation to the Western Structure Area: *Financial Contributions for the Western Structure Area are not available at this time but will be available through future Long Term Plans and Annual Plans – refer to District Plan for further information*, reflecting that accurate infrastructure costs for this area are not yet sufficiently defined.

In 2024, Council committed to increasing log fire application fees by 20% per annum to better align with the cost of service delivery. However, following community feedback during the 2025/26 Annual Plan process, Council held the fees at $540 for freestanding fires and $774 for inbuilt fires. These fees remain unchanged for the 2026/27 Annual Plan.

A full copy of the fees and charges schedule can be found on the Council's website ***www.southtaranaki.com***

Rates

Rates are a property tax to fund local government activities. Rates are assessed under the Local Government (Rating) Act 2002 on rating units in the Rating Information Database. Where rates requirements are allocated based on a rating unit's value, the rateable value will be the capital value as assessed by the Council's valuation services provider. The latest Districtwide revaluation was carried out as at 1 September 2024 and is effective for the 2025/26, 2026/27 and 2027/28 rating years, except where subsequent maintenance valuations are required under valuation rules or the Council's rating policies.

The rating system is designed to:

- Provide the Council with adequate income to carry out its mission and achieve its strategic objectives.
- Be simply administered, easily understood, allow for consistent application and generate minimal compliance costs.
- Spread the incidence of rates as equitably as possible by balancing the level of service the Council provides with ability to pay and the incidence of costs in relation to benefits received.
- Be neutral in that it does not encourage people to redirect activity in order to avoid its impact.
- Reflect the decisions of the Council's policies and rating reviews.

This section of the annual budget update provides a brief overview of our rating system and examples of what your rates might look like for the 2026/27 year. The Funding Impact Statement includes more information about rates, including due dates and rate examples. This lets you see how we calculate your rates, and the services you might be paying for in 2026/27. It sets out the total rating impacts of the work programme contained in this annual budget update. Your rates are determined by a number of key factors, which are set out below.

General Rates

The Council will set a general rate under Section 13 of the Local Government (Rating) Act 2002 on all rateable rating units in the District, based on the capital value rating system. The capital value rating system for general rates was preferred by the Council over land value and more targeted rates because of its greater tendency to match the "ability to pay".

The amount per dollar of capital value for 2026/27 (including GST) is 0.09911 cents.

2026/27	0.09911 cents.

Uniform Annual General Charge

The Council will set a uniform annual general charge (UAGC) under Section 15 of the Local Government (Rating) Act 2002, which is a fixed amount assessed on every separately used or inhabited part (SUIP) of a rating unit in the District.

The amount per SUIP for 2026/27 (including GST) is $820.24.

2026/27	$820.24

Targeted Rates

The Council will charge the following targeted rates:

- Roading Rate
- Water supply (non-metered and metered)
- Wastewater
- Kerbside collection services
- Hāwera Business Rate for town promotion
- Eltham Drainage Rate
- Warmer Homes Scheme

Roading Rate

The roading rate is based on the capital value, assessed on all rateable rating units in the District, to fund the maintenance and development of the roading network. This is set under Section 16 of the Local Government (Rating) Act 2002.
The amount per dollar of capital value for 2026/27 (including GST) is 0.080008 cents.

2026/27	$0.08001

Water Supply

The Council's water rates are targeted rates for water supply set under sections 16 and 19 of the Local Government (Rating) Act 2002 to fund treatment and distribution of water supply. As detailed below, the urban water rate will increase by 5.94% (from $736.00 to $779.70). This is higher than what was projected in year 3 of the LTP ($744). Metered rates increased to $3.30 per cubic metre for urban/high users and $3.48 for extra-high users. The rural Waimate West water rate will increase by 4.42% (from $1.30 to $1.36 per cubic metre). These increases are due to higher costs, including regulatory compliance (Taumata Arowai requirements).

The Council has the following payment mechanisms for water supply:

Non-metered

A fixed charge, being a uniform targeted rate for each SUIP connected to, or serviceable by, an urban water supply and not metered, set under Section 16 of the Local Government (Rating) Act 2002.

Water differentials

The differential categories for the uniform water supply rate are:

- Connected – any SUIP connected to a Council-operated water supply; and
- Serviceable – any SUIP not connected to a Council-operated water supply but within 100 metres of a water main. A half charge of the connected water supply is assessed for serviceable rating units.

The amounts per SUIP for 2026/27 (including GST) are:	
Connected	$779.70
Serviceable	$389.85

Metered

- A rate per cubic metre of water supplied to each rating unit that is metered and connected to an urban or rural water supply, set under Section 19 of the Local Government (Rating) Act 2002; and
- An amount per connection, based on connection size and backflow prevention availability, set under Section 16 of the Local Government (Rating) Act 2002.
- The Urban – Town rate applies to all customers on water by meter rate except the District's two largest consumers, Silver Fern Farms and ANZCO, who are charged an Urban - Extra High User rate.

The amounts per cubic metre for 2026/27 (including GST) are:	
Urban - Town	$3.30
Urban - Extra High User	$3.48
Waimate West Rural	$1.36

The amount per connection for 2026/27 (including GST) is set in the table below.

Water meter charge up to...	
≤ 32mm connection	$150
≤ 32mm connection with backflow	$260
≤ 40mm connection	$175
≤ 40mm connection with backflow	$325
≤ 50mm connection with backflow	$460
> 50mm connection with backflow	$630

Wastewater

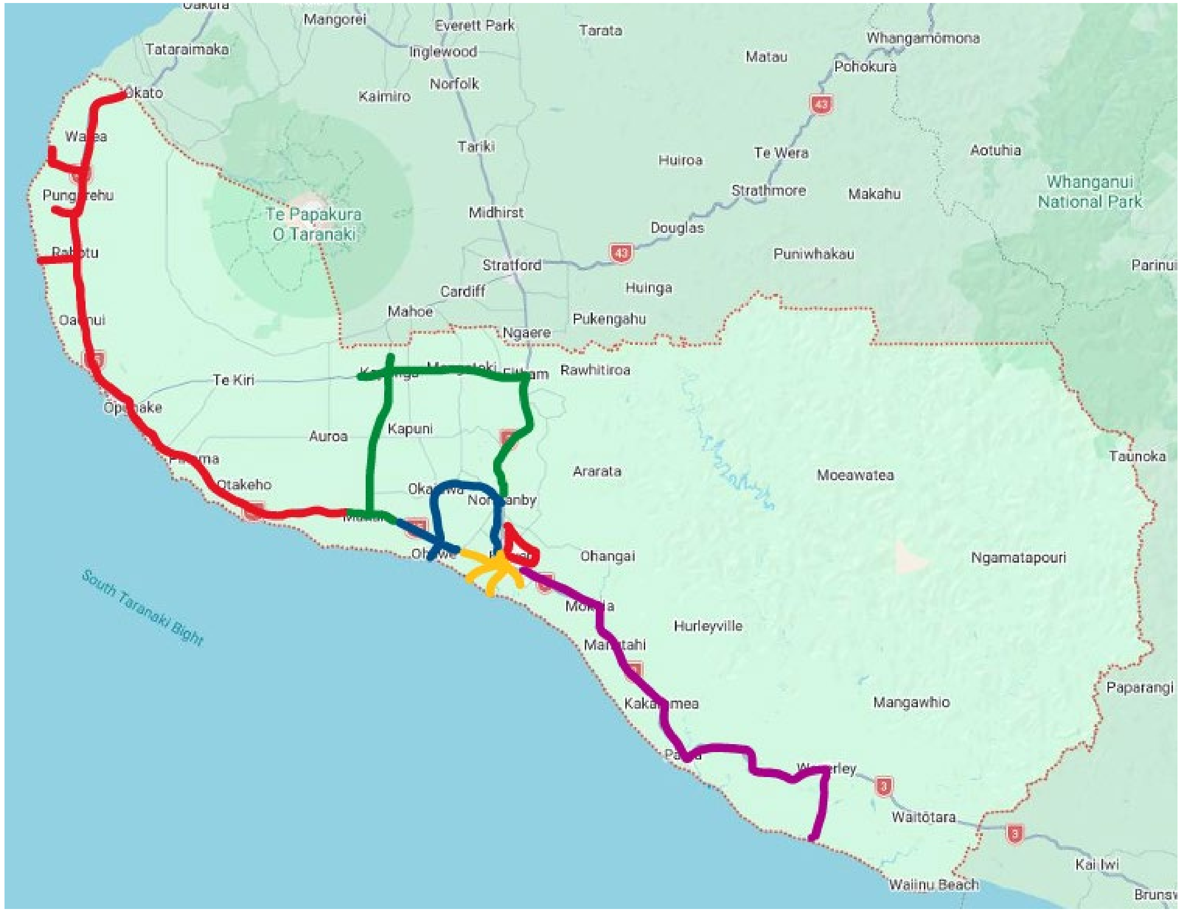
The wastewater rate funds treatment and disposal of wastewater as a fixed amount per SUIP, set under Section 16 of the Local Government (Rating) Act 2002. The targeted wastewater rate will rise by 10.84% (from $954.50 to $1,058.00).

Wastewater differentials

The differential categories for the wastewater disposal rate are:

- Connected – any rating unit connected to a public wastewater drain; and
- Serviceable – any rating unit not connected to a public wastewater drain but within 30 metres of such a drain. A half charge of the connected wastewater rate is assessed for serviceable rating units.

The amounts per SUIP for 2026/27 (including GST) are:	
Connected	$1,058.00
Serviceable	$529.00



Kerbside Collection Services

The kerbside collection targeted rate is charged for the number of sets of refuse and recycling bins each rating unit uses. For example, a property that has two sets of bins for refuse and recycling will be charged two targeted kerbside collection rates. This is set under Section 16 of the Local Government (Rating) Act 2002.

