



AGENDA

Finance and Performance Committee Meeting

Date: Wednesday, 13 May 2026

Time: 9:30 am

Location: Council Chambers
Waikato Regional Council
Level 1, 160 Ward Street, Hamilton

Members: Cr Chris Hughes – Chair
Cr Garry Reymer – Deputy Chair
Cr Robert Cookson
Cr Keith Holmes
Cr Warren Maher
Cr Tipa Mahuta
Cr Noel Smith
Cr Liz Stolwyk
Cr Angela Strange

Alternate: Cr Mich'eal Downard

Finance and Performance Committee

Terms of Reference | **Ngā Tikanga Whakahaere**

1. *Mana ā-Ture* | **Status**

This Committee was created by Council pursuant to clause 30(1)(a) of Schedule 7 of the Local Government Act 2002. It is a discretionary committee of Council. It was established, and can be disestablished, by resolution of Council.

2. *Ngā Kawenga* | **Responsibilities**

This Committee is responsible for:

- a. Monitoring the performance and effectiveness of Council's financial and non-financial activities against the Long Term Plan and Annual Plan;
- b. Monitoring the performance of Council's Investment Fund against the Statement of Investment Policy and Objectives and compliance with the Treasury Risk Management Policy; and
 - i. Monitoring the performance and effectiveness of Council's corporate services activities including oversight of the implementation of Council's corporate performance frameworks.
 - ii. Monitoring performance of the Treasury management function, including investment and borrowing management.
 - iii. Approving the Statements of Intent and monitoring the performance of all Council Controlled Organisations and Council Organisations in which Council has a significant financial involvement.
 - iv. Receiving quarterly information on remuneration and reimbursement of expenses paid to each individual councillor, the Chief Executive and Directors.
 - v. Considering quarterly (for information) a schedule of contracts and tenders let by the Tenders Board.
 - vi. Reviewing Council's financial and non-financial performance and making recommendations on any forecast variances against the Annual Plan.
 - vii. Considering and making recommendations on the adoption of the Annual Report.
 - viii. Considering and making recommendations on delegation of authority to the Chief Executive and staff.
 - ix. Monitoring the performance of Council's investment fund and making recommendations on any changes to the portfolio construction and management appointees after consideration of advice and recommendations from Council's strategic investment advisor.
 - x. Considering all multi-year contracts referred from the Tenders Board for contracts that:
 - Span multiple financial years, and
 - Commit Council funds (net of contributions from project partners) in excess of \$2.0 million

Such considerations recognise that these contracts bind the Council (and potentially future councils) to expenditure that has not yet been approved as part of an Annual Plan. Contracts entered into will be consistent with the strategic direction set in the Council's current Long-Term Plan.

3. *Ngā Apatono* | **Powers**

The Committee has the following powers required to carry out its responsibilities:

- a. Writing-off outstanding debtor accounts where necessary.
- b. Except where otherwise required, approving draft statements of intent for Council Controlled Organisations.
- c. Reviewing the financial performance and activities of all relevant Council Controlled Organisations.

- d. Receiving reports related to Council's investment fund, the treasury management financial performance of Council, and non-financial performance measures including quarterly reports from Council's strategic investment fund advisor and updates from fund managers.
 - e. Receiving reports and presentations on the effectiveness of Council's corporate services activities.
 - f. Undertaking quarterly reviews of progress on Council's *Long Term Plan* and *Annual Plans*, considering progress reports, and making recommendations to Council on forecast variances.
 - g. Reporting on significant matters with respect to financial procedures that affect or alter Council's *Annual* or *Long-Term Plan* and making recommendations to Council.
 - h. Considering fees and charges for all goods and services provided to other authorities, organisations and private individuals and making recommendations to Council.
 - i. Monitoring Council's investments and making recommendations to Council on investment and liability management policies.
 - j. Making recommendations to Council on corporate service improvements.
4. **Ngā Tūranga | Membership:**
- 4.1. **Ngā Mema | Members**
The Committee has nine members as follows:
 - a. Eight councillors appointed by Council
 - b. Chair of Council
 - 4.2. **Ngā Kairiwhi | Alternates**
The Deputy-Chair of Council is the alternate for the Chair of Council on this Committee, unless otherwise appointed.
 - 4.3. **Ūpoko me te Ūpoko Tuarua | Chair and Deputy-Chair**
The Chair and Deputy-Chair are appointed by Council in accordance with clause 25 of Schedule 7 of the Local Government Act 2002.
5. **Tokamatua / Quorum**
Two (refer clause 23(3)(b) Schedule 7 Local Government Act 2002).
6. **Ngā Tikanga Pōti / Voting**
Decisions of the Committee are made by majority vote of members present and voting. In the case of equality of votes, the Chair has a deliberative and casting vote. Refer to clause 24 of Schedule 7 of the Local Government Act and *Standing Orders*.
7. **Ngā Hui i te Tau / Frequency of meetings**
Quarterly or as required.

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1 KARAKIA TIMATANGA

Whakataka te hau ki te uru	Cease o winds from the west
Whakataka te hau ki te tonga	Cease o winds from the south
Kia mākinakina ki uta	Bring calm breezes over the land
Kia mātaratara ki tai	Bring calm breezes over the sea
E hī ake ana te atakura	And let the red-tipped dawn come
He tio	With a touch of frost
He Huka	A sharpened air
He hau hū	And promise of a glorious day
Tīhei mauri ora!	Behold we live

2 APOLOGIES**3 CONFIRMATION OF AGENDA****4 DISCLOSURES OF INTEREST**

Members are reminded of the need to be aware of maintaining a clear separation between personal interests and duties and their role as an elected member.

If any member has an interest that creates an actual, or could be perceived to create, a conflict in relation to any item on the agenda, it is recommended that this be disclosed.

5 MINUTES FOR CONFIRMATION OR RECEIPT

Nil

6 GENERAL ITEMS

6.1 INNOVATION AND EFFICIENCIES THROUGH GEOSPATIAL CAPABILITIES

Rā | Date: 21 April 2026

Kaituhi | Author: Joanne Bell, Manager - Spatial Information

Kaituku | Authoriser: Tracey May, Director, Science, Policy and Information

TE ARONGA | PURPOSE

1. To present an overview of how geospatial technologies and capabilities are enabling innovation and improved ways of working across council.

KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

2. Waikato Regional Council's investment in geospatial capability has resulted in a mature, enterprise-wide platform that delivers measurable efficiency gains, cost avoidance and improved decision-making across the organisation.
3. Spatial data and tools are embedded in business-as-usual activity, reducing manual processes, improving data quality, and enabling timely, evidence-based decisions. Open data initiatives, including the Waikato Data Portal and Council's public data catalogue, enhance value by supporting self-service access to information, reducing ad hoc data requests, and enabling external users to utilise Council data for their own planning and design purposes. The release of LiDAR data has demonstrated clear cost avoidance and productivity benefits for both Council and business.
4. Modern mobile GIS solutions are replacing paper-based field processes, delivering time savings, reducing duplication, and improving the accuracy and availability of data. Dashboards and interactive visualisation tools support faster insight, better prioritisation, and reduced staff effort through self-service access to information.
5. Targeted, low-cost proof-of-concept investment in remote sensing and Geospatial Artificial Intelligence is enabling automation of previously manual analysis, supporting large-scale monitoring and more proactive environmental management.
6. Overall, geospatial capability is delivering strong return on investment today while positioning Council to respond efficiently and effectively to future operational and financial pressures.

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the report *Innovation and efficiencies through geospatial capabilities* (Finance and Performance Committee, 13 May 2026) be received.

HOROPAKI | BACKGROUND

7. Over the past 30 years, Waikato Regional Council has made sustained investment in an enterprise-level spatial information platform, alongside building a core organisational capability to realise value from it. What began as a basic geographic information system (GIS) providing mapping services has evolved into a modern, integrated framework. Today, mapping, advanced analytics, and data sharing are readily accessible across the organisation and deliver value to our communities.
8. As the technology and functionality have matured, so too have the opportunities for innovation. Spatial data and tools are increasingly embedded into business processes, supporting better decision making, efficiency and service delivery.
9. Value from spatial capability is delivered through business-as-usual activity, spatial projects, support to wider organisational initiatives, and the emerging spatial technology programme. Business as usual services include responding to internal and external requests, producing fit for purpose spatial outputs, supporting emergency response functions, and providing specialist advice and services. Spatial teams are also a critical resource for larger initiatives, particularly across policy, science, and regional resilience.
10. The emerging spatial technology programme, approved through the 2021 Long Term Plan, is focused on accelerating low cost, agile proof of concept initiatives. These projects test innovative spatial and remote sensing technologies to improve operational efficiency, enhance use of data, and deliver improved business outcomes.
11. This paper outlines some examples of how geospatial technologies and capabilities are enabling innovation and improved ways of working across data management, data capture, remote sensing, data visualisation and analysis including the use of Geospatial Artificial Intelligence (GeoAI).

OPEN DATA AS THE FOUNDATION

12. Open data for local government enhances transparency, builds public trust, and fosters economic growth by enabling public access to non-sensitive datasets. It drives internal efficiency by enabling self-service and encourages innovation through community-driven applications for the data, ultimately improving public service delivery.

Waikato Data Portal

13. The Waikato Data Portal, which is a public platform bringing together data from all 12 councils across the Waikato supported by CoLab, alongside Waikato Regional Council's own public facing data catalogue making over 200 spatial datasets publicly searchable and available either for direct download or on request.
14. The value of open data to business and communities was clearly demonstrated as our LiDAR data became publicly available. Following Cyclone Gabrielle this data provided a reliable reference of the ground surface pre-slip to help BECA accelerate the design process for the SH25A rebuild. In another example, a forestry company that was required to redesign a forestry road entrance off a state highway to improve sight lines before logging trucks could work was able to use the Lidar data themselves to look for creative solutions. The data enabled them to replace a proposed solution which had a potential cost of \$380,000 with an

alternative solution that was under \$10,000.

STREAMLINING FIELD DATA CAPTURE

15. Field data capture technologies are modern, mobile GIS tools that enable Council field staff to collect accurate, location-based information, digitally at the point of work. These technologies can replace paper and manual processes with smart maps and forms that work online or offline and synchronise directly with Council's core systems. The benefits of this approach include improved data accuracy and consistency, faster data availability, reduced duplication and transcription errors, and more efficient coordination between field and office staff, ultimately saving time and costs.

Mobile solutions

16. GIS based mobile solutions (Survey123, Field Maps, and QuickCapture) have been deployed across a number of areas of Council already and more are in development. The Maritime Enforcement application, automated reporting, and related time savings were highlighted at the February Finance and Performance Committee, two other relatively recent examples where mobile solutions have added value are the terrestrial biodiversity monitoring work and the Coastcare programme outlined below.
17. Terrestrial biodiversity monitoring work requires a large amount of field data collection. Plots are measured on a 5- or 10-year cycle to support State of the Environment reporting and long-term biodiversity trend tracking. Survey123 was used to streamline the process of gathering field data for 'animal' methods (mammal pests and birds) on species distribution, habitat and environmental variables across terrestrial ecosystems. Multiple paper-based data collection forms were replaced with a digital survey form accessible on any mobile device with integrated location data. This has resulted in the following improvements:
 - (a) Reduced data entry in the office, with an estimated time savings of at least 80 hours per year
 - (b) Compulsory fields and dropdowns for improved data quality
 - (c) Improved visualisation of data through dashboard

Supporting community initiatives

18. Coastcare groups are partnerships between the local community, iwi, district councils and Waikato Regional Council, working together to protect and restore our precious coasts. We have many Coastcare groups, caring for approximately 24 beaches on the east and west coasts of the Waikato region. Waikato Regional Council has a support and co-ordination role which is increasingly busy with growing community interest in restoration projects. Mobile apps were developed to easily capture and report on planting event data and keep track of signs and monitoring devices. Benefits delivered include:
 - (a) Spatial records provide significant time savings in being able to quickly find equipment and key locations in the field; these are often hidden in dense vegetation and were previously difficult to find.
 - (b) Dashboard shows year to date statistics at a glance and it's simple to export that data at any time. Planting events are of interest to many stakeholders so being able to quickly and easily provide updates on activity helps sustain that engagement.
 - (c) Improvements in the amount and quality of data captured in the field with one button capture of pest plants, rare plants, and damage.

19. Similar approaches are also being applied in other areas such as catchment management, Taupo Soil Conservation, and riparian survey work. Combining GIS mobile applications with drone technology and dashboards has also been trialled to better support marine oil spill operations, this allows the capture of oil spill extent over water using a drone and quick mobile capture on the ground of key information that is then brought together in a real-time dashboard for the incident response team providing improved situational awareness and decision making.

ENHANCING DATA VISUALISATION

20. Our data, analysis, maps and apps directly support communities to understand complex data and information. By presenting information in clear, accessible and intuitive ways, we enable people to find answers for themselves. This not only strengthens engagement and trust with communities but also reduces demand on our teams by supporting self-service and minimising ad-hoc data requests.
21. WRC staff use a range of spatial tools to understand complex natural hazards data and to help communities to take action to reduce natural hazard risks and respond to and recover from disasters and change. This includes 21 Hazard related layers freely available online, the Regional Hazards Portal which averages 25,000 views per year, and the Coastal Inundation Tool which averages 12,000 views per year. Every view is potentially one less IRIS request that Regional Resilience have to manually process enquiring about hazards.
22. Policy development can also be complex and spatial information is integral in clearly defining areas referenced in policy and making it easier for everyone to visualise where particular policy decisions apply. For example, the Proposed Waikato Regional Coastal plan was supported by 24 spatial layers for the Decisions version October 2025 and 9 information layers as notified plan. These were a culmination of work from the Coastal Plan Review process and included changes due to public submissions. This information was also made available in an interactive online map so the public could easily interrogate and view coastal plan layers of interest to them.
23. Another recent example is the use of a storymap to illustrate the Future Proof partnership of local government, iwi and central government. A storymap is an interactive webpage using a narrative story of text, maps, images, and video animation. The maps illustrate future growth, priority development areas, and Fast-track growth strategy areas and when combined with a narrative create an engaging map-centric method for telling the Future Proof story.