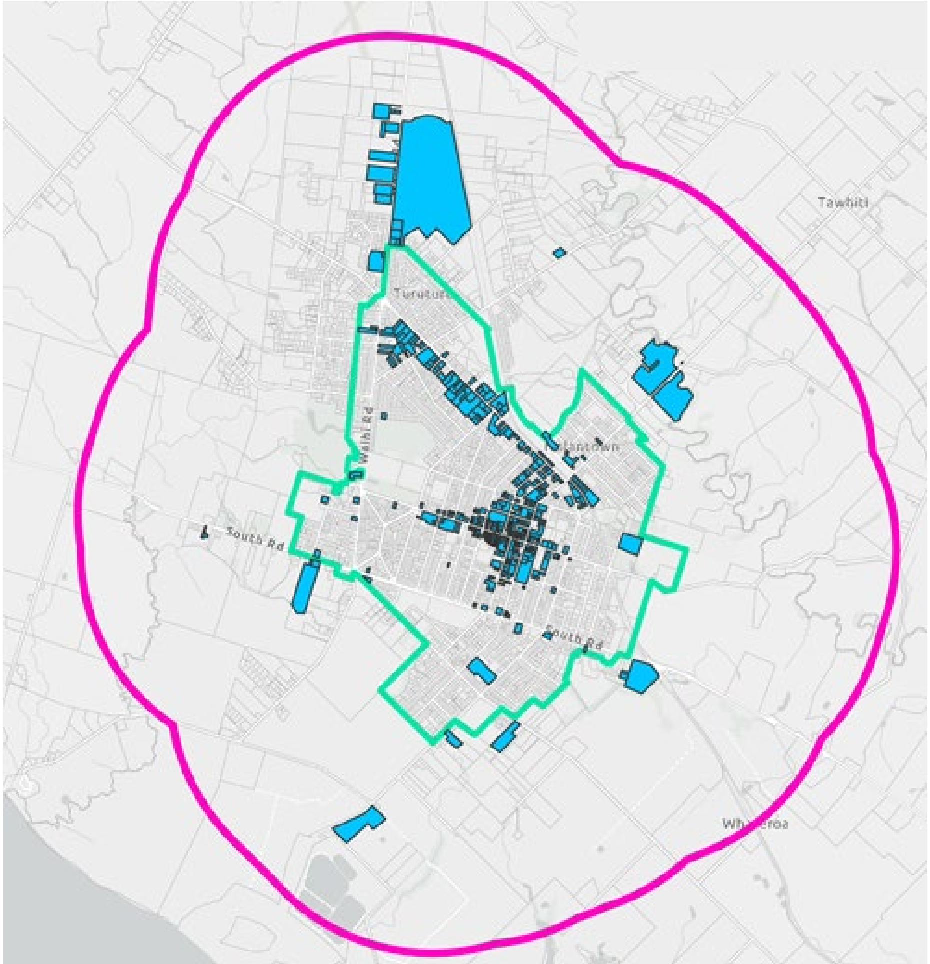
The targeted rates for kerbside collection are:

- **Urban** - $388.70 for each set of refuse and recycling bins for every rating unit situated within the urban areas of Pungarehu, Rāhotu, Ōpunakē, Kaponga, Eltham, Manaia, Ōhawe, Hāwera, Normanby, Pātea, Waverley and Waverley Beach where the service is available.

- **Rural** - $388.70 for each set of refuse and recycling bins for every rating unit situated within the rural area where the service is available and where the Council is prepared to provide the service.

Key:

- Monday
- Tuesday
- Wednesday
- Thursday
- Friday



Hāwera Business Rate

The Hāwera business differential is applied to properties used for commercial and industrial purposes within a defined area of Hāwera including areas of the former Hāwera County located within 1,500 metres of the former Hāwera Borough boundary. The rate is an amount per dollar of capital value, set under Section 16 of the Local Government (Rating) Act 2002.

The amount per dollar of capital value for 2026/27 (including GST) is 0.06845 cents.

Legend

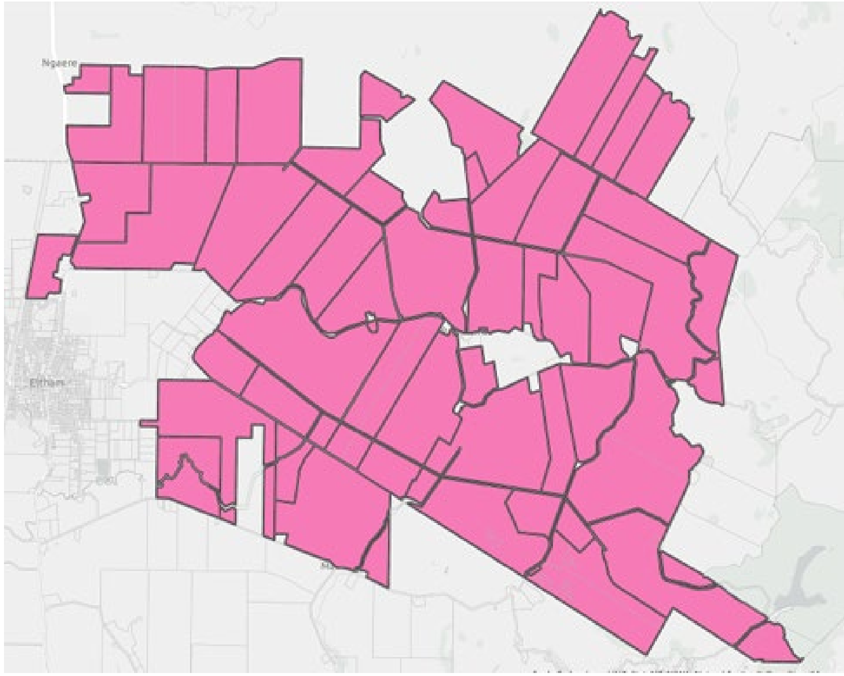
Hawera borough boundary

Hawera Business Differential Rate Area

Hawera business differential rated properties

Eltham Drainage Rate

The Council has a targeted rate for drainage maintenance work in the Eltham drainage area, set under Section 16 of the Local Government (Rating) Act 2002, on differing classes of land as follows:



Legend
Eltham Drainage Area

Class A Land
- Swamp land within 600m of an improved main drain

Class B Land
– Swamp land between 600m and 1000m of an improved main drain
– Swamp land within 400m of a main drain not improved in this scheme but maintained by the Eltham Drainage Board. Where foreign waters that is, from catchments outside the drainage district) are discharged into main drains via subsidiary drains, a strip 200m wide through the Class "C" land zone is to be placed in Class "B" land.

Class C Land
– Swamp land over 1000m from and draining into a main drain.
– Hill country that drains into a main drain provided that the area of hill country in Class "C" does not exceed three times the area of swamp in classes "A", "B" and "C" on the property.

The amounts per dollar of land value for 2026/27 (including GST) are:

2026/27	
Class A Land	0.01167 cents
Class B Land	0.00759 cents
Class C Land	0.00407 cents

Voluntary Targeted Rate - Warmer Homes Scheme

The Warmer Homes Scheme rate is a targeted rate collected under Section 16 of the Local Government (Rating) Act 2002 on properties that have been granted funding assistance for the installation of insulation or approved heating products. The rate is calculated as a percentage of the service amount (the cost of the installation plus any accrued interest before being added to the first year's rates) until the service amount and the costs of servicing the service amount are recovered.

The rate is payable for nine years. The interest rate for the current year (2026/27) is 5.40%.

First year rated*	Percentage paid this year
2018/19	14.02
2019/20	13.94
2020/21	13.88
2021/22	13.88
2022/23	13.96
2023/24	14.04

*this refers to the first year the targeted rate is added to the property

Due dates and penalties

The Council's rates (except for water by meter and water meter services) for the 2026/27 year (1 July 2026 to 30 June 2027) will be payable in four instalments, due on or by:

Due Dates for Payment of Rates	
1st Instalment	26 August 2026
2nd Instalment	25 November 2026
3rd Instalment	24 February 2027
4th Instalment	26 May 2027

Water by Meter (and Water Meter Servicing) Rate Due Dates

Invoice Month	Due Dates
July 2026	20 August 2026
August 2026	21 September 2026
September 2026	20 October 2026
October 2026	20 November 2026
November 2026	21 December 2026
December 2026	20 January 2027
January 2027	22 February 2027
February 2027	22 March 2027
March 2027	20 April 2027
April 2027	20 May 2027
May 2027	21 June 2027
June 2027	20 July 2027

If an invoice includes consumption over the period spanning two financial years this will be pro-rata-ed (that is, the per cubic metre rate will be charged at the relevant year's applicable rate).

The Council will charge a penalty of 10% on any part of each respective instalment for rates (excluding water by meter rates and warmer homes scheme targeted rate) that remains unpaid after the due date.

Dates when Penalties will be applied	
1st Instalment	1 September 2026
2nd Instalment	1 December 2026
3rd Instalment	2 March 2027
4th Instalment	1 June 2027

Discount

In accordance with Section 55 of the Local Government (Rating) Act 2002, a discount of 2% of the total year's rates, excluding water by meter rates, will be allowed where they are paid in full on or before 26th August 2026.

2026/27

Projected number of rating units	Projected total capital value of rating units ($m)	Projected total land value of rating units ($m)
14,837	14,016	8,685

Definition of SUIP:

A SUIP is defined as a separately used or inhabited part of a rating unit and includes any part that is used or inhabited by any person, other than the ratepayer or any part or parts of a rating unit that are used or inhabited by the ratepayer for more than one single use.

Guidelines

Any part of a rating unit means:

- A residential property that contains two or more separately inhabited units/flats/houses that would each be separately assessed for uniform charges;
- A rural property/farm with multiple dwellings (for example, a house used by a farm worker) that would each be separately assessed for uniform charges; and
- Where a number of different businesses are located in one rating unit (for example, two retail shops), each separate business would be assessed for uniform charges.

An exception is made for motels/hotels as these are treated as one business even if each accommodation unit may be capable of separate habitation.

Lump sum contributions

The Council may accept lump sum contributions in respect of any targeted rate.

Whakatauira Reiti (me te) | **Rating Examples (including GST)**

Examples of Rating Impact

The following examples show the impact of the rating proposals on low, medium and high valued urban and rural properties as well as one example of a commercial property in Hāwera. They are required to be provided under clause 15(5) of Schedule 10 of the Local Government Act 2002 and are indicative only. The examples exclude water by meter rates and Warmer Homes Scheme rates.

Urban

Property Values	**$380,000**	**$600,000**	**$900,000**	**$1,120,000**
General Rates	$376.63	$594.67	$892.01	$1,110.06
Roading	$304.03	$480.05	$720.08	$896.09
UAGC	$820.24	$820.24	$820.24	$820.24
Water	$779.70	$779.70	$779.70	$779.70
Wastewater	$1,058.00	$1,058.00	$1,058.00	$1,058.00
Kerbside	$388.70	$388.70	$388.70	$388.70
Total Rates	**$3,727.30**	**$4,121.37**	**$4,658.73**	**$5,052.80**
Prior Year	**$3,485.31**	**$3,864.08**	**$4,380.59**	**$4,759.35**
% Increase	**6.94%**	**6.66%**	**6.35%**	**6.17%**
$ Increase	**$241.99**	**$257.29**	**$278.14**	**$293.45**

Hāwera Commercial

Property Values	**$850,000**
General Rates	$842.45
Roading	$680.07
UAGC	$820.24
Water	$779.70
Wastewater	$1,058.00
Hāwera Business Rate	$581.82
Total Rates	**$4,762.29**

Prior Year	**$4,526.41**
% Increase	**5.21%**
$ Increase	**$235.88**

Rural

Property Values	**$5,300,000**	**$8,000,000**
General Rates	$5,252.95	$7,928.98
Roading	$4,240.45	$6,400.67
UAGC	$820.24	$820.24
Total Rates	**$10,313.64**	**$15,149.90**
Prior Year	**$9,914.72**	**$14,563.26**
% Increase	**4.02%**	**4.03%**
$ Increase	**$398.92**	**$586.64**

Nga Reiti Katoa / Total Rates

	Annual Plan 2026/27 ($000)	**Annual Plan 2025/26 ($000)**
General Rates	13,892	13,315
Uniform Annual General Charge (UAGC)	11,986	11,498
Sub Total	**25,878**	**24,812**
Roading Rate	11,214	10,663
Urban Water Targeted Rates - Connected & Serviceable	6,464	6,092
Urban Water - Water by meter charges	6,252	6,029
Waimate West Water Supply - water by meter charges	7,735	7,290
Wastewater Targeted Rates	8,895	7,988
Kerbside Collection Rates - Urban and Rural	3,439	3,059
Eltham Drainage Rates	11	10
Hāwera Business Rates	225	221
Sub -Total Targeted Rates	**44,235**	**41,352**
Total	**70,113**	**66,165**

The total to the left includes the Warmer Home Scheme.

These figures are GST inclusive.

These figures include Internal Rates the Council charges itself.

Projections for General and Targeted Rates

The following table summarises the rate increases for the 2025/26 and 2026/27 financial years.

Rate (including GST) For the year ended 30 June	2025/26	2026/27
District Rate*	13.19%	4.56%
General Rate – cents per $	0.09353	0.09911
Roading Rate – cents per $	0.07527	0.08008
UAGC	$756	$820
Targeted Rates**		
Water Targeted Rate	$684	$780
Wastewater Targeted Rate	$874	$1,058
Kerbside Collection Rate	$325	$389
Water meter only charge ≤ 32mm	$150	$150
Water meter and backflow charge ≤ 32mm	$260	$260
Water meter only charge ≤ 40mm	$175	$175
Water meter and backflow charge ≤ 40mm	$325	$325
Water meter and backflow charge ≤ 50mm	$460	$460
Water meter and backflow charge > 50mm	$630	$630
Water by meter rates per cubic metre		
Urban – town (including high user)	$2.97	$3.30
Urban Water – extra high user	$3.16	$3.48
Waimate West (including Inaha)	$1.16	$1.36
Total Rates	**11.1%**	**5.97%**

**The District Rate includes the UAGC, general rate and roading rate. The general and roading rates are calculated on the capital value of the property, so each property pays a different amount.*

***Targeted Rates are uniform charges (every property pays the same amount) except for the water by meter charges, which are volumetric (you pay for what you use).*

Te Poumanukura / Democracy and Leadership

We provide governance processes that enable the community to participate in decision-making and ensure quality decisions are made in accordance with statutory requirements. To do this well we need to keep the community informed about what is happening, how decisions will affect them and how they can participate in meetings and consultation/submission processes.

For the years ended 30 June	Annual Plan 2025/26 (000)	LTP Year 3 2026/27 (000)	Annual Plan 2026/27 (000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	3,665	3,385	3,761
Targeted Rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	632	522	547
Total operating funding (A)	**4,297**	**3,907**	**4,308**
Applications of operating funding			
Payments to staff and suppliers	1,609	1,421	1,582
Finance costs	4	3	0
Internal charges and overheads applied	2,677	2,475	2,721
Operating funding applications	0	0	0
Total applications of operating funding (B)	**4,290**	**3,899**	**4,304**
Surplus (deficit) of operating funding (A-B)	**7**	**8**	**4**
Sources of capital funding			

Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	**0**	**0**	**0**

Applications of capital funding			
- To meet additional demand	0	0	0
- To improve the level of service	0	0	0
- To replace existing assets	0	0	0
Increase (decrease) in reserves	7	8	4
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	**7**	**8**	**4**
Surplus (deficit) of capital funding (C-D)	**(7)**	**(8)**	**(4)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**
Excludes depreciation of:	7	8	4

Ngā Puna Wai / Water Supply

There is a strong community expectation that people are safe and their public health is protected through the delivery of the three waters services.

Water supply is a critical infrastructure service we provide, as water is required in large volumes to sustain domestic, agricultural and industrial customers. Sustainable water supplies preserve the resource for future generations, while high-quality infrastructure plays a key role in the District's economy.

For the years ended 30 June	**Annual Plan 2025/26** (000)	**LTP Year 3 2026/27** (000)	**Annual Plan 2026/27** (000)
Sources of Operating Funding			

General Rates, uniform annual general charges, rates penalties	0	0	0
Targeted Rates	16,879	17,574	17,784
Subsidies and grants for operating purposes	0	0	0
Fees and charges	248	255	139
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	441	453	457
Total operating funding (A)	**17,569**	**18,283**	**18,380**
Applications of operating funding			
Payments to staff and suppliers	4,791	4,735	5,188
Finance costs	2,267	2,760	2,435
Internal charges and overheads applied	3,243	3,329	4,168
Operating funding applications	0	0	0
Total applications of operating funding (B)	**10,300**	**10,824**	**11,790**
Surplus (deficit) of operating funding (A-B)	**7,269**	**7,459**	**6,589**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	534	547	914
Increase (decrease) in debt	13,533	3,232	2,264
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	**14,066**	**3,779**	**3,178**
Applications of capital funding			
- To meet additional demand	243	0	0
- To improve the level of service	10,728	4,019	5,547
- To replace existing assets	10,913	8,265	5,904
Increase (decrease) in reserves	(549)	(1,046)	(1,684)
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	**21,335**	**11,238**	**9,767**
Surplus (deficit) of capital funding (C-D)	**(7,269)**	**(7,459)**	**(6,589)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**
Excludes depreciation of:	8,149	8,563	7,864

Ngā Waiparapara / Wastewater

The safe disposal of wastewater protects the public health of our communities by taking domestic sewage and industrial wastes and treating them before discharging the treated effluent to the environment.

For the years ended 30 June	Annual Plan 2025/26 (000)	LTP Year 3 2026/27 (000)	Annual Plan 2026/27 (000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	0	0	0
Targeted Rates	6,946	7,500	7,735
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,584	1,596	1,643
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	**8,530**	**9,096**	**9,378**
Applications of operating funding			
Payments to staff and suppliers	3,990	3,939	4,218
Finance costs	1,654	1,965	2,002
Internal charges and overheads applied	1,500	1,471	2,099
Operating funding applications	0	0	0
Total applications of operating funding (B)	**7,144**	**7,375**	**8,319**
Surplus (deficit) of operating funding (A-B)	**1,386**	**1,721**	**1,059**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	907	930	710
Increase (decrease) in debt	11,359	1,512	2,101
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	1,000
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	**12,267**	**2,441**	**3,811**

Applications of capital funding			
- To meet additional demand	2,157	0	0
- To improve the level of service	3,191	31	1,881
- To replace existing assets	9,262	5,375	1,710
Increase (decrease) in reserves	(958)	(1,244)	1,278
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	**13,652**	**4,163**	**4,870**
Surplus (deficit) of capital funding (C-D)	**(1,386)**	**(1,721)**	**(1,059)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**
Excludes depreciation of:	3,211	3,461	3,294

Te wai Āwhiowhio me ōna Rītenga / Stormwater

Stormwater reticulation provides some protection for homes and core infrastructure, such as roads and wastewater systems, by reducing the risk of flooding of properties and infrastructure.

For the years ended 30 June	Annual Plan 2025/26 (000)	LTP Year 3 2026/27 (000)	Annual Plan 2026/27 (000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	1,436	1,585	1,635
Targeted Rates	9	9	9
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	230	243	235
Total operating funding (A)	**1,675**	**1,837**	**1,879**
Applications of operating funding			
Payments to staff and suppliers	266	209	309
Finance costs	197	191	294
Internal charges and overheads applied	491	504	566
Operating funding applications	0	0	0
Total applications of operating funding (B)	**954**	**904**	**1,168**
Surplus (deficit) of operating funding (A-B)	**721**	**933**	**710**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	384	394	261
Increase (decrease) in debt	1,151	(723)	(73)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0

Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	**1,536**	**(330)**	**188**

Applications of capital funding			
- To meet additional demand	934	0	0
- To improve the level of service	364	188	188
- To replace existing assets	944	168	168
Increase (decrease) in reserves	15	247	542
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	**2,257**	**604**	**898**
Surplus (deficit) of capital funding (C-D)	**(721)**	**(933)**	**(710)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**
Excludes depreciation of:	1,001	1,092	1,025

Ngā Huarahi Ararau / Roading and Footpaths

We maintain and develop a substantial District roading network to meet the needs of residents and road users. Safe, reliable and accessible roading infrastructure provides access to health and social services and an efficient distribution network for residents and businesses. Roading infrastructure is essential for the community and the District's economic development.

Our road safety programme aims to reduce the number of crashes and fatalities on our roads in the South Taranaki and Stratford districts. It is delivered collaboratively by the South Taranaki and Stratford district councils.

Providing this activity helps us deliver high quality infrastructure to support businesses and industry in South Taranaki.

For the years ended 30 June	Annual Plan 2025/26 (000)	LTP Year 3 2026/27 (000)	Annual Plan 2026/27 (000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	43	39	50
Targeted Rates	9,272	10,770	9,751
Subsidies and grants for operating purposes	7,487	8,964	7,759
Fees and charges	172	174	195
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	1,070	823	1,047
Total operating funding (A)	**18,044**	**20,771**	**18,802**
Applications of operating funding			
Payments to staff and suppliers	13,415	14,607	13,861
Finance costs	302	545	994
Internal charges and overheads applied	527	463	454
Operating funding applications	0	0	0
Total applications of operating funding (B)	**14,244**	**15,615**	**15,308**
Surplus (deficit) of operating funding (A-B)	**3,800**	**5,155**	**3,494**
Sources of capital funding			
Subsidies and grants for capital expenditure	9,627	11,244	8,225

Development and financial contributions	1,064	1,091	1,521
Increase (decrease) in debt	7,563	(249)	2,846
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	**18,254**	**12,087**	**12,592**

Applications of capital funding			
- To meet additional demand	6,077	0	516
- To improve the level of service	6,577	7,076	2,385
- To replace existing assets	9,934	10,257	10,893
Increase (decrease) in reserves	(535)	(91)	2,293
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	**22,054**	**17,242**	**16,086**
Surplus (deficit) of capital funding (C-D)	**(3,800)**	**(5,155)**	**(3,494)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**
Excludes depreciation of:	10,583	10,629	10,117

Ngā Whare-ā- Hapori / Community Facilities

We provide a range of community facilities for our residents, families and visitors.

Parks and public spaces, pathways, recreation centres (halls) and swimming pools deliver facilities for people to be active, socialise, interact and have fun. These facilities are delivered to enhance the social and cultural well-being of our communities.

Holiday parks and campgrounds give visitors opportunities to stay, visit and support our local communities, and we have quality public toilets for people's comfort and convenience. We provide housing options for older people unable to access suitable housing in the private sector.

We own and maintain a number of cemeteries to provide areas for burial and remembrance and to ensure these facilities are appropriately managed for the community.