REMOTE SENSING AND GEOSPATIAL ARTIFICIAL INTELLIGENCE (GEOAI)

24. Remote sensing enables the observation and analysis of the Earth from a distance using sensors rather than direct, on-the-ground measurement. It is typically undertaken using satellites, aircraft, drones, or ground-based platforms that record information such as reflected light, thermal energy, or radar signals. These data are analysed to identify, measure, and monitor features and changes across the landscape.
25. Regular regional aerial imagery capture is a fundamental form of remote sensing and provides the underpinning basemaps used at national, regional, and district levels, ensuring they remain fit for purpose. These basemaps support a wide range of applications, including (but not limited to) asset location verification, land-use change detection, regulatory compliance, iwi planning, economic activity assessment, and water, geothermal, and broader environmental monitoring.

Satellite and drone technologies

26. Spatial information teams are increasingly leveraging satellite and drone technologies for advanced remote sensing and geospatial analysis, including several proof-of-concept initiatives within the emerging technology programme of work. These approaches generate large volumes of imagery and data which can make traditional analysis methods prohibitively time-consuming. GeoAI deep-learning techniques are creating new opportunities to automate feature extraction, enabling more rapid analysis and insight. Two recent examples are highlighted below.

Managing wilding pines

27. Wilding pines are a major environmental threat in New Zealand. Successful wilding pine control depends heavily on early detection and strategic intervention. Small infestations are easier and cheaper to remove than well-established ones. One emerging technology proof of concept project aimed to develop and test a scalable AI-driven solution for detecting invasive wilding pines in the Coromandel Peninsula using 30 cm RGB aerial imagery.
28. An object detection model was trained on 2,500 annotated instances then the resulting model was applied over a small study area, the study achieved overall accuracy of around 80% detection. This approach reduces the time and cost of traditional surveys, enables large-area coverage in rugged terrain, can support longer term trend monitoring, and provides spatially explicit layers for prioritising and planning control operations. The automated detection model is currently being used to plan ground operations and data from contractors will be used to retrain and refine the model to iteratively improve accuracy across a wider range of terrain and forest types.

Plant pest monitoring

29. The Precision Bio-Shield initiative was established through another emerging spatial technology proof of concept project. The project aimed to evaluate the efficacy of drone imagery for pest plant monitoring within the Waikato Region. This would mean transitioning from manual inspections—which are labour-intensive and can present significant health and safety risks—to a remote-sensing-based approach with modernise biosecurity workflows and enhanced data accuracy.
30. The project demonstrated the potential of high-resolution aerial data by successfully mapping extensive weed-infested areas, providing a comprehensive spatial overview of infestations. Spatial analysts then utilised AI Deep Learning algorithms to automatically identify widespread clusters of targeted species, including Alligator Weed and Senegal Tea. Manual assessment of imagery is still required to identify smaller clusters but the AI model will continue to be refined to improve automated identification.
31. This has now been operationalised by developing standardised methodologies for visualising imagery making it easier to review and training biosecurity staff on flight planning and capture to ensure repeatable high-quality data collection. The integration of drone technology with geospatial systems has proven that biosecurity officers can monitor significantly larger areas with greater precision. Key benefits identified during this pilot include:
 - (a) Repeatability - Automated mission planning allows for identical flight paths over time, enabling precise monitoring of control method effectiveness and spatial distribution trends.

- (b) Operational Efficiency - Shifting to a "desktop-first" assessment model allows staff to estimate pest extent and detect species remotely, covering vast ground and sites with challenging physical access.
- (c) Risk Mitigation - By reducing the requirement for manual field assessments in difficult terrain, the initiative lowers the health and safety profile for field staff.

WHAKAKAPINGA | CONCLUSION

- 32. The examples outlined in this report demonstrate how geospatial technologies are delivering tangible benefits, including time efficiencies, improved data quality, faster response times, and enhanced community engagement. The emerging spatial technology programme provides a structured and low-risk approach to testing and adopting new technologies, including remote sensing and GeoAI, to further improve outcomes.
- 33. Continued focus on leveraging this capability will ensure Council remains well positioned to respond to future challenges, support evidence-based policy and operational decisions, and realise ongoing value from its spatial investments.

NGĀ TOHUTORO | REFERENCES

- 34. [Future Proof Storymap](#)
- 35. [Tracking Senegal tea: how science, drones and fieldwork drive eradication efforts | Waikato Regional Council](#)

ĀPITI HANGA | ATTACHMENTS

Nil

6.2 2024-2034 LTP - NON-FINANCIAL PERFORMANCE RESULTS AT QUARTER THREE 2025/26

Rā | Date: 16 April 2026

Kaituhi | Author: Ian Robertson, Corporate Performance Analyst

Kaituku | Authoriser: Janine Becker, Director, Customer and Corporate Services

TE ARONGA | PURPOSE

1. This report presents the Finance and Performance Committee with Council's non-financial performance results for 2025/26 at the end of the third quarter (31 March 2026).

KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

2. There are 50 performance measures in Council's 2024-2034 Long Term Plan (LTP), with 45 of these relevant for the third quarter of 2025/26.
3. Of these 45, 37 measures (82 per cent) are forecast to be achieved by 30 June 2026. A full description of each measure and its status is attached to this report.
4. Variations have been identified for ten measures (20 per cent). While three of these measures are forecast to be achieved by 30 June, six measures (12 per cent) are not expected to be achieved, and one (2 per cent) will be achieved in part for 2025/26.

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the report *2024-2034 LTP - Non-Financial Performance Results at Quarter Three 2025/26* (Finance and Performance Committee, 13 May 2026) be received.

HOROPAKI | BACKGROUND

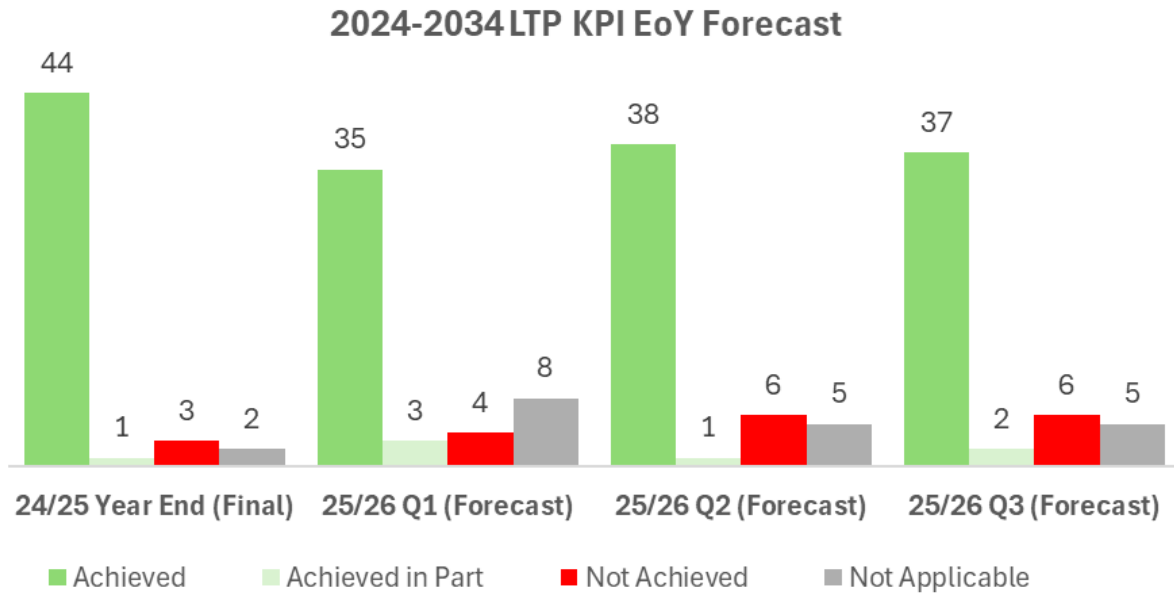
5. The Local Government Act 2002 (LGA) requires that performance management information is developed for all groups of activities (GOAs) including levels of service, performance measures and targets.
6. Council's 2024-2034 LTP includes 50 performance measures, reflecting major aspects of Council's GOAs. Performance towards each target is included in the annual report, and quarterly updates are provided to the Finance and Performance Committee. This is the second update provided to the committee for the current financial year.

QUARTER THREE RESULTS AND FORECAST

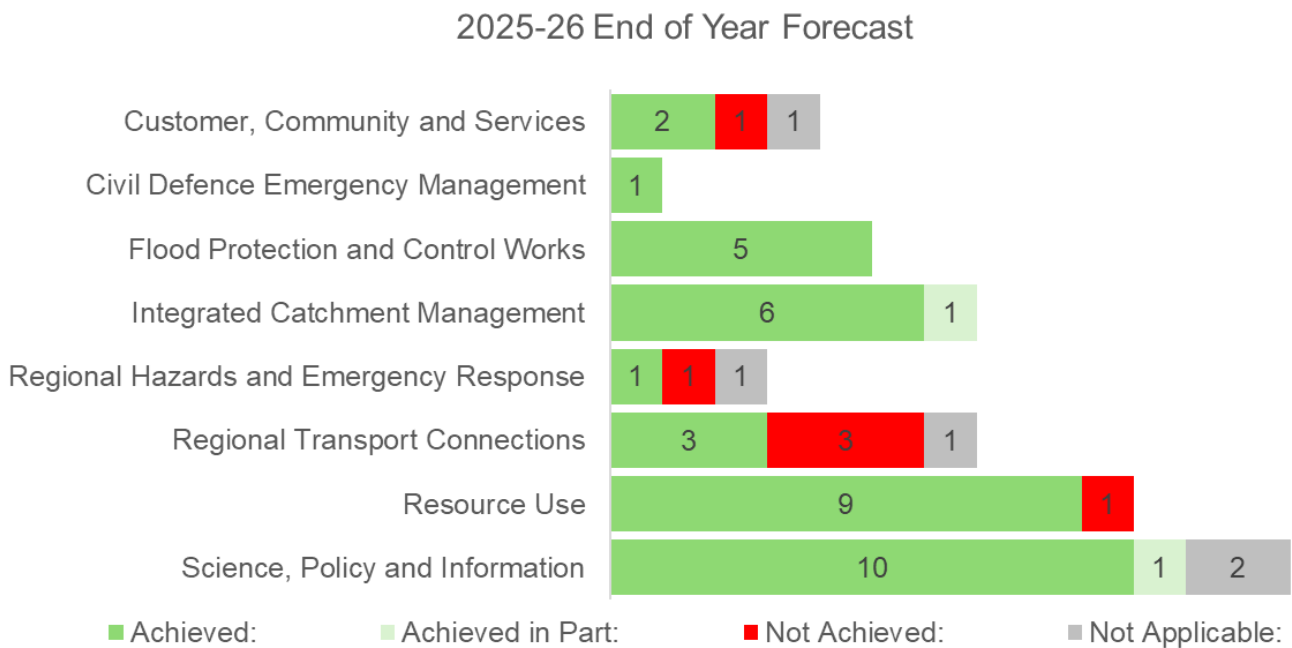
7. There are 50 performance measures in Council's 2024-2034 LTP, with five not currently applicable. At the end of third quarter, the status shows that:
 - (a) 35 of the remaining 45 targets are on track,
 - (b) we are monitoring the progress of three measures,

- (c) one measure has been completed and was achieved in part, and
- (d) six measures are off track.

8. The forecast year-end result for these measures is shown below, with 37 measures expected to be achieved based on year-to-date results at the third quarter.



9. The same forecast year-end result broken down by Group of Activity (GOA) shows the following:



10. Those measures where a risk or issue has been identified are summarised in the following table, with staff comments provided.

Customer, community and services 1.1	
Percentage of official information requests responded to within statutory timeframes	
2025/26 Target: 100 per cent	
Quarter three Off track ●	Year-end forecast Not achieved ●
<p>This measure will not be achieved for 2025/26 due to two non-compliant responses in previous quarters. However, all 55 official information requests were closed in quarter three were responded to within statutory timeframes. The year-to-date result shows 199 of 201 (99 per cent) were responded to within statutory timeframes.</p> <p>Management comments:</p> <p>Measures have been taken since quarter two to prevent non-compliance with LGOIMA.</p> <p>At the 18 February meeting of Finance and Performance Committee, councillors requested historic information on the volume of LGOIMA requests received, and trend information on the complexity of requests.</p> <p>Data shows a significant uptake in the number of requests received in 2025/26 compared to the previous three financial years. Requests received in the first two quarters was up by 80 per cent compared to the previous financial year. For quarter three the increase was 25 per cent.</p> <p>There does not appear to be an increase in the complexity of requests, with the median number of staff hours remaining at two hours per request for the past two financial years.</p>	
Civil defence emergency management 2.1	
Ensuring an increasing percentage of staff are trained and available for any activation of CDEM Group Coordination Centres, aiming to meet the WRC/CDEM Service Level Agreement (SLA) requirements	
2025/26 Target: An increasing percentage of WRC workforce is trained to meet the SLA requirement	
Quarter three Monitor ●	Year-end forecast Achieved ●
<p>At 31 March 2026, 22.6 per cent of the WRC workforce are trained to meet the SLA requirement, which remains unchanged from the 2024/25 result.</p> <p>Management comments:</p> <p>Currently, departures of staff trained to the intermediate level are being matched by numbers of new or existing staff taking up training. Further uplift is required to meet the target.</p> <p>Messaging from the Executive Leadership Team (ELT) has set an expectation of staff participation, resulting in a considerable increase in enrolments. This will be further reinforced throughout quarter four.</p>	

Flood protection and control works 3.3	
We will undertake a review of region-wide risks and issues to identify specific catchments they are affecting and recommend areas where there is an opportunity to consider something fundamentally different to what is delivered now	
2025/26 Target: Review of regional risk factors is complete	
Quarter three Monitor ●	Year-end forecast Achieved ●
Progress on this project is currently behind schedule, with staff availability impacted by recent weather events.	
Management comments:	
While work is continuing, delivery remains at risk due to ongoing resourcing constraints. Resources have been reallocated in an attempt to complete this piece of work, however this is proving increasingly challenging due to multiple weather events and extended staff leave.	
Flood protection and control works 3.5	
Percentage of planned maintenance actions undertaken each year in priority river and / or at priority sites across all zones	
2025/26 Target: 80 per cent	
Quarter three Monitor ●	Year-end forecast Achieved ●
71 per cent (274 of 385) planned maintenance actions have been undertaken in priority river and / or priority sites.	
Management comments:	
There have been some delays in completing the planned works program due to recent weather events. There is a risk of not achieving this measure if resources need to be redirected into weather event recovery works.	
Integrated catchment management 4.3	
Average Rat Tracking Index (RTI) level for rat control operations	
2025/26 Target: ≤5 per cent	
Quarter three Achieved in Part ●	Quarter three Achieved in Part ●
This work was completed in quarter two, with an overall average result of 5.28 per cent across three sites, and two sites surpassing the target.	
Management comments:	
The explanation for the Te Miro result was reported last quarter.	
Final payment to the contractor has been withheld as they failed to meet the terms of the contract.	