For the years ended 30 June	**Annual Plan 2025/26** (000)	**LTP Year 3 2026/27** (000)	**Annual Plan 2026/27** (000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	7,667	8,322	8,264
Targeted Rates	0	0	0
Subsidies and grants for operating purposes	18	7	17
Fees and charges	2,262	2,374	2,308
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	3,081	3,128	3,038
Total operating funding (A)	**13,028**	**13,831**	**13,627**
Applications of operating funding			
Payments to staff and suppliers	7,773	7,504	7,736
Finance costs	1,158	1,438	1,392
Internal charges and overheads applied	1,726	1,833	1,956
Operating funding applications	7	516	7
Total applications of operating funding (B)	**10,664**	**11,291**	**11,092**
Surplus (deficit) of operating funding (A-B)	**2,364**	**2,540**	**2,535**

Sources of capital funding			
Subsidies and grants for capital expenditure	92	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	4,485	(548)	954
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	800
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	**4,578**	**(548)**	**1,754**
Applications of capital funding			
- To meet additional demand	0	0	0
- To improve the level of service	3,483	1,133	1,403
- To replace existing assets	4,456	2,673	2,621
Increase (decrease) in reserves	(997)	(1,814)	265
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	**6,942**	**1,993**	**4,289**
Surplus (deficit) of capital funding (C-D)	**(2,364)**	**(2,540)**	**(2,535)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**
Excludes depreciation of:	3,526	3,727	3,835

Ngā mahi ā-Toi-me-Rēhia / Arts & Culture

Arts, culture and heritage allow us to build creative, diverse communities and enable people to be connected and informed through opportunities to participate in creative outlets and by honouring and protecting the past.

Our seven LibraryPlus centres provide access to a wide range of free services, information and recreational resources and enable the community to connect.

For the years ended 30 June	Annual Plan 2025/26 (000)	LTP Year 3 2026/27 (000)	Annual Plan 2026/27 (000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	3,303	3,401	3,108
Targeted Rates	0	0	0
Subsidies and grants for operating purposes	33	50	32
Fees and charges	44	49	49
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	622	697	538
Total operating funding (A)	**4,002**	**4,197**	**3,727**
Applications of operating funding			
Payments to staff and suppliers	2,577	2,590	2,649
Finance costs	27	34	527
Internal charges and overheads applied	1,035	1,117	1,210
Operating funding applications	25	25	25
Total applications of operating funding (B)	**3,665**	**3,766**	**4,411**
Surplus (deficit) of operating funding (A-B)	**337**	**431**	**(684)**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	184	43	(48)

Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	**184**	**43**	**(48)**

Applications of capital funding			
- To meet additional demand	0	0	0
- To improve the level of service	26	0	0
- To replace existing assets	558	412	267
Increase (decrease) in reserves	(62)	62	(999)
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	**521**	**474**	**(732)**
Surplus (deficit) of capital funding (C-D)	**(337)**	**(431)**	**684**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**
Excludes depreciation of:	1,187	1,120	823

Whakawhanake Hapori me te Tautoko / Community Development and Support

We are committed to working in partnership with our communities to ensure that their views and aspirations are considered, and they are supported to develop and implement projects that improve well-being.

For the years ended 30 June	Annual Plan 2025/26 (000)	LTP Year 3 2026/27 (000)	Annual Plan 2026/27 (000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	1,041	1,219	1,194
Targeted Rates	0	0	0
Subsidies and grants for operating purposes	268	0	225
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	252	272	246
Total operating funding (A)	**1,561**	**1,491**	**1,664**
Applications of operating funding			
Payments to staff and suppliers	578	339	531
Finance costs	46	55	47
Internal charges and overheads applied	321	348	430
Operating funding applications	580	710	618
Total applications of operating funding (B)	**1,524**	**1,452**	**1,625**
Surplus (deficit) of operating funding (A-B)	**37**	**39**	**39**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(50)	(53)	(53)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0

Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	**(50)**	**(53)**	**(53)**

Applications of capital funding			
- To meet additional demand	0	0	0
- To improve the level of service	0	0	0
- To replace existing assets	0	0	0
Increase (decrease) in reserves	(13)	(13)	(13)
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	**(13)**	**(13)**	**(13)**
Surplus (deficit) of capital funding (C-D)	**(37)**	**(39)**	**(39)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**
Excludes depreciation of:	0	0	0

Ratonga Whakature / Regulatory Services

This group of activities has a service delivery role across numerous statutes with all five functions (building control, planning, environmental health, animal services and nuisance and parking control) working together to support effective regulation and compliance across the District.

For the years ended 30 June	Annual Plan 2025/26 (000)	LTP Year 3 2026/27 (000)	Annual Plan 2026/27 (000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	1,418	1,547	1,771
Targeted Rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	3,027	3,007	2,958
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	306	309	275
Total operating funding (A)	**4,751**	**4,863**	**5,004**
Applications of operating funding			
Payments to staff and suppliers	2,976	2,979	2,960
Finance costs	19	25	68
Internal charges and overheads applied	1,700	1,764	1,932
Operating funding applications	0	0	0
Total applications of operating funding (B)	**4,695**	**4,768**	**4,959**
Surplus (deficit) of operating funding (A-B)	**57**	**95**	**44**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	44	(39)	(37)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0

Total sources of capital funding (C)	**44**	**(39)**	**(37)**

Applications of capital funding			
- To meet additional demand	0	0	0
- To improve the level of service	72	4	4
- To replace existing assets	0	0	0
Increase (decrease) in reserves	29	52	3
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	**101**	**56**	**7**
Surplus (deficit) of capital funding (C-D)	**(57)**	**(95)**	**(44)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**
Excludes depreciation of:	43	28	44

Tiaki Taiao / Environmental Management

This activity leads a District wide approach to climate change, carbon zero, waste minimisation, environmental sustainability and land management. It also ensures that the Council and our residents are prepared to respond to, and recover from, a major natural hazard or emergency event. This includes our work with the Taranaki Civil Defence and Emergency Management Group under the Civil Defence Emergency Management Act 2002.

For the years ended 30 June	Annual Plan 2025/26 (000)	LTP Year 3 2026/27 (000)	Annual Plan 2026/27 (000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	966	1,364	1,511
Targeted Rates	0	0	0
Subsidies and grants for operating purposes	698	358	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	155	213	219
Total operating funding (A)	**1,818**	**1,936**	**1,730**
Applications of operating funding			
Payments to staff and suppliers	1,226	1,247	872
Finance costs	13	14	46
Internal charges and overheads applied	281	305	370
Operating funding applications	45	65	45
Total applications of operating funding (B)	**1,565**	**1,631**	**1,333**
Surplus (deficit) of operating funding (A-B)	**254**	**305**	**396**
Sources of capital funding			
Subsidies and grants for capital expenditure	1,048	1,071	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	307	36	6
Gross proceeds from sale of assets	0	0	0

Lump sum contributions	12	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	**1,367**	**1,107**	**6**

Applications of capital funding			
- To meet additional demand	0	0	0
- To improve the level of service	1,542	1,110	41
- To replace existing assets	0	0	0
Increase (decrease) in reserves	78	302	361
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	**1,620**	**1,412**	**402**
Surplus (deficit) of capital funding (C-D)	**(254)**	**(305)**	**(396)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**
Excludes depreciation of:	54	5	42

Para Totoka / Solid Waste

Our solid waste services are delivered in a way that seeks to balance environmental requirements with affordability, ensuring solid waste is collected and disposed in the most cost-effective and responsible manner for the community.

For the years ended 30 June	Annual Plan 2025/26 (000)	LTP Year 3 2026/27 (000)	Annual Plan 2026/27 (000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	793	872	619
Targeted Rates	2,660	2,865	2,991
Subsidies and grants for operating purposes	0	0	0
Fees and charges	3,062	3,268	3,009
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	1,474	1,522	1,757
Total operating funding (A)	**7,989**	**8,528**	**8,376**
Applications of operating funding			
Payments to staff and suppliers	7,361	7,489	7,488
Finance costs	244	332	304
Internal charges and overheads applied	672	618	514
Operating funding applications	0	0	0
Total applications of operating funding (B)	**8,278**	**8,438**	**8,306**
Surplus (deficit) of operating funding (A-B)	**(289)**	**90**	**70**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	2,470	1,781	(354)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0

Total sources of capital funding (C)	**2,470**	**1,781**	**(354)**

Applications of capital funding			
- To meet additional demand	0	0	0
- To improve the level of service	1,782	2,152	0
- To replace existing assets	923	16	16
Increase (decrease) in reserves	(524)	(298)	(300)
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	**2,181**	**1,870**	**(284)**
Surplus (deficit) of capital funding (C-D)	**289**	**(90)**	**(70)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**
Excludes depreciation of:	177	294	314

Ngā Momo Hanga ki Tai / Coastal Structures

We need to protect erosion prone areas close to existing facilities and infrastructure to ensure compliance with our resource consents.

The provision and maintenance of coastal structures enables us to preserve the environment for future generations.

For the years ended 30 June	Annual Plan 2025/26 (000)	LTP Year 3 2026/27 (000)	Annual Plan 2026/27 (000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	166	184	157
Targeted Rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	26	28	21
Total operating funding (A)	**192**	**212**	**178**
Applications of operating funding			
Payments to staff and suppliers	69	92	87
Finance costs	35	29	37
Internal charges and overheads applied	67	71	28
Operating funding applications	0	0	0
Total applications of operating funding (B)	**171**	**192**	**152**
Surplus (deficit) of operating funding (A-B)	**20**	**20**	**26**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	205	(20)	(26)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0

Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	**205**	**(20)**	**(26)**

Applications of capital funding			
- To meet additional demand	0	0	0
- To improve the level of service	0	0	0
- To replace existing assets	225	0	0
Increase (decrease) in reserves	0	(1)	0
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	**225**	**(1)**	**0**
Surplus (deficit) of capital funding (C-D)	**(20)**	**(20)**	**(26)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**
Excludes depreciation of:	781	781	867

Ōhanga-ā-Rohe / District Economy

This activity supports new and existing businesses by creating opportunities for growth and development, while also contributing to the District's economy through tourism promotion and events.

For the years ended 30 June	Annual Plan 2025/26 (000)	LTP Year 3 2026/27 (000)	Annual Plan 2026/27 (000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	1,373	1,461	1,247
Targeted Rates	192	194	196
Subsidies and grants for operating purposes	81	19	19
Fees and charges	326	355	333
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	1,116	1,123	1,077
Total operating funding (A)	**3,088**	**3,152**	**2,872**
Applications of operating funding			
Payments to staff and suppliers	1,583	1,663	1,464
Finance costs	374	426	175
Internal charges and overheads applied	445	506	466
Operating funding applications	267	314	254
Total applications of operating funding (B)	**2,669**	**2,909**	**2,360**
Surplus (deficit) of operating funding (A-B)	**419**	**243**	**512**
Sources of capital funding			
Subsidies and grants for capital expenditure	62	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(37)	(290)	(554)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0

Total sources of capital funding (C)	**25**	**(290)**	**(554)**

Applications of capital funding			
- To meet additional demand	0	0	0
- To improve the level of service	1,614	1,064	5,066
- To replace existing assets	37	0	0
Increase (decrease) in reserves	408	420	(43)
Increase (decrease) in investments	(1,614)	(1,531)	(5,066)
Total applications of capital funding (D)	**444**	**(47)**	**(43)**
Surplus (deficit) of capital funding (C-D)	**(419)**	**(243)**	**(512)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**
Excludes depreciation of:	341	831	672

Ngā Mahinga Topūranga / Corporate Services

Corporate activities are about the 'internal functions' that support the delivery of our projects, plans and programmes.