Regional hazards and emergency response 5.1	
Regional resilience strategy is developed, and plans developed, reviewed, and implemented for identified areas	
2025/26 Target: Implement regional strategy and plan	
Quarter three Off track ●	Year-end forecast Not achieved ●
This performance measure is off track for 2025/26, following delays in the previous year.	
Management comments:	
It has been necessary to review Council’s approach to delivery of this level of service due to changes in the operating environment, with Resource Management system reforms creating uncertainty and resource constraints for both staff and stakeholders. Focus will be directed to key actions to support this level of service for 2025/26, acknowledging that the approach has shifted since Council adopted its 2024-2034 LTP in June 2024.	
Key milestones achieved in quarter three:	
<ol style="list-style-type: none"> 1. A proposed risk-based prioritisation approach has been drafted, which will be presented to councillors for feedback at a workshop in April. This will form part of the final Framework. 2. The organisation-wide advisory group has been established. 	
The upcoming focus is now on preparing the remainder of the Framework; however, some risk exists around this due to the impact of 2026 weather events on staff capacity.	
Regional transport connections 6.2	
Number of public bus trips per capita (Hamilton)	
2025/26 Target: Number of trips per capita increase year-on-year	
Quarter three Off track ●	Year-end forecast Not achieved ●
The number of first boardings per capita in Hamilton for the year-to-date is 11.6, representing a 1.9 per cent decrease compared with the same period last year (11.9) For quarter three, the number of first boardings per capita in Hamilton was 3.8, a 1.5 per cent decrease compared to the same period last year. The rate of decline has slowed from quarter one where it was a 3.5 per cent decrease from previous year.	
Management comments:	
One of the primary drivers of this decline is considered to be the 11.4 per cent fare increase implemented in July 2025, introduced to meet NZTA’s private share targets under the 2024–27 National Land Transport Programme (NLTP).	
While this factor is outside of management control, the improved rate quarter three compared to quarter one may signal that patronage is beginning to stabilise and recover following the initial impact of the fare increase.	
Following fuel price increases commencing in early March 2026, first boarding patronage in March increased to 314,338, up from 303,278 in March 2025 (+3.6 per cent), indicating cost is an issue.	
Regional transport connections 6.4	
Percentage of buses that depart on time from bus stops in accordance with the timetable	
2025/26 Target: 73 per cent	

Quarter three Off track ●	Year-end forecast Not achieved ●
<p>The year-to-date result of 70 per cent is behind the target of 73 per cent.</p> <p>Management comments:</p> <p>In quarter three on time performance was significantly affected by the volume of road works across the network, resulting in multiple road closures and diversions, increasing the proportion of both early and late bus arrivals at stops.</p> <p>On time performance results also continue to be influenced by “not sighted” stops. This status occurs when trip telemetry data is not successfully received, typically due to technical or communication issues rather than service non delivery.</p> <p>These data gaps adversely impact calculated on time performance outcomes, despite services frequently continuing to operate as scheduled. Excluding the "not sighted" stops would give a year-to-date figure of close to 73 per cent in accordance with the timetable, suggesting reality may be closer to the target.</p>	
<p>Regional transport connections 6.6 Year-on-year passenger rail patronage growth</p>	
<p>2025/26 Target: 2 per cent patronage growth compared to the previous 12 months</p>	
Quarter three Off track ●	Year-end forecast Not achieved ●
<p>Total rail patronage the current financial year was 53,582 trips, representing a 7.2 per cent decrease compared with the corresponding period in the previous year (57,725).</p> <p>Management comments:</p> <p>While year-to-date rail patronage remains below last year’s levels, the quarter three result is favourable compared to the 17.7 per cent decline reported at the end of quarter two.</p> <p>Following fuel price increases commencing in early March 2026, there was a 15.3 per cent increase in passenger trips compared to March 2025.</p> <p>The quarter three result indicates that rail patronage is beginning to stabilise and recover following the initial impacts of fare changes and service disruptions.</p>	

Resource use 7.10	
Customer feedback confirms that the resources and systems developed to support the primary sector to meet their regulatory obligation for freshwater farm plan implementation met the intended purpose	
2025/26 Target: 80 per cent	
Quarter three Off track ●	Year-end forecast Not achieved ●
This is off track due to central government's pause to Freshwater Farm Plans.	
Management comments:	
Due to matters outside of our control, Freshwater Farm Plans and Plan Change 1 are still being developed.	
For this reason, implementation of resources and systems haven't been able to be fully developed and tested to confirm customer satisfaction.	
We have progressed Catchment Information and Slope Map guidance and feedback from customers involved in the development has been positive.	

WHAKAKAPINGA | CONCLUSION

- As of March 31 2026, 37 of the 45 relevant non-financial performance measures set out in Council's 2024-2034 LTP are forecast to be achieved by 30 June 2026.

ĀPITI HANGA | ATTACHMENTS

- 2024-2034 Long Term Plan (LTP) Non-financial performance results quarter three 2025/26 (Doc # 35316273)** [↓](#)

2025/26 Quarter Three LTP Non-Financial Results

There are 50 performance measures in Council’s 2024 2034 Long Term Plan. At the end of the second quarter, no result is available for five of the measures as we are still awaiting data – these are reported as not applicable. Of the remaining 45 measures, the current position indicates that 37 measures are on track to be ‘achieved’, we are monitoring the progress of 2 measures, and 6 are currently off track.

The traffic lights below are used to show the status of each result.

YTD Progress

On Track	All components of the performance measure are On Track; however, the result is yet to be confirmed (only applicable in quarters one – three).
Monitor	Where the progress of the measure needs to be monitored but it is not necessarily Off Track (only applicable in quarters one – three).
Off Track	Measure is currently Off Track; however, the result is yet to be confirmed (only applicable in quarters one – three).
Not Applicable	No work was scheduled or data not available in the current quarter.

Year End Forecast

Achieved	All components of the performance measure have been met.
Achieved in Part	One or more, but not all, of the components of a measure have been met. This result is only applicable when the measure can be broken into more than one component.
Not Achieved	All components were not achieved.
Not Applicable	No work scheduled or data currently not available for the year.

Customer, Community and Services				
Performance measure	Target	YTD	Year End Forecast	Commentary
1.1 - Percentage of official information requests responded to within statutory timeframes	100%	Off Track	Not Achieved	<ul style="list-style-type: none"> YTD: 201 official information requests have been closed, of which 199 (99%) were responded to within statutory timeframes. Quarter 3: 55 official information requests were closed, with all 55 (100%) responded to within statutory timeframes. While Quarter Three performance was 100%, the year-to-date result remains below target due to delays incurred in earlier quarters.
1.2 - All formal council meetings are open to the public unless grounds exist under LGOIMA (Local Government Official Information and Meetings Act 1987) to exclude the public	100%	On Track	Achieved	<ul style="list-style-type: none"> YTD: 56 Meetings = 100% compliant There were 16 meetings held during quarter three. 100% of those meetings were open to the public, and while some did contain public excluded sessions, those sessions were compliant with the grounds as set out in LGOIMA.
1.3 - Key actions are completed within the specific timeframes identified in the <i>Māori Partnership Approach</i>	80% of actions completed per schedule	On Track	Achieved	<ul style="list-style-type: none"> In 2024/25, we completed all the key actions identified in the Māori Partnership Approach. Thirteen ongoing actions remain active, which we continue to deliver and monitor as part of our commitment to a Treaty-based partnership approach through the Strategic Māori Outcomes Framework. Of those thirteen actions, ten have been completed, with the remaining three scheduled for completion by the end of the financial year.
1.4 - Long term plans and amendments to long term plans receive 'unmodified' audit opinions	Unmodified opinion received if LTP amended	Not Applicable	Not Applicable	<ul style="list-style-type: none"> This measure is not applicable for 2025/26 as Council is not intending to prepare an LTP or LTP amendment.

Doc # 35316273

Civil Defence Emergency Management Group				
Performance measure	Target	YTD	Year End Forecast	Commentary
2.1 - Ensuring an increasing percentage of staff are trained and available for any activation of CDEM Group Coordination Centres, aiming to meet the WRC/CDEM Service Level Agreement (SLA) requirements ¹	An increasing percentage of WRC workforce is trained to meet the SLA requirement	Monitor	Achieved	<ul style="list-style-type: none"> • YTD: 141/623 = 22.6%, compared to the 2024/25 result of 142/628 = 22.6% • Currently, departures of staff trained to the intermediate level are being matched by numbers of new or existing staff taking up training. Further uplift is required to meet the target. • Messaging from the Executive Leadership Team (ELT) has set an expectation of staff participation, resulting in a considerable increase in enrolments. This will be further reinforced throughout quarter four.
<p>¹As per the SLA, 25 per cent of Waikato Regional Council's workforce should be trained and available for any activation of the CDEM group coordination centres. As this is a new SLA, we aim to reach the 25 per cent target by 2026/27.</p>				

Flood protection and control works				
Performance measure	Target	YTD	Year End Forecast	Commentary
3.1 - Major flood protection and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents (such as zone management plans, annual works programmes or long-term plans).	Achieved	On Track	Achieved	<ul style="list-style-type: none"> • <i>Note: the two elements to this measure are described in more detail in parts one and two below</i>
Part one: percentage of planned mandatory maintenance ¹ actions achieved each year	90%	On Track	Achieved	<ul style="list-style-type: none"> • YTD – 96.3% • 2387/2455 planned mandatory tasks have been completed.
Part two: percentage of stopbanks maintained above designed flood height, as agreed within each zone	Rural: 92% Urban: 95%	On Track	Achieved	<ul style="list-style-type: none"> • Rural stopbanks with height above DFL 93.2% • Urban stopbanks with height above DFL 97.3%
3.2 - Percentage of flood recovery plans ² implemented ³ after all major events ⁴	100%	On Track	Achieved	<ul style="list-style-type: none"> • No active flood recovery plans in place, however planning underway for recovery from early 2026 flood events.

Flood protection and control works				
Performance measure	Target	YTD	Year End Forecast	Commentary
3.3 - We will undertake a review of region-wide risks and issues to identify specific catchments they are affecting and recommend areas where there is an opportunity to consider something fundamentally different to what is delivered now	Review of regional risk factors is completed	Monitor	Achieved	<ul style="list-style-type: none"> Progress on this project is currently behind schedule, with staff availability impacted by recent weather events. While work is continuing, delivery remains at risk due to ongoing resourcing constraints. Resources have been reallocated in an attempt to complete this piece of work, however this is proving increasingly challenging due to multiple weather events and extended staff leave.
3.4 - Number of reported incidences where it takes more than three days to remove surface water after events with an annual exceedance probability of up to 10% ⁵	≤5	On Track	Achieved	<ul style="list-style-type: none"> No reported incident where it took more than 3 days to remove surface water after event.
3.5 - Percentage of planned maintenance actions undertaken each year in priority river and / or at priority sites across all zones	80%	Monitor	Achieved	<ul style="list-style-type: none"> 274 of 385 (71 per cent) planned maintenance actions have been undertaken in priority river and / or priority sites. There have been some delays in completing the planned works program due to recent weather events. There is a risk of not achieving this measure if resources need to be redirected into weather event recovery works.
<p>¹ Maintenance can mean repair, renewal or maintenance.</p> <p>² The plans set out timeframes within which flood response actions are to be completed.</p> <p>³ A flood recovery plan is considered 'implemented' when the flood recovery plan, containing remediation actions and costs for said actions, has been approved by the Integrated Catchment Management Committee (ICMC).</p> <p>⁴ Major refers to any flood event that causes damages that cannot be remediated through normal operational funding and requires disaster recovery funding to be rectified.</p> <p>⁵ This measure is only applicable if a weather event of up to 10 per cent annual exceedance probability occurs.</p>				

Integrated Catchment Management				
Performance measure	Target	YTD	Year End Forecast	Commentary
4.1 - Number of on-the-ground projects on private land within the top 30% of priority	20	On Track	Achieved	<ul style="list-style-type: none"> There are 36 projects currently underway.