For the years ended 30 June	Annual Plan 2025/26 (000)	LTP Year 3 2026/27 (000)	Annual Plan 2026/27 (000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	296	585	(592)
Targeted Rates	251	223	190
Subsidies and grants for operating purposes	0	0	0
Fees and charges	630	604	634
Internal charges and overheads recovered	19,282	19,652	21,908
Local authorities fuel tax, fines, infringement fees and other receipts	3,998	4,214	6,401
Total operating funding (A)	**24,458**	**25,278**	**28,541**
Applications of operating funding			
Payments to staff and suppliers	18,572	17,473	20,132
Finance costs	495	654	483
Internal charges and overheads applied	4,545	4,796	4,918
Operating funding applications	60	60	60
Total applications of operating funding (B)	**23,672**	**22,982**	**25,594**
Surplus (deficit) of operating funding (A-B)	**786**	**2,296**	**2,947**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	2,220	2,612	2,479
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	**2,220**	**2,612**	**2,479**

Applications of capital funding			
- To meet additional demand	0	0	0
- To improve the level of service	11	128	1,135
- To replace existing assets	2,309	1,789	2,035
Increase (decrease) in reserves	687	2,991	2,257
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	**3,006**	**4,908**	**5,426**
Surplus (deficit) of capital funding (C-D)	**(786)**	**(2,296)**	**(2,947)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**
Excludes depreciation of:	920	1,025	1,160

Te Katoa o te Kaunihera / Whole of Council

For the years ended 30 June	Annual Plan 2025/26 (000)	LTP Year 3 2026/27 (000)	Annual Plan 2026/27 (000)
Sources of Operating Funding			
General Rates, uniform annual general charges, rates penalties	21,852	23,675	22,311
Targeted Rates	35,563	38,532	37,927
Subsidies and grants for operating purposes	8,584	9,399	8,051
Fees and charges	11,354	11,681	11,269
Interest and dividends from investments	9,878	10,272	11,121
Local authorities fuel tax, fines, infringement fees and other receipts	2,534	2,337	3,699
Total operating funding (A)	**89,764**	**95,895**	**94,376**
Applications of operating funding			
Payments to staff and suppliers	65,439	64,997	67,417
Finance costs	6,174	7,872	8,207
Operating funding applications	984	1,690	1,010
Total applications of operating funding (B)	**72,597**	**74,559**	**76,633**
Surplus (deficit) of operating funding (A-B)	**17,168**	**21,336**	**17,743**
Sources of capital funding			
Subsidies and grants for capital expenditure	10,830	12,315	8,225
Development and financial contributions	2,889	2,961	3,406
Increase (decrease) in debt	44,773	8,617	10,842
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	12	0	1,800
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	**58,504**	**23,894**	**24,273**

Applications of capital funding			
- To meet additional demand	9,411	0	516
- To improve the level of service	29,390	16,906	17,651
- To replace existing assets	39,563	28,955	23,614
Increase (decrease) in reserves	(1,078)	900	5,302
Increase (decrease) in investments	(1,614)	(1,531)	(5,066)
Total applications of capital funding (D)	**75,671**	**45,230**	**42,016**
Surplus (deficit) of capital funding (C-D)	**(17,168)**	**(21,336)**	**(17,743)**
Funding balance ((A-B) + (C-D))	**0**	**0**	**0**
Excludes depreciation of:	29,980	31,563	30,059

Prospective Statement of Financial Performance

For the year ended 30 June	Annual Plan 2025/26 *($,000)*	LTP Year 3 2026/27 *($,000)*	Annual Plan 2026/27 *($,000)*
Revenue			
Revenue from exchange transactions			
Water by meter rate	11,830	12,349	12,302
LTIF Income	9,878	10,212	11,061
Interest Income	0	60	60
Revenue from non-exchange transactions			
Rates	45,584	49,858	47,936
Fees and charges	11,354	11,681	11,269
Sundry revenue	2,534	2,337	3,699
Operational grants and subsidies	8,584	9,399	8,051
Capital contributions, grants and subsidies	13,731	15,277	13,431
Total Revenue	**103,496**	**111,172**	**107,807**
Expenditure			
Community Development	1,524	1,452	1,625
Arts and Culture	4,840	4,875	5,219
Democracy & Leadership	4,297	3,906	4,308
District Economy	2,993	3,704	3,016
Environmental Management	1,618	1,636	1,375
Regulatory Services	4,738	4,796	5,004
Community Facilities	13,698	14,550	14,403
Roading and Footpaths	24,721	26,142	25,325
Solid Waste	8,416	8,704	8,587
Stormwater	1,842	1,903	2,052
Wastewater	9,986	10,512	11,184

Water Supply Services	17,732	18,698	18,816
Coastal Structures	952	973	1,019
Corporate Activities	5,219	4,272	4,759
Total Expenditure	**102,577**	**106,123**	**106,693**
Net cost of services - Surplus/(Deficit)	**919**	**5,049**	**1,114**
Taxation	0	0	0
Surplus/(Deficit) after taxation	**919**	**5,049**	**1,114**

Disclosures

Total expenditure includes:

Direct Costs	66,423	66,687	68,427
Interest	6,174	7,872	8,207
Amortisation and Depreciation	29,980	31,563	30,059

Prospective Statement of Comprehensive Revenue and Expenditure

For the year ended 30 June	Annual Plan 2025/26 *($,000)*	LTP Year 3 2026/27 *($,000)*	Annual Plan 2026/27 *($,000)*
Revenue			
Revenue from exchange transactions			
Water by meter rate	11,830	12,349	12,302
LTIF Income	9,878	10,212	11,061
Interest Income	0	60	60
Revenue from non-exchange transactions			
Rates	45,584	49,858	47,936
Fees and charges	11,354	11,681	11,269
Sundry revenue	2,534	2,337	3,699
Operational grants and subsidies	8,584	9,399	8,051
Capital contributions, grants and subsidies	13,731	15,277	13,431
Total Revenue	**103,496**	**111,172**	**107,807**
Expenditure			
Other costs	66,423	66,687	68,427
Interest	6,174	7,872	8,207
Depreciation	29,980	31,563	30,059
Total Expenditure	**102,577**	**106,123**	**106,693**
Net cost of service - Surplus/(Deficit)	**919**	**5,049**	**1,114**
Gains on asset revaluations	0	0	0
Total comprehensive income for the year	**919**	**5,049**	**1,114**

Prospective Statement of Changes in Equity

For the year ended 30 June	Annual Plan 2025/26 *($,000)*	LTP Year 3 2026/27 *($,000)*	Annual Plan 2026/27 *($,000)*
Equity at the start of the year	**1,390,929**	**1,400,325**	**1,442,687**
Gain on asset revaluations	0	0	0
Surplus/(Deficit) for the year	919	5,049	1,114
Equity at the end of the year	**1,391,847**	**1,405,375**	**1,443,801**

Prospective Statement of Financial Position

For the year ended 30 June	Annual Plan 2025/26 *($,000)*	LTP Year 3 2026/27 *($,000)*	Annual Plan 2026/27 *($,000)*
Current Assets			
Cash and cash equivalents	1,226	1,086	1,492
Accounts Receivable	7,698	11,076	9,427
Stocks	58	58	71
Prepayments	1,398	1,084	799
Derivatives	0	2,968	0
Long Term Investment Fund & Other Investments	107,164	114,360	114,729
Total Current Assets	**117,544**	**130,632**	**126,518**
Non-Current Assets			
Long Term Investment Fund & other Investments	26,791	28,590	28,682
Intangible Assets	1,460	1,158	1,460
Property, Plant and Equipment	1,456,028	1,453,579	1,492,920
Other Assets	5,081	5,081	5,081
Derivatives	0	0	509
Total Non-Current Assets	**1,489,360**	**1,488,408**	**1,528,652**
Total Assets	**1,606,904**	**1,619,040**	**1,655,170**
Current Liabilities			
Other current liabilities	1,395	1,292	1,925
Accounts Payable	19,070	19,755	16,583
Income received in advance	1,346	1,602	3,440
Derivatives	564	0	0
Current portion of term liabilities	24,091	18,976	35,086
Total Current Liabilities	**46,466**	**41,625**	**57,034**

Prospective Statement of Financial Position

Non-Current Liabilities			
Term Liabilities	168,403	171,920	152,449
Landfill Aftercare Provision & Other Liabilities	187	121	1,886
Total Non-Current Liabilities	**168,590**	**172,041**	**154,335**
Total Liabilities	**215,056**	**213,666**	**211,369**
Net Assets	**1,391,848**	**1,405,374**	**1,443,801**
Represented By:			
Accumulated Balances	487,677	500,253	480,698
Restricted and Statutory Reserves	3,330	5,025	3,860
Investment Revaluation Reserves	444	343	733
Separate Operating Reserves	4,741	185	3,696
Capital Replacement Reserves	343	(266)	91
Council Created Reserves	149,876	154,397	154,107
Asset Revaluation Reserves	745,437	745,437	800,616
Total Equity	**1,391,848**	**1,405,374**	**1,443,801**

Prospective Statement of Cash Flows

For the year ended 30 June	Annual Plan 2025/26 *($,000)*	LTP Year 3 2026/27 *($,000)*	Annual Plan 2026/27 *($,000)*
Cash Flow from operating activities			
Cash will be provided from:			
Rates	60,452	61,807	58,977
Dividends	26	27	26
Interest on Investments	2,498	2,613	2,558
Other Revenue	36,177	38,666	36,423
Regional Council Rates	4,233	4,283	4,497
	103,386	**107,396**	**102,481**
Cash will be applied to			
Payments to Suppliers & Employees	65,491	66,504	69,870
Agency Rates paid over	4,233	4,283	4,497
Provision for Landfill Aftercare	0	0	0
Interest paid on Loans	6,174	7,872	8,207
	75,898	**78,658**	**82,572**
Net Cash from Operating Activities	**27,488**	**28,738**	**19,909**
Cash will be provided from:			
Proceeds from sale of property, plant and equipment	0	0	0
Net cash inflow from Investments	11,600	5,000	8,876
Total Investing cash provided	**11,600**	**5,000**	**8,876**
Cash will be applied to:			
Purchase and Development of Fixed Assets	78,362	45,861	41,781
Purchase of Investments	0	0	0
Total Investing Cash Applied	**78,362**	**45,861**	**41,781**
Net Cash From Investing Activities	**(66,762)**	**(40,861)**	**(32,904)**

Cash Flows from Investing Activities			
Cash will be provided from:			
Loans Raised	51,928	19,603	16,454
Loans Raised - Current Portion	14,000	17,000	14,000
Total Financing Cash Provided	**65,928**	**36,603**	**30,454**

Prospective Statement of Cash Flows

Cash will be applied to:			
Repayment of Loans	14,163	9,965	6,876
Repayment of Loans - Current Portion	14,000	17,000	14,000
Total Financing Cash Applied	**28,163**	**26,965**	**20,876**
Net Cash from Financing Activities	**37,765**	**9,638**	**9,578**
Net Increase/(Decrease) in Cash Held	**(1,509)**	**(2,486)**	**(3,417)**
Total Cash Resources at 1 July	**2,735**	**3,572**	**4,909**
Total Cash Resources at 30 June	**1,226**	**1,086**	**1,492**

Annual Plan Disclosure Statement

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether we are prudently managing revenue, expenses, assets, liabilities and general financial dealings.