Integrated Catchment Management				
Performance measure	Target	YTD	Year End Forecast	Commentary
ecosystems delivering biodiversity restoration action				
4.2 - Number of community groups and individuals funded through the Natural Heritage Partnership Programme that undertake restoration activities as per their funding agreement	65	On Track	Achieved	<ul style="list-style-type: none"> There are currently 93 groups and individuals with signed funding agreements for 2025/26. <ul style="list-style-type: none"> Small Scale Community Initiatives Fund (SSCIF) = 56 Environmental Initiatives Fund (EIF) = 24 Natural Heritage Fund (NHF) = 13 (revised down as one deed is still awaiting signatures) Funding for the SSCIF, EIF and the NHF has been allocated for 2025/26. 19 groups/individuals received funding through the SSCIF hub trial where funds have been distributed to the hubs to allocate to local groups/individuals. Funding agreements for one remaining EIF recipient will be finalised pending landowner consent issues being resolved. There is one NHF funding deed that has yet to be signed by the recipient that is being followed up by staff.
4.3 - Average Rat Tracking Index ¹ (RTI) level for rat control operations	≤5%	Achieved in Part	Achieved in Part	<ul style="list-style-type: none"> YTD average = 5.28 % This work was completed in quarter two, with an overall average result of 5.28 per cent across three sites, and two sites surpassing the target. The explanation for the Te Miro result was reported last quarter. Final payment to the contractor has been withheld as they failed to meet the terms of the contract.
4.4 - Average number of possums ² caught for every 100 traps set for possum operations	≤5% Residual Trap Catches (RTC) for ground control	On Track	Achieved	<ul style="list-style-type: none"> YTD average = 1.97 % Two operations were completed in Q3 achieving the following results: <ul style="list-style-type: none"> Waotu - 3.08% North Pirongia Buffer - 0.96%
4.5 - Reducing trend for coverage of eradication pest plants ³ at known sites	Reducing trend	On Track	Achieved	<ul style="list-style-type: none"> Operational eradication activities are currently underway as we approach the end of the season.

Integrated Catchment Management				
Performance measure	Target	YTD	Year End Forecast	Commentary
				<ul style="list-style-type: none"> Final data required to establish trends will be available at the conclusion of the season. Remaining treatment areas and interim eradication sites will continue to be inspected and managed throughout this period. A final analysis of infestation size and status trends will be included in the annual report.
4.6 - Percentage of sampled catchment works maintained in effective condition to the standards set out in zone plans ⁴	85%	On Track	Achieved	<ul style="list-style-type: none"> 88% of works inspected to date are in effective condition. This is based on a sample size of 46 properties representing approximately half of planned inspections for the year. More inspections will be completed as the year progresses.
4.7 - Percentage of new catchment works undertaken in priority catchments and/or at priority sites across all zones ⁵	80%	On Track	Achieved	<ul style="list-style-type: none"> 93% of completed catchment works have been undertaken in priority catchments and/or sites to date.
<p>Notes</p> <p>¹ Rat tracking index is a monitoring method used to obtain an estimate of the relative abundance of rats in an area before and after rat control activities take place. For further information please refer to Department of Conservation: Animal pests: tracking tunnel indices of small mammal abundance.</p> <p>² Possums are targeted as they have a detrimental impact on our native flora and fauna, including devastating native forests and impacting on pasture, horticulture, and forestry.</p> <p>³ Plants included in the operative <i>Regional Pest Management Plan (RPMP)</i> eradication category.</p> <p>⁴ A sample of at least 10 per cent of all catchment scheme and non-scheme works (individual work agreements) legally protected on a property title are inspected to assess the works' condition every year. Works include fencing, planting, and erosion control structures.</p> <p>⁵ The 80 per cent target requires the majority of work to be implemented in priority catchments and/or at priority sites while providing some capacity to meet landowner and community demand for work at non-priority catchments/sites.</p>				

Regional hazards and emergency response				
Performance measure	Target	YTD	Year End Forecast	Commentary
5.1 - Regional resilience strategy is developed, and plans developed, reviewed,	Implement regional	Off Track	Not Achieved	<ul style="list-style-type: none"> During quarter three key project documents (PMP, Comms plan and Terms of Reference) were finalised and approved based on the adjusted approach and the project moved into execution.

and implemented for identified areas	strategy and plan			<ul style="list-style-type: none"> Key milestones achieved: <ol style="list-style-type: none"> A proposed risk-based prioritisation approach has been drafted over this quarter, which will be presented to councillors for feedback at a workshop in April. This will form part of the final Framework. The organisation-wide advisory group has been established. The upcoming focus is now on preparing the remainder of the Framework, however some risk exists around this due to the impact of 2026 weather events on staff capacity.
5.2 - Percentage of customers that reporting being satisfied with Waikato Regional Council's flood warning text/ alert system ¹ through our contact database survey	95%	Not Applicable	Not Applicable	<ul style="list-style-type: none"> The flood warning alert survey will be undertaken quarter four, therefore is Not Applicable for this quarter. We are reporting the year-end result as Not Applicable, as it is not possible to predict the survey result, however in 2024/25 we met this target with 96% satisfied.
5.3 - Two readiness exercises are undertaken per year	Two exercises undertaken	On Track	Achieved	<ul style="list-style-type: none"> Marine Oil Spill (MOS) Exercise undertaken on 17 March. Assessed by Maritime NZ assessors as meeting required standards - WRC was highly praised for its MOS capability. No further MOS exercise required or planned for the financial year

Regional transport connections				
Performance measure	Target	YTD	Year End Forecast	Commentary
6.1 - Regional plans and strategies are reviewed and submitted within statutory timeframes and implemented	Maintain and report on implementation of the <i>Regional Public Transport Plan</i> and <i>Road Safety Strategy</i>	On Track	Achieved	<ul style="list-style-type: none"> Preparation of the Regional Land Transport Plan (RLTP) 2027 is On Track in-line with the most recently National Land Transport Programme, 2027 timelines as advised by the NZ Transport Agency (NZTA), with the Regional Transport Committee (RTC) completing Investment Logic Map workshops in April. Reporting on the implementation of the RLTP 2024 is On Track with a full implementation update to be considered at the RTC meeting in May The Regional Public Transport Plan (RPTP) 2022 remains current with variations (units/future services) being completed in late 2025 to support the March 2026 Bus Contracts Renewal Request for Proposal(s). The development of the Regional Road Safety Strategy is behind schedule due to staff changes with the Regional Transport Connections directorate

Regional transport connections				
Performance measure	Target	YTD	Year End Forecast	Commentary
				restructure, and subject to confirmation of co-funding from NZTA - however there is no statutory timeline for this deliverable.
6.2 - Number of public bus trips per capita (Hamilton)	Number of trips per capita increase year-on-year	Off Track	Not Achieved	<ul style="list-style-type: none"> The number of first boardings per capita in Hamilton for the year-to-date is 11.6, representing a 1.9% decrease compared with the same period last year (11.9 for quarter three, the number of first boardings per capita in Hamilton was 3.8, a 1.5 per cent decrease compared to the same period last year. The rate of decline has slowed from quarter one where it was a 3.5 per cent decrease from previous year. One of the primary drivers of this decline is considered to be the 11.4 per cent fare increase implemented in July 2025, introduced to meet NZTA's private share targets under the 2024–27 National Land Transport Programme (NLTP). While this factor is outside of management control, the improved rate quarter one compared to quarter three may signal that patronage is beginning to stabilise and recover following the initial impact of the fare increase.
6.3 - Number of public bus trips per capita (regional total outside of Hamilton)	Number of trips per capita increase year-on-year	On Track	Achieved	<ul style="list-style-type: none"> In Q3, first boardings per capita outside Hamilton were 0.6, representing a 1.9% increase compared with the same quarter last year. The number of first boardings per capita outside Hamilton for the cumulative Q1 to Q3 period of the current financial year was 1.6, unchanged from the same period last year (1.6). Under the medium population projection, the population outside Hamilton is forecast to increase to 328,739 in 2026, up from a projected 327,053 in 2025 (+0.5%). Over the same period, total first boarding patronage increased from 175,275 in Q3 FY2024/25 to 179,411 in Q3 FY2025/26. Monthly patronage trends during the quarter were mixed. Following fuel price increases commencing in early March 2026, first boarding patronage in March increased to 80,367, up from 75,161 in March 2025 (+6.9%). However, year on year declines were observed in January (1.3%) and February (1.0%). The Q3 monthly patronage trend suggests that patronage remains slightly negatively affected by the 11.4% fare increase implemented in July 2025. The July 2025 fare adjustment was implemented to meet NZTA private share targets under the 2024–27 National Land Transport Programme

Regional transport connections				
Performance measure	Target	YTD	Year End Forecast	Commentary
				(NLTP), which require regional councils to increase the proportion of public transport operating costs recovered through user contributions. <ul style="list-style-type: none"> As outlined in NZTA guidance to public transport authorities, these targets are intended to reduce reliance on central government and ratepayer funding by improving farebox recovery levels. Overall, this result represents a continued improvement compared with Q1 FY2025/26, where patronage declined year on year by 3.4% following the July 2025 fare increase.
6.4 - Percentage of buses that depart on time from bus stops in accordance with the timetable	73%	Off Track	Not Achieved	<ul style="list-style-type: none"> Year to date (July 2025 – March 2026), 70% in accordance with the timetable. In quarter three, the percentage of arrivals at bus stops that are on time in accordance with the timetable are as follows: <ul style="list-style-type: none"> 69% in accordance with the timetable 15% were earlier than timetabled, and 13% were later than timetabled. 2% of the bus stops were flagged as not sighted. During this quarter, on time performance was significantly affected by the volume of road works across the network in FY2025/26. These works resulted in multiple road closures and diversions, increasing the proportion of both early and late bus arrivals at stops. As a result, schedule adherence declined and travel time variability increased, particularly along heavily impacted corridors. Q3 on time performance results also continued to be influenced by “not sighted” stops. This status occurs when trip telemetry data is not successfully received, typically due to technical or communication issues rather than service non delivery. These data gaps adversely impact calculated on time performance outcomes, despite services frequently continuing to operate as scheduled. Excluding the “not sighted” stops would give a Q3 figure of 70.8% in accordance with the timetable and a YTD figure close to 73% in accordance with the timetable, suggesting we may be closer to the 73% target. Despite these operational challenges, bus services continued to operate throughout Q3.

Regional transport connections				
Performance measure	Target	YTD	Year End Forecast	Commentary
				<ul style="list-style-type: none"> Work is ongoing to improve data reliability and to mitigate the impacts of road network disruptions on timetable performance.
6.5 - Percentage of customers who are 'satisfied' or better with the bus transport service	83%	On Track	Achieved	<ul style="list-style-type: none"> This annual measure was achieved in Q2. The 2025 bus service customer satisfaction survey report shows that 94.5% of respondents were satisfied with our bus services, a 1.2% increase compared to last year's result.
6.6 - Year-on-year passenger rail patronage growth ¹	2% patronage growth compared to the previous 12 months	Off Track	Not Achieved	<ul style="list-style-type: none"> Total rail patronage for the cumulative Q1 to Q3 period of the current financial year was 53,582, representing a 7.2% decrease compared with the corresponding period in the previous year (57,725). Total rail patronage in Q3 FY2025/26 was 17,574, an increase of 24.2% compared with the same quarter in the previous financial year (14,147). While cumulative Q1 to Q3 rail patronage remains below last year's levels, the current result reflects a substantially smaller year on year decline than the 17.7% reduction recorded for the cumulative Q1 to Q2 period of FY2025/26. This indicates a partial recovery in rail demand during Q3. One of the primary drivers of this decline was the 11.4% fare increase implemented in July 2025, alongside changes to the SuperGold cardholder fare structure. Since October 2024, SuperGold cardholders have been required to pay full adult fares during peak travel periods. These fare adjustments were introduced to meet NZTA's private share targets under the 2024–27 National Land Transport Programme (NLTP), which require regional councils to increase the proportion of public transport operating costs recovered through user contributions. As outlined in NZTA's guidance to public transport authorities, these targets are intended to reduce reliance on central government and ratepayer funding by improving farebox recovery levels. For Waikato, this has necessitated aligning fare structures with the expected private share trajectory. Monthly rail patronage trends were positive during the quarter: January recorded a year-on-year increase of 179.4%, reflecting the fact that rail services operated for only four days in January 2025 due to scheduled track maintenance. February patronage also increased year on year by 9.7%.

Regional transport connections				
Performance measure	Target	YTD	Year End Forecast	Commentary
				<ul style="list-style-type: none"> Following fuel price increases commencing in early March 2026, rail patronage in March increased to 8,308, compared with 7,208 in March 2025 (+15.3%). Despite ongoing fare related and historical service constraints, comparison with cumulative Q1 to Q2 period of FY2025/26 patronage indicates that rail patronage is beginning to stabilise and recover following the initial impacts of fare changes and service disruptions. The moderated rate of decline suggests that customer confidence is gradually rebuilding, supported by improved service continuity and the continued provision of reliable, high quality rail services when operating. Q3 FY25/26 rail service information as follows: <ul style="list-style-type: none"> Weekday daily average patronage: 275 Weekend daily average patronage: 226 Total patronage: 17,574 Total operational days: 67
6.7 - Percentage of customers who are 'satisfied' or better with our passenger rail services	92%	Not Applicable	Not Applicable	<ul style="list-style-type: none"> The information is not yet available; we aim to include it in the Q4 reporting cycle.
Notes ¹ Patronage growth was significant in 2022/23 as a result of a low baseline due to COVID-19 travel restrictions that saw services paused throughout much of 2021/22. Growth on the service has since stabilised and is anticipated to align with 2 per cent per annum growth targets set out in accordance with the Hamilton to Auckland passenger rail service – Te Huia business case.				