The Council is required to include this statement in its LTP in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Benchmark	Limit	Planned	Met
Rates Affordability	Rate Income – $62.21m Rate Increase – 6.00%	$60.24m 5.97%	Yes Yes
Debt Affordability – Net Debt	150%	36%	Yes
Debt Affordability – Net Interest Expense	15% of Annual Income	5%	Yes
Debt Affordability – Net Interest Expense	25% of Annual Rates Income	9%	Yes
Debt Affordability – Net debt per capita	$2,000	$1,307	Yes
Balanced Budget	Planned revenue equals or is greater than its planned expenses	101%	Yes
Essential Services	Planned expenditure on network services is equal or greater than expected depreciation on network services	129%	Yes
Debt Servicing	10% of Revenue	7.61%	Yes

Te Ihirangi Take Whairawa | **Capital Projects Programme 2026/27**

Activity	Revised Capital Works Programme 2026/27	LTP Capital Works Programme 2026/27	Comments
Economic Development	$5,066,466	$1,064,028	Town Masterplan projects.
Licensing	$1,604	$1,604	As planned.
Emergency Management	$9,198	$8,729	As planned.
Housing for the Elderly	$101,741	$81,396	HVAC renewals.
Support Services	$948,636	$822,596	Aerial photos, HVAC system renewal, compound gate added.
Animal Services	$2,672	$2,673	As planned.
Parking	$0	$0	As planned.
Campgrounds	$458,980	$413,418	Ōpunakē beach camp amenities roof, Hāwera holiday park CCTV.
Cemeteries	$93,450	$11,781	Hāwera cemetery – design extension, boundary cemetery fencing – district renewal, waihi cemetery gates.
Library Plus	$266,994	$411,943	Additional - district libraries heat pumps renewals. Adults, large, children's, graphics print books reduced.
Halls	$815,330	$990,144	Additional projects – Hāwera memorial theatre roof and auditorium seat replacement, Eltham town hall HVAC.
Parks, Reserves and Public Spaces	$2,101,756	$1,894,385	Additional projects – Dallison park, Hāwera skate park sun shade shelter, King Edward Park rainwater tank for lake.
Rural Pools	$37,450	$37,485	As planned.
TSB Hub	$262,152	$262,395	As planned.
Public Toilets	$74,808	$59,548	Additional project – exterior doors renewal.
Environment & Sustainability	$32,070	$1,101,070	Reforestation (Better Off Funding).
Aquatic Centre	$78,102	$55,692	Additional Project – Aquatic centre – replace UV irradiation tubes.

Corporate Property	$1,091,408	$1,095,098	As planned.
Coastal Structures	$0	$0	As planned.
Urban Water Supply	$6,248,917	$7,006,697	Deferral of projects into future years.
Waimate West/Inaha Water Supply	$5,202,551	$5,277,220	Deferral of projects into future years.
Stormwater	$356,109	$356,216	As planned
Solid Waste	$16,222	$2,168,140	No established ownership model.
Wastewater	$3,591,500	$5,406,491	Deferral of projects across future years.
Roading	$13,792,753	$17,332,649	Reduced NZTA funding and loss of minor improvements funding.
Other Allocated Overheads	$1,129,700	$0	Additional project – Te Rourou, KPI framework and dashboard.
Total Capital	**$41,780,568**	**$45,861,397**	

Three Waters Capital Works Programme 2026/27

Project Description	Project Type	Total 2026/27 Budget Inflated	New proposed budget for 2026/27	Remaining Budget 2027-28 and Beyond
Resource Consent Renewals - Urban	RN	179,961	179,961	0
Urban Water Supply Reticulation Renewals LTP21-31 budget hold	RN	5,648,500	2,000,000	3,648,500
Pipework capital upgrades	CP	74,384	74,384	0
Demand management	CP	73,184	73,184	0
Eltham flushing enhancements	CP	57,958	57,958	0
Water Supply Agreements-Urban	RN	4,413	4,413	0
Pipe bridge structural assessments - Water Supply	RN	74,384	74,384	0
Urban Water Treatment Renewals LTP21-31 budget holder	RN	544,310	544,310	0

Kāpuni - WS - WTP VSD Renewals 22/23	RN	10,907	10,907	0
Eltham - WS - WTP VSD Renewals 22/23	RN	65,440	65,440	0
Intake condition assessments	RN	20,008	20,008	0
Urban Water Treatment Capital LTP21-31	CP	143,969	143,969	0
Ōpunakē reservoir 2	CP	4,502,936	1,000,000	3,502,936
Waverley reservoir 2	CP	2,859,228	500,000	2,359,228
Ōpunakē Coag Optimisation	CP	4,710,728	1,000,000	3,710,728
Eltham Reservoir	CP	2,586,169	500,000	2,086,169
Urban Water Capital Works Programme		**21,556,477**	**6,248,917**	**15,307,560**
Waimate West WTP - Resource Consent - Renewals	RN	297,463	297,463	0
Waimate West/Inaha Retic Renewals LTP21-31 budget holder	RN	1,260,122	1,260,122	0
District - WW - Waimate/Inaha water meter renewals	RN	59,987	59,987	0
Water Supply Agreements-Kaponga & Manaia	RN	11,997	11,997	0
Trunk main duplication	CP	2,099,547	2,099,547	0
Waimate West Ttmt Plant Renewals LTP21-31 budget holder	RN	878,541	878,541	0
Waimate West Mangawhero abstraction consent RC0635-3	RN	88,961	88,961	0
Rural - WS - Treatment - I&E renewals 22/23	RN	65,440	65,440	0
Backwash pond sludge disposal as per WSP	CP	98,161	98,161	0
Inaha Water Ttmt Plant Renewals LTP21-31 budget holder	RN	142,331	142,331	0
Backwash recycling & filter renewal	RN	1,308,809	200,000	1,108,809
Waimate-West Capital works Programme		**6,311,360**	**5,202,551**	**1,108,809**
Hāwera WWTP - Desludge Anaerobic Lagoon	RN	2,823,800	0	2,823,800
Hāwera WWTP track renewals	RN	10,907	10,907	0
Consent Renewals	RN	206,683	206,683	0
Hāwera WWTP Transformer Upgrade	CP	308,376	100,000	208,376
Wastewater Reticulation Rehabilitation (place holder only)	RN	3,590,228	500,000	3,090,228

WWPS I&E Renewals	RN	141,650	141,650	0
CCTV Programme (new contract)	RN	163,601	163,601	0
District - WW - Pipe relining 2023-24	RN	272,669	272,669	0
Oxidation Pond Desludging and Sludge Survey	RN	133,390	133,390	0
Wastewater Treatment Renewals budget holder	RN	183,407	183,407	0
WWTP Civil/Structural Items Renewals	RN	98,161	98,161	0
Wastewater Health and Safety Improvements	CP	14,673	14,673	0
Waverley tertiary WWTP	CP	1,521,349	250,000	1,271,349
Generator switchover points	CP	16,360	16,360	0
Hāwera WWTP - New Anaerobic lagoon	CP	4,621,500	1,500,000	3,121,500
Wastewater Capital Works Programme		**14,106,752**	**3,591,500**	**10,515,252**
Stormwater Reticulation CCTV	CP	130,881	130,881	0
Stormwater Renewals budget holder	RN	503,494	168,121	335,373
Eltham - SW - Reticulation Renewal - North Street	RN	27,473	0	27,473
Stormwater modelling when LIDAR available	CP	57,107	57,107	0
Stormwater Capital works Programme		**718,955**	**356,109**	**362,846**
Total Three Waters Capital Works Programme		**42,693,544**	**15,399,077**	**27,294,467**

Te Penapena Pūtea Motuhake | **Statement of Special Reserves Funds**

The following Statement of Special Reserves Funds concerns the created reserves component of the Council's equity. We have an obligation to manage revenue, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community, and to act in the best interest of our ratepayers as a whole and in part.

There are several types of Council created reserves, which are funds set aside for specific purposes, in the following categories:

- Separate Rate Reserves
- Council Created Reserves
- Restricted Reserves and Statutory Reserves
- Capital Replacement Reserves

Separate Rate Reserves

Separate Rate Reserves are maintained for targeted rates charged for a specific purpose. A Separate Rate Reserves is maintained for each targeted rate to ensure that the funds are held and used for the specific purpose intended.

Separate Operating Reserves	Opening Balance $000	Income $000	Expenditure $000	Other Adjustments $000	Closing Balance $000
Roading	3,083	28,548	(25,425)	(2,896)	3,310
Regional Road Safety	56	293	(293)	0	56
Water Supply Urban	0	12,305	(12,628)	327	4
Wastewater	0	11,088	(11,613)	642	117
Eltham Drainage	49	9	(16)	0	42
Water Supply Waimate West/Inaha	3,845	6,988	(7,026)	(2,433)	1,374
Solid Waste Collection	(655)	3,701	(4,175)	(88)	(1,217)
Hāwera Town Coordinator	9	196	(194)	0	11
	6,387	**62,836**	**(61,078)**	**(4,449)**	**3,696**

The other adjustments column includes capital expenditure, loan repayments, new loans and depreciation.

Council Created Reserves	Opening Balance $000	Income $000	Expenditure $000	Other Adjustments $000	Closing Balance $000	Purpose of Funds
Safer Communities	3	0	-	-	3	To manage the balance of funds from Safer Community grants to be used on youth programmes.
Economic Development Fund	0	70	(70)	-	0	To enable the Council to strategically intervene when required by practically supporting new businesses.
Forestry	159	6	(3)	-	163	To manage income and expenditure relating to the joint venture forestry investment.
Ōkōtuku Domain	10	-	(4)	5	11	To manage revenue from the leasing of Crown land on behalf of the Ōkōtuku Domain Committee.
Long Term Investment Fund	139,297	11,270	-	(7,553)	143,014	To manage funds derived from the sale of the Council's shareholding in Egmont Electricity and to provide a rates subsidy.
LTIF Internally Invested Fund	10,225	-	-	(1,323)	8,903	Debt funding from the LTIF
Tourism Reserves	410	90	-	-	500	To fund tourism related projects.
Tangata Whenua Reserve	-	50	(50)	-	-	A fund for the management of grants to Tangata Whenua
Community Board Funding	-	80	(80)	-	-	To manage Community Board funding.
Painting Reserves	564	93	(52)	(371)	234	To fund painting projects.
Riparian/Indigenous	92	55	(53)	-	94	To fund riparian planting throughout the District.
Insurance Reserve	425	300	-	-	725	To manage deductibles and disaster funding.