Resource Use				
Performance measure	Target	YTD	Year End Forecast	Commentary
7.1 - Percentage of resource consents processed in	≥ 95%	On Track	Achieved	<ul style="list-style-type: none"> To date 98% (636 of 647) consent applications have been processed in accordance with the RMA timeframe discount regulations. This result includes:

Resource Use				
Performance measure	Target	YTD	Year End Forecast	Commentary
accordance with the RMA timeframe discount regulations				<ul style="list-style-type: none"> ▪ Nine applications processed outside the statutory RMA timeframe which were eligible for a discount ▪ One application that was subject to the queued priority process (an application to take water where the application needed to be processed in priority order, so did not trigger the discount regulations) ▪ One application that was issued prior to the expiry of the existing consents (pursuant to section 7 of the discount regulations, no discount is required as consent was issued prior to the expiry of the existing consent)
7.2 - Percentage of highest priority consented sites monitored each year	100%	On Track	Achieved	<ul style="list-style-type: none"> • Work has commenced on the 486 Focus Area One consented sites (highest priority) to be monitored for the 2025-26 financial year. • To the end of Quarter three: <ul style="list-style-type: none"> ▪ 137 sites have been completed ▪ 168 are currently in progress ▪ 1 site has had monitoring deferred until next year as the consent has not yet been exercised ▪ 180 sites remaining to be scheduled • We anticipate 100% to be monitored by the end of Q4.
7.3 - Percentage of time the 24-hour, seven-day-a-week response service for reporting environmental incidents is available	100%	On Track	Achieved	<ul style="list-style-type: none"> • There was a period between 12 and 31 March, where some calls made to the Council 0800 number were not successfully received. • This was a result of changes made by the telecom provider, resulting in maximum queue capacity of five calls. Any additional calls beyond this limit failed until queue levels reduced. • The telecom provider states that there were 737 failed calls during this period, however these were for all of Council, with many likely to have been associated with rates enquiries. • As a result, it is not possible to determine the proportion of failed calls that may have related to environmental or maritime incidents. • It is important to note that the 0800 number was operational throughout this period, and many calls were received and responded to.
7.4 - Percentage of incidences of serious ¹ non-compliance ² with the environmental regulations that are actioned ³	100%	On Track	Achieved	<ul style="list-style-type: none"> • To end of Q3, 2276 compliance assessments have been made against 1007 sites and have resulted in 35 significant non-compliance (SNC) ratings. • All instances of serious non-compliance have been followed up with action in accordance with the WRC enforcement policy, with either punitive action (formal

Resource Use				
Performance measure	Target	YTD	Year End Forecast	Commentary
				<ul style="list-style-type: none"> warnings/infringement notices), directive action (abatement notices served or in effect), or are currently subject to further formal investigation. To end of Q3, action has been taken on 100% of serious non-compliances detected. All serious breaches of environmental regulation are actioned in accordance with our enforcement policy.
7.5 - Percentage of notifications, related to potential breaches of environmental regulation and assessed as requiring physical attendance, that are attended	100%	On Track	Achieved	<ul style="list-style-type: none"> YTD: 1373 notifications received with 314 (23%) assessed as requiring physical attendance <ul style="list-style-type: none"> a) 306 (98%) have already been attended. b) 8 (3%) have been prepped and are awaiting a site visit. A total of 485 notifications were received in quarter three with 112 (23%) assessed as requiring physical attendance. <ul style="list-style-type: none"> a) 104 (93%) have already been attended. b) 8 (7%) have been prepped and are awaiting a site visit.
7.6 - Risk to boaties is appropriately mitigated within 12 hours of a known failure of a category one aid to navigation ⁴	100%	On Track	Achieved	<ul style="list-style-type: none"> There have been no known failures of CAT1 Aids to Navigation in the region for the period.
7.7 - A 24-hour, 365-day-per-year response service is maintained for serious maritime incidents ⁵	100%	On Track	Achieved	<ul style="list-style-type: none"> There was a period between 12 and 31 March, where some calls made to the Council 0800 number were not successfully received. This was a result of changes made by the telecom provider, resulting in maximum queue capacity of five calls. Any additional calls beyond this limit failed until queue levels reduced. The telecom provider states that there were 737 failed calls during this period, however these were for all of Council, with many likely to have been associated with rates enquiries. As a result, it is not possible to determine the proportion of failed calls that may have related to environmental or maritime incidents. It is important to note that the 0800 number was operational throughout this period, and many calls were received and responded to.
7.8 - Number of education programmes ⁶ evaluated for their	1	On Track	Achieved	<ul style="list-style-type: none"> The research is being undertaken by an external provider. This work is progressing as expected and is scheduled to be completed by May 2026.

Resource Use				
Performance measure	Target	YTD	Year End Forecast	Commentary
effectiveness and updated as required				
7.9 - Based on customer feedback, engagement activities undertaken in collaboration with partners and stakeholders meet their intended purpose ⁷	80%	On Track	Achieved	<ul style="list-style-type: none"> No specific engagement activities undertaken in Q3 due to time of year
7.10 - Customer feedback confirms that the resources and systems developed to support the primary sector to meet their regulatory obligation for freshwater farm plan implementation met the intended purpose ⁷	80%	On Track	Not Achieved	<ul style="list-style-type: none"> Due to matters outside of Council's control, Freshwater Farm Plans and Plan Change 1 are still being developed. For this reason, implementation of resources and systems haven't been able to be fully developed and tested to confirm customer satisfaction. We have progressed Catchment Information and Slope Map guidance and feedback from customers involved in the development has been positive.
<p>Notes</p> <p>¹ There are a number of factors that are relevant in determining whether a breach of the RMA is 'serious'. These include (but are not limited to) what the actual or potential adverse environmental effects of the breach are, sensitivity of the receiving environment, whether the parties involved have a history of non-compliance, whether the breach was as a result of careless, negligent, or deliberate behaviour, what efforts at mitigation have been made.</p> <p>² Non-compliance can come about from proactive consent monitoring, proactive Permitted Activity monitoring or reactively responding to incidents that are reported to Council.</p> <p>³ Actions include: no further enforcement action, letter of direction, abatement notice, formal warning, infringement notice, prosecution.</p> <p>⁴ Considered to be of primary navigational significance including leading lights, outer channel markers, isolated danger marks and wreck marks.</p> <p>⁵ Maritime incidents are those Waikato Regional Council has jurisdiction over that include, but are not limited to, serious boating mishaps or obstruction of navigable waterways.</p> <p>⁶ The programme includes Advancing Māori Medium, Enviroschools, Waste Minimisation, Youth and Secondary.</p> <p>⁷ A twice-yearly survey will be conducted with our partners and stakeholders to identify whether 80 per cent of respondents believe our engagement activities meet the intended purpose and that the resources and systems we develop deliver the intended purpose of supporting the primary sector.</p>				

Science, Policy and Information				
Performance measure	Target	YTD	Year End Forecast	Commentary
8.1 - External audit of one area of monitoring each year shows good quality control of data collection	Positive audit received, and recommendations for improvement implemented	On Track	Achieved	<ul style="list-style-type: none"> Initial first cut of data audit is complete and on track for completion.
8.2 - Percentage of time (during flood events) when data isn't available for more than 70 continuous minutes ¹	<2% of the time	On Track	Achieved	<ul style="list-style-type: none"> This is on track with the data unavailable 0.16% of the time during flood events.
8.3 - State of Environment monitoring and reporting systems are reported on biannually to meet council requirements	Six monthly reports to Environmental Performance Committee against Implementation Plan	On Track	Achieved	<ul style="list-style-type: none"> State of Environment update was presented to Environmental Performance Committee on 11 March.
8.4 - Peer-reviewed environmental science is used to respond to emerging regional issues	<p>Annual summary of science output and uptake/ outcomes reported to council</p> <p>Completion of Water Security Management Plan</p> <p>Completion of Whangamarino / Waikare Options and Actions report</p>	Not Applicable	Not Applicable	<ul style="list-style-type: none"> Annual summary of science outputs is not yet started but is expected to be completed by 30 June 2026. Water Security Management Plan on track for completion by 30 June 2026. Waikare-Whangamarino Action Plan on track for completion by 30 June 2026. Underway, but to be reported annually.
8.5 - Annual report on coastal and freshwater 'swimmability' ² monitoring results to Environmental Performance Committee at the end of the recreational bathing season	'swimmability' results reported	Not Applicable	Not Applicable	<ul style="list-style-type: none"> The annual 'Swimmability' report is scheduled to be presented to Environmental Performance Committee on 9 June 2026.

Science, Policy and Information				
Performance measure	Target	YTD	Year End Forecast	Commentary
8.6 - Weekly upload of 'swimmability' ² monitoring data to LAWA (www.lawa.org.nz) during recreational bathing season	Weekly 'swimmability' data updated weekly during recreational bathing season	On Track	Achieved	<ul style="list-style-type: none"> 'Swimmability' data was updated weekly during recreational bathing season.
8.7 - Actively engage in national policy reforms and district plan change processes to promote high quality, well-informed national direction and to ensure the <i>Waikato Regional Policy Statement</i> is given effect to	<p>>95% of formal submissions made within time</p> <p>>90% endorsed by elected members</p>	On Track	Achieved	<ul style="list-style-type: none"> Submissions have been made on time to relevant national resource management policy and reform proposals. Of note in particular during this period was the WRC submissions to the two Bills to replace the Resource Management Act, to consultation on Simplifying Local Government, and to consultation on development levies and infrastructure funding and financing.
8.8 - Actively engage in Future Proof discussions and initiatives to ensure direction is in line with the <i>Waikato Regional Policy Statement</i> and national direction	>90% attendance at Future Proof technical meetings, with at least two accountability measures implemented that strengthen Future Proof outcomes	On Track	Achieved	<ul style="list-style-type: none"> Attendance is almost 100%. Various staff are actively involved in shaping and implementing policies and plans in the Future Proof sub-region which are aligned with regional and national direction. This continues to be a particularly busy period for Fast Track processes. Accountability measures continue to be implemented: <ol style="list-style-type: none"> To create and implement joint processes both internally and for the Future Proof partnership to respond to 'Fast Track' applications, ensuring responses are as efficient as possible and joint advocacy on Future Proof's strategic outcomes. These processes now part of BAU. To embed new structures for Future Proof working groups and review their effectiveness six months in, to ensure most efficient implementation of Future Proof strategy implementation. Most recent review has resulted in rationalising of certain levels of meetings so that they are

Science, Policy and Information				
Performance measure	Target	YTD	Year End Forecast	Commentary
				only required on an ad hoc basis rather than more regularly meeting.
8.9 - Facilitate a process for the development of a <i>Regional Spatial Strategy</i>	Strategic spatial focus report finalised for council endorsement	On Track	Achieved	<ul style="list-style-type: none"> Staff have been implementing the project management plan for the next stage of the regional spatial strategy process, focusing on information gaps, options for governance and stakeholders for a regional plan.
8.10 - Policy programme is delivered as per the planning schedule	<p>Decisions on Submissions on Proposed Regional Coastal Plan notified</p> <p>Regional Plan reviews progressed in accordance with project plans</p>	On Track	Achieved	<ul style="list-style-type: none"> Staff and legal counsel lodged a memorandum with the Environment Court in late February outlining how Council will address the appeals on proposed Regional Coastal Plan(pRCP), including a timetable for mediations. Staff have begun preparing position papers on the appeals on the pRCP for the mediations and are holding preliminary discussions with appellants. Mediations will commence in May. A second Interim Decision relating only to the status of permitted activity rules in the PC1 was received in late February. The report of the Collaborative Science Advisory Group has been completed and the report on the farm animal effluent Technical Advisory Group is being reviewed. Policy drafting and engagement on the freshwater policy review has been paused while staff assess the implications of the Spatial Planning Bill and Natural Environments Bill on this project.
8.11 - We will undertake a review of current arrangements and recommend a revised infrastructure funding model to inform decision making	Review of critical infrastructure funding is completed	On Track	Achieved	<ul style="list-style-type: none"> This project is in two phases, the second phase will continue 2026 and into 2027. The review of funding for flood management and drainage services projects is expected to deliver a report by 30 June 2026, covering principles to support decisions on funding and levels of service. Resource constraints - particularly WRC information and expertise - may create a risk of delays for suppliers. This is being monitored.

Science, Policy and Information				
Performance measure	Target	YTD	Year End Forecast	Commentary
8.12 - Percentage of data and metadata that has quality controls ³ in place	>90%	On Track	Achieved	<ul style="list-style-type: none"> 91.9% of all spatial data has metadata quality controls in place. During this quarter the business process for entering spatial metadata has been improved so that metadata is now entered into a standardised ANZLIC template at the source of truth (Enterprise Geodatabase feature class) ensuring the metadata is kept with the data. 100% of externally published spatial outputs have ANZLIC compliant metadata and meet national standards (e.g. NZGOAL).
8.13 - At least two key layers are added or updated per year, addressing business/community needs. For example, Year one includes an update of coastal inundation model, and a hydrologically corrected digital elevations model which underpins flood modelling	Publish at least two new layers derived from LiDAR data	On Track	Achieved	<ul style="list-style-type: none"> Fish passage barrier layer V1 has been created and is being used by staff. This will be re-assessed once the NIWA national river network product is available (expected ~July 2026) and subsequent additional hydro-corrected digital elevation model (hydro-DEM) refinements are completed. Derived slope layers have been completed to underpin Freshwater Plan Change (and other BAU) producing different slope ranges used in a range of landuse rules. These can be refined when/if rules are adjusted for legislation changes.
<p>Notes</p> <p>¹ 70 minutes is considered the maximum time we would like flood managers to be without data before making decisions.</p> <p>² A summary of our actual reported swimmability results and the basis for these will be included in our future annual reports.</p> <p>³ Quality controls mean an audit will be done on a regular basis. This will involve checking the metadata to ensure the mandatory fields are filled in and that any restrictions on use are applied to any ArcGIS (Geographic Information System) online applications.</p>				

6.3 FINANCIAL PERFORMANCE MONITORING AND THIRD QUARTER FORECAST TO 31 MARCH 2026

Rā Date:	4 May 2026
Kaituhi Author:	David Green, Manager, Financial Planning and Reporting
Kaituku Authoriser:	Janine Becker, Director, Customer and Corporate Services
Mana whakatau Delegation Status:	For recommendation to Council

TE ARONGA | PURPOSE

1. To provide the Finance and Performance Committee with an overview of the Council's financial performance for the third quarter to 31 March 2026, together with the outcome of the financial forecast undertaken based on actual results to 31 March 2026.

KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

2. As at 31 March 2026, the council's net operating position reflects a surplus of \$13.485 million - \$8.161 million favourable to the year-to-date budget. After allowing for reserve transfers, the increase in retained earnings (being general ratepayer funds) is \$4.487 million resulting in a \$1.560 million favourable position to the year-to-date forecast.
3. Infrastructure capital expenditure to date is \$6.180 million against a year-to-date forecast of \$13.199 million (\$7.019 million below budget), representing 35 per cent of the full year forecast (\$17.599 million). When capital commitments are considered, committed expenditure rises to \$12.652 million, being 72 per cent of the full year forecast. Minor changes to the capital forecast have been requested through the third quarter forecast.
4. A financial forecast has been undertaken based on the financial performance results to 31 March 2026. The forecast has identified a range of budget changes resulting in an overall increase in retained earnings of \$1.469 million. The key changes that are requested through the third quarter forecast are set out in this report.

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

1. That the report *Financial Performance Monitoring and Third Quarter Forecast To 31 March 2026* (Finance and Performance Committee, 13 May 2026) be received.
2. That the committee recommends to council the approval of the forecast budget adjustments as set out in this report, resulting in:
 - (i) A net increase in operating revenue of \$1.148 million
 - (ii) A net decrease in operating costs of \$4.301 million
 - (iii) An increase in reserve balances of \$3.007 million, including \$1.639 million of funding to be carried over to 2026/27
 - (iv) A reduction in forecast borrowing of \$902,000

- (v) Proposed operating expenditure carryovers of \$70,000 identified through the third quarter forecast
- (vi) Proposed capital expenditure carry overs of \$3.331 million identified through the third quarter forecast

HOROPAKI | BACKGROUND

5. The Financial Performance Monitoring Report shows the actual financial results against the second quarter forecast.
6. As at 31 March 2026, the council's net operating position reflects a surplus of \$13.485 million - \$8.161 million favourable to the year-to-date budget. After allowing for reserve transfers, the increase in retained earnings (being general ratepayer funds) is \$4.487 million, resulting in \$1.560 million favourable position to the year-to-date forecast.
7. Revenue is \$355,000 unfavourable compared to the second quarter forecast, although noting some offsetting favourable and unfavourable variances.
 - (a) Year to date revaluation of interest rate derivatives associated with Council's borrowing programme reflects an unrealised loss of \$1.468 million, noting that these movements are offset by a transfer from the derivative revaluation reserve which smooths these valuation changes over the term of the underlying interest rate swap.
 - (b) Investment fund performance over the third quarter has declined as a result of the market impacts of the conflict in the Middle East. Year-to-date performance is now marginally below the budget for this same period. Markets have experienced some positive results in April, which will see some of the losses in the last quarter recovered.
 - (c) Interest income is \$680,000 above the forecast due to increased yields on higher levels of working capital held.
 - (d) NZTA funding is lower than budgeted by \$173,000 due to:
 - (i) Funding not confirmed for Transport Choices (\$99,000) and Road Safety Strategy (\$101,000)
 - (ii) Lower claims related to WISE/WRTM, Regional Land Transport Planning, Regional Public Transport Planning and Stock Truck Effluent (\$217,000) due to lower than forecast spending, with some changes noted through the third quarter forecast.
 - (iii) This is partially offset by higher funding for Total Mobility (\$184,000) reflecting continued higher costs and a favourable impact due to increased demand. Road Safety NZTA claims are also ahead of budget (\$93,000) due to higher than forecast costs.
 - (iv) A timing delay in claiming RITS system costs (\$250,000) – claims for year-to-date costs have been restricted whilst the funding category is confirmed by NZTA, noting that claims to date under a separate work category in the interim have been limited by the category's cap. This is expected to be resolved by the end of the financial year.
 - (v) Higher funding for Interregional Rail (\$218,000) as a result of lower fare revenue (\$179,000) and café revenue (\$64,000), and lower operating expenses due to line closures (\$185,000).

- (e) Other income is \$539,000 above budget, driven by:
 - (i) Higher court-awarded prosecution fines (\$431,000)
 - (ii) Rates penalty income is favourable to budget by \$929,000.
 - (iii) Offsetting this are reductions in Te Huia rail fare revenue and café revenue noted above and lower than budgeted revenue due to a delay in funding from Wel Energy trust (\$297,000) and lower than planned releases of income in advance held to fund Iwi Māori Partnerships activities (\$145,000) as expenditure is incurred.
- 8. Total cost of service to the end of March 2026 is \$8.516 million favourable to the year-to-date forecast. This is driven primarily by under-expenditure in contracted services across the organisation due to timing of activities and programmes. Key expenditure variances are outlined below (with further details provided in the Financial Performance Monitoring Report).
 - (a) Biosecurity spending continues to be materially favourable compared to forecast (\$2.5 million) due to project delays arising from severe weather, contractor availability and staff shortages following the ICM restructure. We could not deliver all planned Kauri Protection and Pest Plant work this year. Some high-risk pest plant work was delayed, and we had less capacity to manage contractors and work with landowners. About \$390,000 of work will now shift into next year. Several storm events also contributed to the delays. We will better understand the full impacts later in Q4 and over the next few seasons. Adjustments in expenditure are proposed through the third quarter forecast with accompanying carryover requests and reserve transfers.
 - (b) Council's IRIS NextGen implementation expenditure continues to track below forecast due to programme delays, with a year-to-date underspend of \$456,000. There has been a reduction in the forecast (\$500,000) in line with this underspend, noting that these funds are still expected to be spent in future financial years. This project is funded through external borrowing to spread funding over the period of benefit of the software.
 - (c) Rail expenditure is lower than forecast (\$185,000) as a result of Auckland Transport's line closures for maintenance during the third quarter.
 - (d) Passenger Transport Operations reports a direct cost underspend of \$690,000 due to:
 - (i) charges received from Hamilton City Council for the Transport Centre being lower than budgeted (\$320,000).
 - (ii) lower than forecast indexation has been indicated for the third quarter (\$370,000), although noting that no costs have been released through the third quarter forecast given the impact of the ongoing conflict in the Middle East on fuel prices and the potential impact on costs over the final quarter of the year.
 - (e) Expenditure within Transport Policy & Planning is tracking below budget (\$447,000) due to a combination of programmes not receiving planned level of funding from NZTA (Road Safety - \$200,000) as well as the ongoing impacts the organisation restructure has had in delaying the delivery of several workstreams most notably the delay to quarter four of the Community Transport fund distribution (\$500,000). These are partially offset by higher than budgeted costs related to Total Mobility (\$253,000).

Where appropriate, these impacts have been adjusted for through the third quarter forecast.

- (f) Treasury expenditure is favourable compared to budget lower than budgeted interest costs on Council's external borrowing programme (\$1.011 million), with adjustments proposed through the third quarter forecast.
9. Infrastructure capital expenditure to date is \$6.180 million against a year-to-date forecast of \$13.199 million (\$7.019 million below budget), representing 35 per cent of the full year forecast (\$17.599 million). When capital commitments are included, committed expenditure rises to \$12.652 million, being 72 per cent of the full year forecast.

THIRD QUARTER FORECAST

10. Council undertakes a financial forecast every three months based on the actual financial performance information to 30 September, 31 December and 31 March.
11. Overall, the third quarter forecast results in:
- An increase in forecast revenue of \$1.148 million and
 - a reduction in operating expenditure of \$4.161 million, with an overall favourable increase in Council's net operating position of \$5.308 million.
12. These changes:
- reduce borrowing by \$902,000 as a result of IRIS NextGen delays and targeted rate funds available from lower interest expenses applied to loan repayments.
 - increase reserve balances by \$2.867 million, including \$1.639 million to be carried forward to the next financial year.
 - include proposed general rate carry overs to 2026/27 of \$70,000,
 - result in an increase in retained earnings (being general ratepayer funds) of \$1.469 million.
13. The third quarter forecast brings the total forecast general rate surplus for the year to \$2.123 million.
14. Based on the year-to-date forecast, the following budget impacts by Group of Activities are noted:

Total forecast movement (\$000)	Forecast change	Forecast change	Net forecast	Reserves	Carryover	Borrowing	Retained
	in revenue	in expenditure	impact	increase /	Reserve	increase /	earnings
	Increase /	Increase /	favourable /	increase /	increase /	increase /	increase /
	(decrease)	(decrease)	(unfavourable)	(decrease)	(decrease)	(decrease)	(decrease)
Integrated Catchment Management	0	(2,364)	2,364	2,379	-	-	(15)
Flood control & protection works	918	513	405	405	-	-	-
Emergency Management	-	-	-	-	-	-	-
Regional Transport Connections	(508)	194	(702)	(699)	-	20	18
Resource Use	341	(657)	998	11	-	(550)	438
Civil Defence Emergency Management	0	(0)	0	448	-	-	(448)
Science Policy and Information	-	(1,319)	1,319	509	70	-	740
Chief Executive Office	-	318	(318)	(185)	-	(17)	(150)
Customer and Corporate Service	396	(846)	1,242	(0)	-	(355)	886
Council-Controlled Organisations	-	-	-	-	-	-	-
TOTAL	1,148	(4,161)	5,308	2,867	70	(902)	1,469
Cumulative surplus previously reported							
- September forecast	(821)	(4,129)	3,308	(848)		(3,768)	389
- December forecast	158	(182)	340	(325)	343	(57)	264
Prior year surplus carried forward							-
Cumulative forecast impact	484	(8,472)	8,957	1,694	413	(4,727)	2,123

15. A summary of the major budget changes contained in the forecast is provided below.

Regional Transport Connections

16. Total expenditure across this Group of Activities is forecast to increase by \$194,000. Revenue is forecast to decrease by \$508,000. These changes result in a net increase in retained earnings of \$18,000, a decrease in the targeted rate reserve balance of \$699,000 and a marginal increase in borrowing of \$20,000.
17. Forecast changes in relation to interregional rail services include:
 - (a) Local share (\$144,000) of additional Te Huia safety case costs (\$362,000) not previously budgeted for
 - (b) Impacts of an additional 14 days of rail line closures in the last quarter result in a reduction in fare (\$120,000) and café revenue (\$95,000), reduced expenditure (\$239,000) and a corresponding reduction in NZTA funding (\$76,000).
 - (c) As part of the forecasting process, alongside confirmation of the 2026/27 Annual Plan budget, staff have reviewed the projected balance in the Te Huia reserve at 30 June 2027. After taking account of the adjustments identified in the third quarter forecast the Te Huia reserve is expected to hold approximately \$98,000 at the conclusion of the current trial. Noting price uncertainty due to current fuel cost variability, this position provides some protection against minor cost increases but does present some funding risk for the Annual Plan should fuel prices increase more significantly in the short to medium term.
18. Bus contract costs have been maintained in line with the second quarter forecast.
 - (a) Whilst indexation for the Kinetic bus contracts (received in February) for the first six months of the year was at a lower rate than anticipated, the impact of the recent fuel price increases is expected to increase over the last 4 months of the year. Due to this cost uncertainty, costs have been kept at the same level as the second quarter forecast.
19. Forecast changes in relation to Transport policy and programmes expenditure, partially offset by changes in NZTA funding, are:
 - (a) A reduction of \$193,000 in operating expenditure for Road Safety and \$20,000 for policy planning (Transport Choices), with a corresponding reduction in grant revenue to reflect confirmed NZTA funding approvals for these workstreams. The adjustment aligns forecasts with approved funding, optimises the use of available grant funding, and maintains the planned delivery outcomes.
 - (b) The forecast for unassisted Total Mobility taxi trips has increased by \$160,000 in the final quarter due to higher operating demand. This position will be managed through the Total Mobility Reserve, given the current increase in NZTA funding expenditure cap has been reached. Further funding above the cap has not yet been confirmed by NZTA.

Resource Use

20. Total expenditure across this Group of Activities is forecast to reduce by \$657,000. Revenue is forecast to increase by \$341,000. These changes result in a net increase in retained earnings of \$438,000 and increases in targeted rate reserve balances of \$11,000 and decreases in borrowing requirements of \$550,000.
 - (a) Additional court-awarded costs (\$350,000) for Council's Compliance and Enforcement activities have been included in the forecast.

- (b) Salary savings of \$146,000 in consent processing are due to ongoing vacancies in the section. This is partially offset by an increase in billable contracted services (\$87,000). Consent processing revenue remains the same as in the second quarter forecast.
- (c) Direct costs are forecast to be lower by \$461,000 with the key driver being delays with the IRIS NextGen programme (\$500,000). Approved project funding will be carried forward to enable delivery of the programme in line with the revised implementation timeframes.

Civil Defence Emergency Management

- 21. Following the dissolution of the Service Level Agreements (SLA's) with territorial authorities, a gap in funding between residual costs and funding (including through rates) has emerged resulting in the need to draw down funds from the Civil Defence Emergency Management Reserve.
- 22. At 30 June 2025, the reserve was in deficit by \$169,000, with this position forecast to worsen this financial year – resulting in a projected deficit at the end of the 2025/26 financial year of \$448,000. The forecast assumes the recovery of these costs through Council's projected operating surplus for this year, noting however that the actual transfer to the Group will be based on actual expenditure at 30 June 2026, less any event response costs incurred over the course of the year.