Urban Redevelopment	-	53	(53)	-	-	
Nukumaru Domain	384	77	0	0	461	To manage revenue from the leasing of Crown land vested in the Council, for the maintenance and development of the domain.
	151,570	**12,144**	**(365)**	**(9,242)**	**154,107**	

Capital Replacement Reserves	Opening Balance $000	Income $000	Expenditure $000	Other Adjustments $000	Closing Balance $000	Purpose of Funds
General rate activities	634	10,145	(12,944	2,258	91	To manage funds derived from funded depreciation for funding of capital expenditure on selected activities.

Restricted Reserves	Opening Balance $000	Income $000	Expenditure $000	Other Adjustments $000	Closing Balance $000	Purpose of Funds
Eltham Property	4	0	-	-	4	To hold funds from property sold in the former Eltham ward, to funding projects in the former Eltham ward area.
Pool Plant	-	-	-	-	-	To provide funds for District pools.
Larcom Bequest Turuturu Mokai	35	1	-	-	37	To manage a bequest from Samuel Larcom.
Pātea Property	201	8	-	-	209	To hold funds from property sold in the Pātea ward, to fund projects in the Pātea ward.
Wairoa Recreation Reserve	997	41	(8)	54	1,084	To manage revenue from the leasing of Crown land vested in the Council and fees/charges from the campground for

						capital works on the Wairoa Recreation Reserve.
Harbour Endowment	827	33	(21)	70	908	To manage lease income from former Pātea Harbour Board land, to be used for (a) maintenance and improvement of endowment properties (b) maintenance and improvement of harbour facilities, including harbour walls, and (c) on recreational and cultural facilities in the Pātea ward.
Centennial Bursary	66	3	(3)	-	66	To provide grants of up to $400 towards tertiary education for eligible applicants. Only interest income from the fund may be used.
Kaūpokonui Beach	21	25	(21)	-	24	To manage lease income from Crown land vested in the Council for capital works requested by the Kaūpokonui Beach Society.
	2,151	**111**	**(53**	**124**	**2,333**	

Statutory Reserves	Opening Balance $000	Income $000	Expenditure $000	Other Adjustments $000	Closing Balance $000	Purpose of Funds
Eltham Reserve Contributions	133	5	-	-	138	To manage reserve contributions collected under the RMA to be used for acquisition or development of reserves in the former Eltham ward area.
Hāwera Reserve Contributions	760	30	-		790	To manage reserve contributions collected under the RMA to be used for acquisition or development of reserves in Te Hāwera ward.
District Reserve Contributions	4	-	-	-	4	To manage reserve contributions collected under the RMA to be used for

						acquisition or development of reserves in the District.
Waimate Development Levy	291	12	-		303	To hold funds derived from a levy on Kāpuni Petrochemical Development, to fund projects or public assets on Council-owned property or reserves within the boundaries of the former Waimate Plains District Council. The principal fund to remain at no less than $260,000.
Ōpunakē Reserve Contributions	214	21	-	-	234	To manage reserve contributions collected under the RMA to be used for acquisition or development of reserves in the Ōpunakē area.
Manaia Reserve Contributions	55	2	-	-	57	To manage reserve contributions collected under the RMA to be used for acquisition or development of reserves in the Manaia area.
	1,457	**70**	**0**		**1,527**	

Te Kaupapa Here o Ngā Tauāki Pūtea | **Statement of Accounting Policies**

Reporting Entity
The Council is a territorial local authority governed by the Local Government Act 2002. Its primary objective is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, it has designated itself a public benefit entity. The prospective financial statements are for the Council as a separate legal entity. Consolidated prospective statements comprising the Council and its subsidiaries have not been prepared.

Basis of Preparation
The Council adopted the prospective financial statements in the 2026/27 Annual Plan on 22 June 2026. It is authorised to do so and believes the underlying assumptions are appropriate. The Councillors and Management accept responsibility for the preparation of the prospective financial statements, including the appropriateness of the underlying assumptions and all other required disclosures. No actual financial results have been incorporated within the prospective financial statements. The financial information contained in this LTP may not be appropriate for purposes other than those described.

Statement of Compliance and Basis of Preparation
The prospective financial statements have been prepared in accordance with the requirements of Section 95 of the Local Government Act 2002 and Financial Reporting Standards 42 (PBE FRS 42). The Council is a public benefit entity (PBE) and complies with the Accounting Standards Tier 1 issued by the New Zealand Accounting Standards Board of the External Reporting Board pursuant to section 24(1)(a) of the Financial Reporting Act 1993.

There are no pending updates to standards, amendments or interpretations to be adopted by the Council for the purpose of this Annual Plan.

Measurement Base
The financial statements have been prepared on an historical cost basis, modified by the revaluation of certain infrastructure assets, investment property, biological assets and certain financial instruments (including derivative instruments). These financial statements are rounded to the nearest thousand dollars ($000) and as a result some rounding errors may occur. The financial statements are presented in New Zealand dollars.

Changes in Accounting Policies
There have been no changes in accounting policies other than noted here.

Significant Accounting Policies

1. Subsidiary Entity

The Council has a subsidiary company, Novus Contracting Limited (100% owned). The company is inactive and the impact of any transactions with this entity on the Council's financial position is minimal. For the purposes of this Annual Plan, only the operations of the parent entity, the Council, have been presented in these financial forecasts.

2. Revenue

Revenue comprises rates, revenue from operating activities (fees and charges), investment revenue, grants and subsidies, capital contributions, gains, bequests and other revenue and is measured at the fair value of consideration received or receivable. Revenue may be derived from exchange and non-exchange transactions.

Exchange Transactions

An exchange transaction occurs when the Council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to the other party in exchange.

Non-Exchange Transactions

A non-exchange transaction occurs when the Council receives value from another party without giving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

a. Rates

Rates are set annually by a Council resolution 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 payable. Rates revenue collected on behalf of the Taranaki Regional Council is not recognised in the financial statements, apart from the statement of cash flows, as the South Taranaki District Council is an agent for the Regional Council.

Rates arising from late payment penalties are recognised as revenue when rates become overdue. Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

b. Government Grants and Subsidies

Government grants and subsidies are recognised upon entitlement at their fair value, which is when conditions pertaining to eligible expenditure have been fulfilled. We receive Government grants from Waka Kotahi New Zealand Transport Agency, which subsidises part of the costs of maintaining our local roading infrastructure. Grants and subsidies are classified as non-exchange revenue.

c. Fees and Charges and Sale of Goods

Revenue from fees and charges is recognised from the rendering of services (for example, building consent fees) where the transaction is based on the actual service provided as a percentage of the total services to be provided. Under this method, revenue is recognised in the accounting periods in which the services are provided. Within rendering of services most activities are partially funded by rates and therefore classified as non-exchange revenue.

Sale of goods is recognised when goods are delivered and is classified as exchange revenue.

d. Investment Income

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable. Interest income is classified as exchange revenue.

Dividends are recognised when the shareholders' rights to receive payment have been established and are recognised, net of imputation credits. Dividends are classified as exchange revenue.

e. Other Grants, Bequests and Vested Assets

Other grants, bequests and assets vested in the Council are recognised when control over the asset is obtained. Vested assets are recognised as revenue at the fair value of the assets at the time of vesting. This revenue is classified as non-exchange revenue.

f. Capital Contributions

Capital contributions for assets are recognised as revenue when received and are classified as non-exchange revenue.

g. Gains

Gains include additional earnings on the disposal of property, plant and equipment and movements in the fair value of financial assets and liabilities. Gains are classified as exchange revenue.

h. Foreign Currency - Exchange Differences

Foreign currency transactions have been converted into New Zealand dollars at the rate of exchange at the date of the transaction. Gains or losses on exchange have been recognised in the Surplus/Deficit. Gains on foreign currency exchange are classified as exchange revenue.

3. Expenses

Specific accounting policies for major categories of expenditures are outlined below:

a. Grants and Sponsorships

Expenditure is classified as a grant or sponsorship if it results in a transfer of resources to another party in return for compliance with certain conditions relating to the operating activities of that party. It includes any expenditure arising from a funding arrangement with another party that has been entered into to achieve the Council’s objectives. Grants and sponsorships are distinct from donations, which are discretionary or charitable gifts. Where grants and sponsorships are discretionary until payment, the expense is recognised when the payment is made. Otherwise, it is recognised when the specific criteria have been fulfilled.

b. Finance Expenses – Interest

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred. The Council has not capitalised borrowing costs associated with funding capital works in progress, which represents a departure from the treatment required under PBE IPSAS 5: Borrowing Costs.

c. Depreciation and Amortisation

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

4. Taxation

a. Goods and Services Tax (GST

GST has been excluded from all items in the financial statements except accounts receivable and accounts payable. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

b. Income Tax

Income tax expense includes components relating to current tax and deferred tax. Current tax is the amount of income tax payable based on the taxable profit for the current year and any adjustments in respect of prior years.

c. Deferred tax

Deferred taxation is the amount of taxes payable (or receivable) in future years in respect of temporary differences (that is, where the accounting treatment differs from the Inland Revenue Department’s requirements). Deferred taxation is determined using the full provision method. Deferred tax assets are only recognised when recovery is probable.

5. Financial Instruments

We undertake financial instrument arrangements as part of normal operations. These include cash and bank balances, investments, receivables, payables and borrowings. All financial instruments are recognised in the Statement of Financial Position and all related revenues and expenses are recognised in the Surplus/Deficit. Interest rate swaps are entered into to hedge against and manage our exposure to risk on debt.

a. Financial Assets

Financial assets are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss, in which case the transaction costs are recognised in the Surplus/Deficit.

Purchases and sales of investments are recognised on trade date, the date on which there is a commitment to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the transfer of substantial risks and rewards is completed.

Fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market 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. Various methods and assumptions are used, based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long term debt instruments held. Other techniques, such as discounted cash flows, are used to determine fair value for the remaining financial instruments.

Other Financial Assets

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

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

Transaction costs are included in the carrying value of the financial asset at initial recognition unless it has been designated at FVTSD, in which case it is recognised in the Surplus/Deficit. The classification of a financial asset depends on its cash flow characteristic and the Council and subsidiary entity’s management model for managing them.

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

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

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

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

Subsequent measurement of financial assets at FVTOCRE
Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except that expected credit losses (ECL) and foreign exchange gains and losses are recognised in the Surplus/Deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to the Surplus/Deficit. The Council and subsidiary entity do not hold any debt instruments in this category.

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

Subsequent measurement of financial assets at FVTSD
Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in the Surplus/Deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Instruments in this category include the Council and subsidiary entity’s investment fund portfolio (comprising listed shares, bonds and units in investment funds) and LGFA borrower notes.

Expected credit loss allowance (ECL)
The Council and subsidiary entity recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to the Council and subsidiary entity in accordance with the contract and the cash flows they expect to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. They are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and subsidiary entity consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and group's historical experience and informed credit assessment and including forward-looking information.

The Council and subsidiary entity consider a financial asset to be in default when it is more than 90 days past due. The Council and subsidiary entity may determine a default occurs prior to this if internal or external information indicates the debtor entity is unlikely to pay its credit obligations in full.