Science Policy and Information

- 23. Total expenditure across this Group of Activities is forecast to reduce by \$1.319 million, with \$579,000 of this requested to be carried over to 2026/27 to allow planned work to be completed. These changes result in a net increase in retained earnings of \$740,000.
 - (a) Budget has been transferred from the Emerging Technology workstream in Spatial Information to Information Services to be used on AI Architecture project work (\$140,000).
 - (b) Savings of \$500,000 in Environmental Monitoring due to decision made to halt collaborative regional sector project due to procurement challenges and upcoming system wide review.
 - (c) Expenditure in relation to the Environment Court process for Plan Change 1 has been reflected in the forecast (\$471,000). Due to the uncertainty of the timing and costs for this process, no provision was made in the 2025/26 Annual Plan budget. Costs are able to be met from savings elsewhere in the directorate this year.
 - (d) Further savings of \$68,000 in Spatial Information and Environmental Monitoring have been released.
- 24. Carryover requests totalling \$579,000 have been included in the third quarter forecast. The Regional Spatial Strategy and Review of Flood Management and Drainage Services have been funded from Prior Year Surplus reserve with \$509,000 included in the carryover request. The proposed carryovers are:
 - (a) Regional Spatial Strategy – a carryover request of \$353,000 as a result of project timing being entirely dependent on central government legislative reform timing, which has been longer than expected. Funding is required to support system transition and beginning to prepare spatial plans, envisaged to be legislatively required from mid-2026 calendar year.

- (b) Review of Flood Management and Drainage Services funding – a carryover of \$156,000 is requested to support the second phase of the project in 2026/27.
- (c) Land and Soil Solutions – a carryover of \$70,000 is requested to enable further S-Map mapping work to be undertaken, extending preliminary digital soil mapping (DSM) into the northern part of the West Coast Catchment management zone. Currently in the process of contracting this work with the provider and a start will be made on the work in the current financial year but it won't be able to be completed until well into next financial year due to the capacity constraints of the provider. These funds were budgeted to support soil and land resource inventory related work (such as S-Map mapping).

Integrated Catchment Management

25. Total expenditure across this Group of Activities is forecast to reduce by \$2.364 million, with \$1.130 million of this requested to be carried over to 2026/27 to allow planned work to be completed. These changes result in a net decrease in retained earnings of \$15,000 and increases in targeted rate reserve balances of \$2.379 million.
- (a) The Biosecurity programme budget is forecast to decrease by \$2.3 million, driven by the following factors:
 - (i) Programme retendering and delivery timing. As a result of retendering and the decision to manage delivery across 2025/26 and 2026/27, limited work is expected to be undertaken this year for the Priority Possum Control Area (PPCA) programme. Of the unspent budget, \$710,000 will be carried forward to the next financial year, with the remaining \$884,000 transferred to the biosecurity reserve to support future programme delivery.
 - (ii) Seasonal work constraints, adverse weather conditions, and contractor availability have delayed delivery across several programmes, including Plant Pests, Kauri Protection, and Wilding Conifer. As a result, \$420,000 will be carried forward to the next financial year, with the remaining \$260,000 transferred to the biosecurity reserve for use in 2026/27.
 - (b) Biodiversity expenditure for the year has increased \$92,000, reflecting payments as part of the Environment Initiatives Fund in accordance with funding deeds.
 - (c) Catchment Management and Planning – Other income was \$670,000 lower than budgeted due to delays in landowner-related projects, including those funded by the Waikato River Clean-up Trust. These delays have reduced the total cost of projects to be delivered and the level of funding to be claimed from the Waikato River Clean-up Trust.

Flood Protection and Control Works

26. Total expenditure across this Group of Activities is forecast to increase by \$513,000. Revenue is forecast to increase by \$918,000. These changes result in no impact on retained earnings with the net surplus of \$405,000 being transferred to the targeted rate reserves.
- (a) Revenue is forecast up \$733,000 as a result of an increase in:
 - (i) Government grant revenue from Ministry of Business Innovation and Employment funding for the Kirikiri stopbank project (\$243,000)
 - (ii) Other income relating to Tranche 2 funding has now been confirmed (\$510,000)

- (iii) Rental income from grazing licences in Lower Waikato and Waihou following the new five-yearly rental fee valuations effective 1 June 2025 (\$125,000)
- (b) An additional \$145,000 is required for Drainage to support increased drain cleaning and spraying activities. This will be funded from underruns in other operating expenses such as materials, vehicle running cost and consultancy fees.
- (c) As a result of additional costs in response to flood events in October 2025 and February 2026, along with further remedial work identified following the most recent storm events an increase of \$730,000 of contracted services budget has been requested in the Waipa zone, with the intent to seek reimbursement from the disaster recovery reserve in the future.

Customer and Corporate Services

- 27. Total expenditure across this Group of Activities is forecast to reduce by \$846,000. Revenue is forecast to increase by \$396,000. These changes result in a net increase in retained earnings of \$886,000 and a reduction in borrowing of \$355,000.
- 28. The forecast revenue increase is largely interest income from our working capital funds management (\$361,000).
- 29. A review of interest costs associated with Council's borrowing programme is the main driver for the reduction in expenditure (\$880,000). This reflects actual interest rates applied to current borrowings and a reduced overall borrowing programme compared to budget assumptions.
- 30. Other changes include:
 - (a) Communications events no longer going ahead this year - \$21,000. Release of funding to update boundary signs which is not being done in light of local government reform \$20,000.
 - (b) Release of internal audit budget not required this year while the internal audit plan is updated to reflect new strategic direction and strategic risk refresh - \$63,500.
 - (c) Unbudgeted lease income from 160 Ward Street - \$35,000
 - (d) Transfer of funding from the Emerging Technologies budget In Science, Policy and Information to Information Services - \$140,000

Chief Executive's Office

- 31. Expenditure is forecast to increase by \$318,000 driven by the following proposed changes:
 - (a) Electoral Processes requires an additional \$215,000 to cover the election costs on charged by other councils.
 - (b) External Iwi Capacity and Support activities have released savings of \$60,000.

PRIOR YEAR SURPLUS

- 32. Council has previously approved the allocation of up to \$1.0 million to support organisation change processes run by the Chief Executive. At the end of March 2026, \$631,000 of this funding had been allocated with further costs to be confirmed based on redeployment outcomes in May 2026.

33. Separately, Council holds unallocated prior year surplus funds of \$2.549 million. Council has already resolved for these funds to be returned to ratepayers by way of a reduction in the general rate revenue requirement for 2026/27 that has been included in the Draft Annual Plan.

CAPITAL EXPENDITURE

Operational Capital

34. Year to date operational capital expenditure totals \$3.582 million which is \$55,000 unfavourable compared to budget and represents 32 per cent of the full year budget.
35. Operational capital expenditure carryover requests total \$2.951 million include:
- LiDAR data (\$821,000)
 - Aerial photography (\$137,000), satellite imagery (\$200,000) and GIS data (\$95,000) as discussions progress with vendors to procure region-wide oblique imagery with the aim to support a large number of business use cases/processes, noting that existing imagery is almost ten years old and lacks the metadata required to use it natively in ArcGIS systems. The estimated spend is \$440,000 (Doc # 34287033) with the plan for procurement approach to go to Tenders Board before June for approval.
 - \$765,000 related to property upgrades at Paeroa, Whitianga and Kerepehi
 - Vehicle delivery delays totalling \$524,000.

Infrastructure Capital

36. Infrastructure capital expenditure totals \$6.180 million year to date, against a full year forecast of \$17.599 million.
37. Committed contracts of \$6.471 million bring total committed spend to 72 per cent of the full-year forecast.
38. Minor reductions of \$242,000 to the full year programme spend are proposed through the third quarter forecast.

	YTD Actual (\$000)	YTD Budget (\$000)	YTD Variance (\$000)	YTD Commitments	Full Year Original Budget	Q1 Full Year Forecast	Q2 Full Year Forecast	Q3 Full Year Forecast
Lower Waikato	2,944,003	6,871,705	(3,927,702)	3,432,583	11,124,723	9,162,273	9,162,273	9,162,273
Piako	2,071,255	3,075,000	(1,003,745)	2,525,571	3,540,000	4,100,000	4,100,000	3,940,000
Waihou	1,033,563	2,752,500	(1,718,937)	393,233	3,630,000	3,670,000	3,670,000	3,690,000
Other Regions	131,248	500,208	(368,960)	119,743	666,944	666,944	666,944	564,867
TOTAL	6,180,069	13,199,413	(7,019,343)	6,471,130	18,961,667	17,599,217	17,599,217	17,357,140

RESERVES

39. The table below provides an update on projected targeted rate reserve balances, taking into account the adjustments requested through the year-to-date forecast. Key changes include:
- Biosecurity – a decrease in the previously forecast reserve drawdown of \$2.526 million as a result of the year-to-date delays in planned spending and proposals to carry this work forward into 2026/27.
 - Regional Transport – a net increase in reserve drawdown of \$577,000 due to the increase in bus contractor costs (additional \$1.315 million drawdown) more than

offsetting the reduced costs now planned for the Te Huia service (reduced drawdown of \$755,000)

- (c) Civil Defence – the forecast assumes a transfer to the reserve (\$448,000), funded by this year's forecast retained earnings to address the short-term impacts of the cessation of Service Level Agreements with territorial authorities. The actual transfer to the reserve at the end of the financial year will align with actual expenditure incurred (outside of event response costs) for the year.

Reserve	Purpose	Operating Reserve	Capital Reserve	Total Reserve Funds held at 30 June 2025	Projected Reserve Movement			Forecast Reserve Balance held at 30 June 2027
					2025/26 (Annual Plan, CO & FC)	2026/27 (AP)	2027/28 (LTP)	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Regional disaster recovery	To provide funding to respond to natural disaster events, including the funding of insurance excesses.	2,820		2,820	105	154	165	3,244
Waihou Piako Scheme	To recognise the difference between actual and budgeted expenditure in relation to this zone. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.	3,487	(9,667)	(6,180)	(1,502)	(79)	139	(7,621)
Lower Waikato Zone	To recognise the difference between actual and budgeted expenditure in relation to this zone. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.	8,808	(17,978)	(9,170)	(7,287)	262	211	(15,984)
Central Waikato Zone	To recognise the difference between actual and budgeted expenditure in relation to this zone. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.	1,846	61	1,907	0	-		1,907
Upper Waikato Zone	To recognise the difference between actual and budgeted expenditure in relation to this zone. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.	1,054	203	1,257	4	(143)		1,118
Taupo Zone	To recognise the difference between actual and budgeted expenditure in relation to this zone. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.	3,911	964	4,875	167	-		5,042
Waipa Zone	To recognise the difference between actual and budgeted expenditure in relation to this zone. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.	3,985	(894)	3,091	89	1		3,181
Coromandel	To recognise the difference between actual and budgeted expenditure in relation to this zone. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.	2,914	379	3,293	60	(257)	51	3,146
West coast	To recognise the difference between actual and budgeted expenditure in relation to this zone. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.	1,123	(368)	755	27	0	1	783
Zone disaster recovery	To provide funding to respond to natural disaster events of up to a 20-year return period. Events of this magnitude are not covered by insurance, meaning that council needs to make its own provisions to meet costs that may be incurred.	3,754		3,754	160	199	206	4,319

Reserve	Purpose	Operating Reserve	Capital Reserve	Total Reserve Funds held at 30 June 2025	Projected Reserve Movement			Forecast Reserve Balance held at 30 June 2027
					2025/26 (Annual Plan, CO & FC)	2026/27 (AP)	2027/28 (LTP)	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Drainage	To recognise the difference between actual and budgeted expenditure in relation to the council's land drainage functions. This activity is funded through a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.	(1,189)		(1,189)	(159)	(277)		(1,625)
LW Flood Community Works		147		147	(301)	-		(155)
Wharekawa Coast (Kaiiua)		(72)		(72)	(4)	-		(76)
Civil defence	To recognise the difference between actual and budgeted expenditure in relation to this activity. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged.	(92)		(92)	169	-		77
Natural heritage	To recognise the difference between actual and budgeted natural heritage expenditure. Applications to the natural heritage fund occur in an ad hoc manner. Maintenance of a reserve ensures that funds can be accumulated across financial years and made available once suitable applications for funding are received.	1,106		1,106	474	8		1,589
Biosecurity	To recognise the difference between actual and budgeted biosecurity expenditure. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged.	3,386		3,386	19	(575)		2,830
Environmental initiatives	To recognise the difference between actual and budgeted expenditure in relation to the Environmental Initiatives Fund. Expenditure from the Environmental Initiatives Fund is dependent on applications received each financial year. The use of a reserve ensures that unspent funds can be accumulated across financial years.	234		234	(72)	(8)		153
Permitted activity monitoring	To recognise the difference between actual and budgeted permitted activity monitoring expenditure. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged.	1,713		1,713	99	(300)		1,512
Stock truck effluent	To allow the funding of this activity to be smoothed across financial years.	1,065		1,065	-	-		1,065
Public transport	To recognise the difference between actual and budgeted passenger transport expenditure. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged.	6,792		6,792	(3,049)	(507)		3,237

TE AROMATAWAI I TE HIRANGA | ASSESSMENT OF SIGNIFICANCE

40. Having regard to the decision-making provisions in the LGA and Council's Significance and Engagement Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance. Staff are of the opinion that the content and recommendations in this report are consistent with the decision-making requirements contained in Part Six of the LGA and that the decision-making requirements of the LGA have been met.

KŌWHIRINGA I MANAKOHIA | PREFERRED OPTION

41. The preferred option is for the Committee to recommend the proposed changes to the financial forecast for the 2025/26 financial year to Council for approval.

NGĀ WHAIWHAKAARO KAUPAPAHERE | POLICY CONSIDERATIONS

42. To the best of the writer's knowledge, this decision is not significantly inconsistent with, nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by Council, or any plan required by the LGA or any other enactment.

WHAKAKAPINGA | CONCLUSION

43. Staff have prepared the financial performance results for the quarter ended 31 March 2026. These results indicate that Council's current financial performance is favourable to the annual plan, whilst noting that the current underspends represent timing rather than permanent savings, with further rephasing of the full year budget year being reflected in the third quarter forecast.
44. The third quarter forecast indicates a further increase in forecast retained earnings of \$1.469 million. Cumulatively, the forecast financial performance for the year indicates an increase in retained earnings of \$2.123 million compared to the 2025/26 Annual Plan.