Financial Liabilities

Financial liabilities comprise trade and other payables and borrowings. Financial liabilities (creditors, income in advance, loans, bonds and deposits) are initially recognised at fair value. Short-term payables are recorded at the amounts payable. Financial liabilities with duration of more than 12 months are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised within surplus or deficit. Financial liabilities of less than 12 months' duration are recognised at their nominal value. On disposal, any gains or losses are recognised in the Surplus/Deficit.

a. Impairment of Financial Assets

At each balance date the Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the Surplus/Deficit.

b. Derivative Financial Instruments and Hedging Activities

The Council uses derivative financial instruments to hedge its exposure to interest rate risks arising from operational, financing and investment activities. In accordance with the treasury policies of the respective group entities, we do not hold or issue derivative financial instruments for trading purposes, but derivatives are accounted for as trading instruments. Derivative financial instruments are recognised initially at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the Surplus/Deficit. The fair value of interest rate swaps is the estimated amount that would be received or that we would pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

c. Financial Guarantee Contracts

A financial guarantee contract requires the Council or group to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's-length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a financial guarantee cannot be reliably determined, a liability is recognised at the amount of the loss allowance determined in accordance with the ECL model described in section 5 under the "Other Financial Assets".

Financial guarantees are subsequently measured at the higher of:

- The amount determined in accordance with the ECL model as described in Note 5; and
- The amount initially recognised less, when appropriate, cumulative as revenue.

7. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. They include all funds held for day-to-day management and do not include funds set aside for specific purposes (for example, Reserve Funds).

8. Accounts Receivable

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

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

Rates are "written-off":

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

Other receivables are written off when there is no reasonable expectation of recovery.

9. Inventories

Inventories are valued at the lower of cost (determined on a first-in, first-out basis) and net realisable value. This valuation includes allowances for slow moving and obsolete inventories.

10. Investments

Investments in bank deposits are recognised at cost plus accrued interest. This is considered fair value. Long term receivables and advances are recognised at cost plus accrued interest. Investments in associates are recognised at cost.

Investments and other shares are valued at fair value. Where there is an active market, fair value is determined by reference to published prices. Otherwise, fair value is determined by using a variety of valuation techniques. Movements in fair value will be taken through equity.

11. Property, Plant and Equipment
Property, plant and equipment consist of operational assets, restricted assets and infrastructure assets.

All assets are recorded at cost/valuation less accumulated depreciation (with the exception of land, which is not depreciated).

For assets that are re-valued, the change in valuation is credited or debited to the asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Financial Performance. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the Statement of Financial Performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed and then credited to the revaluation reserve for that class of asset. Additions made after revaluations are recorded at cost.

Disposals
An item of property, plant and equipment is de-recognised 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 the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the Surplus/Deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Operational Assets
These include land, buildings, motor vehicles, plant and equipment and library books. Land and buildings are valued at fair value, as determined from market-based evidence, by AON New Zealand, Registered Valuers, as at 31 March 2022. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise. Motor vehicles, library books and plant and equipment are valued at cost less accumulated depreciation.

Restricted Assets
These are Council assets that cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community. Land and buildings are valued at fair value, as determined from market-based evidence, by AON New Zealand, Registered Valuers, as at 31 March 2022. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise.

Parks and Recreation Assets were valued at fair value by AON New Zealand, as at 31 March 2022. Valuations are carried out on a three-yearly cycle.

Heritage and Cultural Assets were valued at fair value by Ian Burgess, Registered Valuer, Quotable Value New Zealand Limited, as at 1 July 2001. This is considered deemed cost.

Infrastructural Assets

These are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function. Infrastructural assets (excluding land) have all been valued at optimised depreciated replacement cost by Beca Projects NZ Limited as at 30 June 2025. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise.

Roading assets (excluding land under road) have all been valued at optimised depreciated replacement cost by IAMC as at 30 June 2025.

Land under roads was valued based on fair value provided by previous valuations in 2017. The valuation was carried out by Beca Projects NZ Limited. The Council has elected to use fair value of land under roads as at 30 June 2017 as the deemed cost. Land under roads is no longer revalued.

Vested infrastructural assets values have been based on the actual quantities of infrastructural components vested and current "in the ground" cost of providing identical services.

All other assets are valued at historical cost less accumulated depreciation.

12. Depreciation

Depreciation rates for fixed assets are as follows:

Operational Assets

Operational assets are depreciated on a straight-line basis.

Infrastructural Assets

Roading infrastructural assets are valued using the depreciated replacement cost method. Several estimates and assumptions are exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset, derived from recent construction contracts in the region for similar assets.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions such as weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, the Council could be over-

or-underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural assets' useful lives have been determined with reference to the New Zealand 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 asset management planning activities, to provide further assurance for useful life estimates.

Infrastructural assets (excluding land and roading assets) have all been valued at optimised depreciated replacement cost by Beca Projects NZ Limited, Registered Valuers as at 30 June 2025 and Roading assets (excluding land under roads) have all been valued at optimised depreciated cost by IAMC, Registered Valuers as at 30 June 2025. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise. Infrastructural land under roads is no longer revalued.

Certain infrastructural assets and land have been vested in the Council as part of the subdivisional consent process. The vested asset has been valued at the latest appropriately certified government valuation or at a mutually agreed market value or at a value determined through arbitration. Vested infrastructural assets have been based on the actual quantities of infrastructural components vested and current "in the ground" cost of providing identical services. All other assets are valued at historical cost less accumulated depreciation.

Depreciation

Depreciation rates for fixed assets are as follows:

Operational assets

Depreciation rates for operational assets are based on a straight-line basis.

Buildings	1.37% - 33.33%
Motor vehicles	4.00% - 15.60%
Plant and equipment	3.33% - 33.33%
Information systems equipment	10.00% - 50.00%
Library books	10.00% - 20.00%
Furniture and fittings	5.00% - 20.00%
Office equipment	4.00% - 20.00%

Infrastructure assets

Roading
Provision has been made for depreciation of significant components of the roading asset, based on their remaining lives. These rates are:

Provision has been made for depreciation of those significant components of the roading asset, based on their remaining lives.
The significant component depreciation rates are as follows:

Traffic facilities, signs and markings	2 - 80 years 0.78% - 8.70%
Bridges	20 - 100 years 0.78% - 4.00%
Footpaths	30 - 80 years 1.25% - 3.33%
Pavement surfacing	10 - 80 years 1.25% - 10.00%
Drainage and culverts	50 - 80 years 1.02% - 2.00%
Roading base-course	50 - 100 years .93% - 2.00%
Berms, markings, shoulder and formation	Not depreciated

Water, Sewerage and Stormwater Reticulation Systems
Provision has been made for depreciation of components of the assets based on their remaining life.

Water reticulation	8 - 170 years 0.59% - 12.5%
Water treatment plants	5 - 100 years 1.00% - 20.00%
Water point	15 - 123 years 0.81% - 6.67%
Sewerage reticulation	50 - 200 years 0.50% - 2.00%
Sewerage treatment plants	14 - 130 years 0.77% - 7.14%
Wastewater point	10 - 124 years 0.81% - 10.00%
Wastewater station	10 - 100 years 1.00% - 10.00%
Stormwater pipes	40 - 150 years 0.67% - 2.50%
Stormwater point	20 - 110 years 0.91% - 5.00%

Restricted Assets

Heritage and Cultural Assets
Provision has been made for depreciation of components of the assets based on their remaining life.

23 - 250 years 0.40% - 4.35%

Parks and recreation assets
Provision has been made for depreciation of components of the assets based on their remaining life.
6 - 15 years 6.67% - 16.67%

Assets under Construction
Assets under construction are not depreciated. All costs are initially capitalised as work in progress. On completion, the cost is transferred to the relevant asset class and then depreciated.

13. Intangible Assets
Software licences are recognised at cost and amortised on a straight-line basis over the life of the licence (three to ten years). A range from 10.00% to 33.33% per year is applied.

14. Impairment of Assets
At each balance date the Council assesses whether there is any objective evidence that any asset has been impaired. Any impairment losses are recognised in the Surplus/Deficit.

15. Employee Entitlements
Provision is made for employee benefits accumulating as a result of services rendered. This includes the Council's liability for annual leave and sick leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay, while other provisions have been calculated on an actuarial basis at current rates of pay.

16. Landfill Post-Closure Costs
As operator of the District landfills, the Council has a legal obligation to provide on-going maintenance and monitoring services at landfill sites after closure. Post-closure costs are recognised as a liability when the obligation for post-closure arises. The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements, known improvements in technology and all other costs associated with landfills post-closure.

Amounts provided for landfill post-disclosure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

The time needed for post-closure care is as per the resource consents issued by the TRC.

The discount rate used reflects current market assessments of the time value of money and the risks specific to the Council.

17. Community Loans

The Council has acted as guarantor for a number of sports clubs. These are valued in our financial statements at fair value, taking into account the likelihood of the Council being required to make payment on these loans.

18. Public Equity

Public equity is the community's interest in the Council, as measured by the value of total assets less total liabilities. Equity is dis-aggregated and classified to enable a clearer identification of the various components. Accumulated balances comprise accumulated surpluses over the years.

Restricted and Statutory Reserves are funds subject to external restrictions accepted as binding by the Council, which may not be revised by the Council without reference to the courts or a third party. Investment Revaluation Reserves comprise accumulated valuation increments.

19. Leases

Leases where the Council substantially retains all of the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses in the periods in which they are incurred.

Leases that effectively transfer to the lessee substantially all of the risks and benefits incidental to ownership of the leased item are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the Statement of Financial Position. The leased assets are depreciated over the period the Council expects to benefit from their use.

20. Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, deposits on demand and other highly liquid investments in which the Council invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources and record payments made for the supply of goods and services. Agency transactions (for example, the collection of Regional Council rates) are recognised as receipts and payments in the Statement of Cash Flows given that they flow through the Council's main bank account.

Investing activities relate to the acquisition and disposal of non-current assets, while financing activities change the Council's equity and debt capital structure.

21. Allocation of Overheads

All support centre costs are passed onto activity centres as overheads. The basis of recovery is usage based on the step method.

22. Critical accounting estimates and assumptions

In preparing these financial statements we have made estimates and assumptions concerning the future that may differ from the actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. 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 detailed below.

Infrastructural assets

A number of assumptions and estimates are used when performing the depreciated replacement cost valuation. These include:

- The physical deterioration and condition of an asset. This is mainly for the assets that are not visible (for example, underground utilities). There are on-going physical inspections and condition modelling assessments to improve information on these assets.
- Estimating any obsolescence or surplus capacity of any asset. Estimates are made of the remaining useful lives over which the assets will be depreciated. Published guidelines, component design lives and local conditions have been used to assist with the estimation of the remaining useful lives.

Critical judgements in applying accounting policies

Management has consistently applied the Council's accounting policies for the period ended 30 June 2026 and has not been required to exercise critical judgement in implementing these policies beyond what would be expected on a normal day to day basis.

23. Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.