ĀPITIHINGA | ATTACHMENTS

1. **Financial Performance and Monitoring Report to 31 March 2026** [↓](#)

Waikato Regional Council
Performance Monitoring Report
For the period ended: 31 March 2026

COUNCIL PERFORMANCE AT A GLANCE

For the period ended: 31 March 2026

FINANCIAL OVERVIEW (\$000)

	YTD actual	YTD forecast	Tracking	Trend
Operating revenue	166,469	166,823	100%	→
Operating expenditure	152,983	161,499	95%	↑
Net operating surplus / (deficit)	13,485	5,324	253%	↓
Capital expenditure v YTD estimate	16,233	16,727	97%	↓

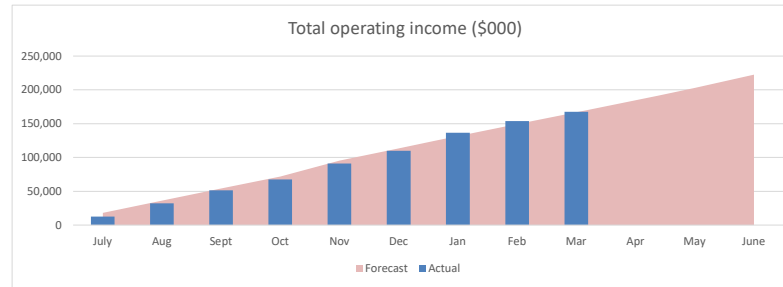
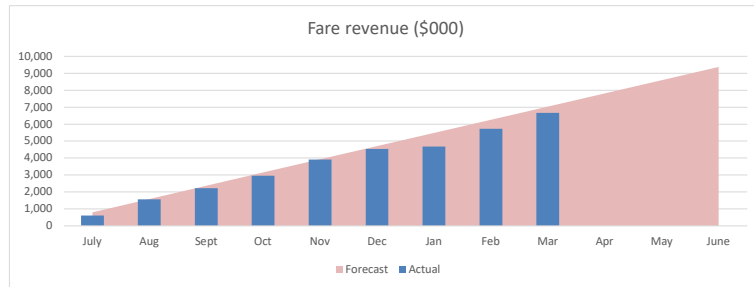
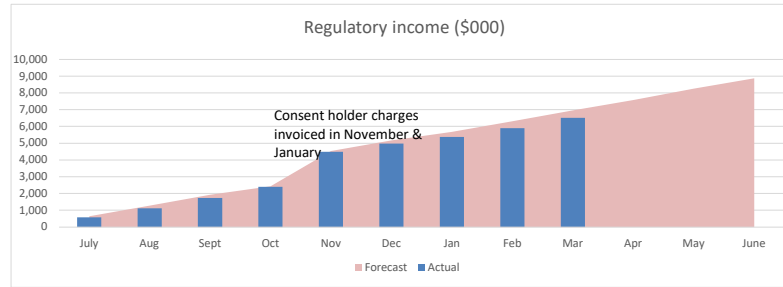
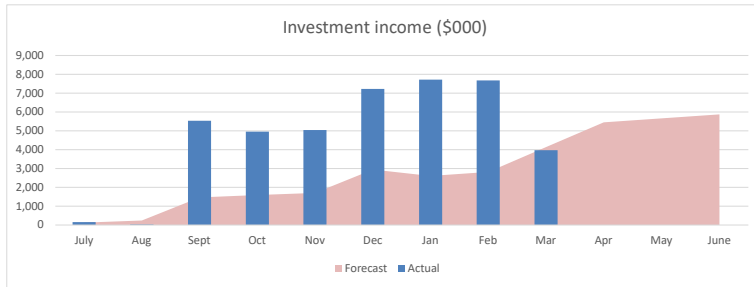
Trend	
↑	Improving trend in performance since the last reporting period.
↓	Declining trend in performance since the last reporting period.
→	No change in performance since the last reporting period

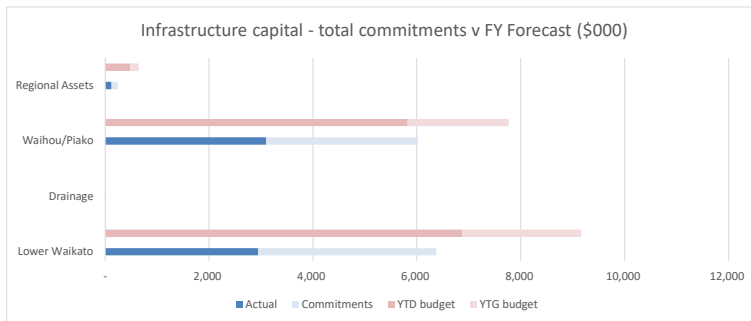
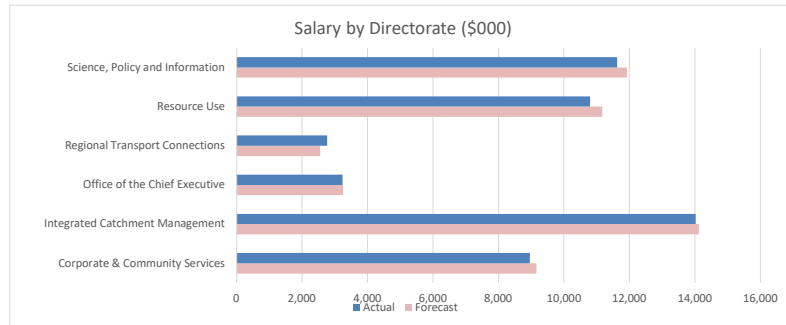
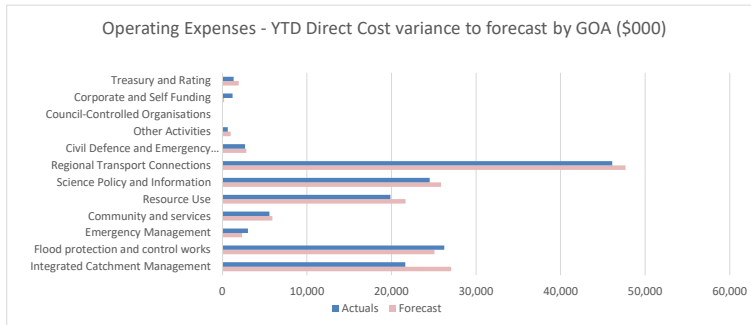
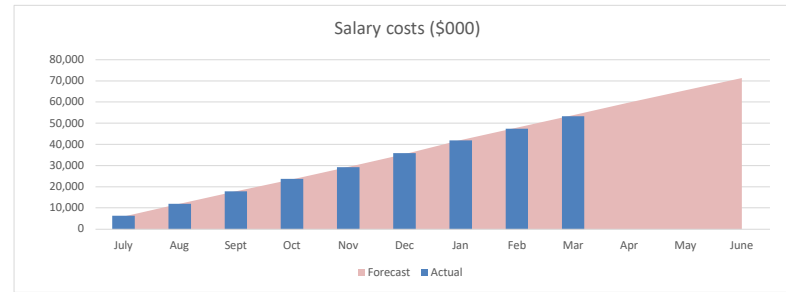
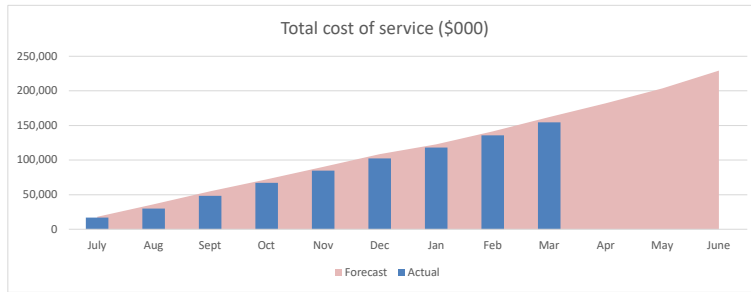
Operational capital expenditure: Broadly in-line with year-to-date forecast of \$3.5 million
 Infrastructure capital expenditure: Actuals + commitments total \$14.069 million (80% of full year budget)

KEY FINANCIAL INDICATORS

	YTD actual	YTD forecast	Tracking	Trend
Investment and Interest income (excluding inflation proofing)	5,109	4,135	124%	→
Regulatory income	6,519	6,956	94%	↓
Resourcing budget (combined salaries, contracted services and consultancy fees)	89,410	96,593	93%	↑
Public Transport Fare revenue	6,671	7,039	95%	↓
Current year rates collection	91.2%	Mar 2025: 87%	105%	↑

Summary variance explanations
The gross and net performance of the investment fund for the quarter and year to date has been in line with benchmark and below the targeted return, and the return reflects weak performance driven primarily by volatility across growth assets due to uncertainty in the markets.
<ul style="list-style-type: none"> • Consent application fees are below budget by \$257,000. - hesitation by applicants in context of pending RM reforms and economic climate - Revenue from contracted services down - limited role of Council under new Fast Track processes results in less use of technical contractors . • Consent Monitoring is below budget by \$213,000 • Annual consent administration charges are favourable to budget by \$33,000."
<ul style="list-style-type: none"> • Contracted Services spend represents 91% of the year-to-date forecast, an underspend of \$6.439 million (noting Q2 reported an underspend of \$6.66 million) • Consultancy Fees have reached just 57% of the year to date forecast, marginally underspent by \$316,000 • Salaries are slightly under budget year to date at \$51.414 million compared to a forecast of \$52.192 million
Total fare revenue is below budget by \$368,000, or 95% of the year-to-date forecast. (Q2 96%); <ul style="list-style-type: none"> • Bus fare revenue has seen a significant growth in patronage in March 26 due to increased fuel prices. It is expected the YTD shortfall (\$81,000) will be fully delivered by the end of the year. • Rail fares are below plan (\$179,000) as a result of reduced services following block of line closures in Q1 and January 2026. Fares and Cafe Revenue have been reduced in Q3 forecast. • Total Mobility Community Connect funding (budgeted as fare revenue) from NZTA is lower than budget by (\$108,000)
Current year rates collection is tracking ahead of schedule and this period last year.





Infrastructure Capital

- Year-to-date spend at \$6.180 million, (Q2 was \$2.884 million) but noting \$6.471 million of commitments in place
- Minor reductions in planned spend identified through the third quarter forecast

Operational Capital

Year-to-date budget spend is in-line with forecast at \$3.582 million (Q2 was \$456,000 ahead of budget)

Contracted services are defined as:

Contracting out is a service delivery choice. Payments made to external parties for general services are recognised as Contracted Services



Regional Transport Connections - favourable by \$393,000

- Rail expenditure has been impacted by block-of-line closures, with services unable to operate as planned. Q3 has seen a further \$185,000 reduction in costs due to track closures during Christmas holidays which re-opened on 20 January 26. March 26 saw a full year of service in rail and an additional \$40,000 of costs due to fuel price increases.
- Transport Planning - Total Mobility has an overspend of \$121,000 and there is an offsetting increase in Governments Grants funding. Road Safety - contract services has an underspend of \$226,000, and expenditure has been reduced in Q3 forecast in line with NZTA funding.
- Transport Planning Work has an underspend \$328,000. Transport Choices was declined for funding by NZTA, RLTP, RPTP and WRTM are below forecast, Road Safety Strategy has not secured NZTA funding for FY25/26 and has lower than forecasted expenditure. Regional Rail Transport has overspent \$132,000 YTD.

Resource Use - favourable by \$593,000

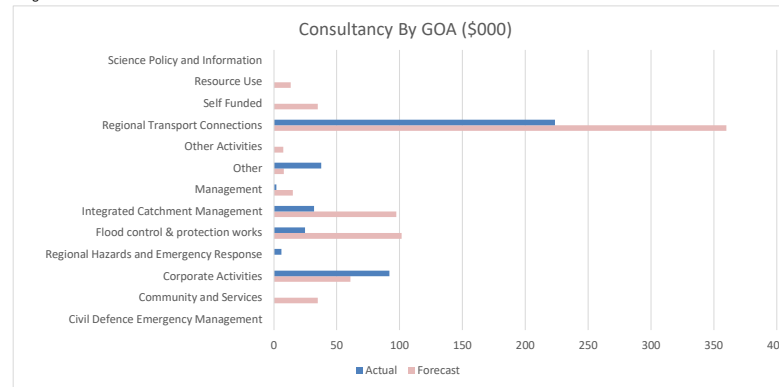
- IRIS NextGen is below budget by \$425,000 due to ongoing delays in the programme, and a delay in receiving the third quarter fixed charges from RSHL (\$139,350).
- Maritime Services is \$53,000 below budget due to timing of removing derelict vessels.

Science, Policy and Information - favourable by \$591,000

- Environmental Science - is below budget by \$565,000 mainly in Coastal water quality (\$106,000) due to delays with contract work, Lake Invest/New Mon methods (\$72,000) due to delays with contractors and receiving invoices, Coastal Biodiversity and Distribution (\$62,000) due to delay in contractor invoicing for work completed, Water Allocation Plan Imp (\$60,000) due to delays in planned work and Contaminated land (\$43,000) due to delays in field work as a result of staff resignation.
- Resource Management Policy - Plan Change 1 unfavourable by \$118,000 due to continued expenditure where no budget has been provided.
- Strategic Policy Implementation - Future Proof behind planned spend by \$81,000 which is offset by lower recognised revenue.

Consultancy fees are defined as:

Payment for the provision of professional advice. Payment for the provision of legal advice and representation is recorded separately as "Legal Fees"



Consultancy - Year-to-date consultancy spend represents 57% of the year-to-date budget (full year budget of \$1.078 million), with a total favourable variance of \$316,000 (Q2 was \$418,000) across the organisation.

RTC: An unfavourable variance of \$136,000 (Q2 was \$180,000), with expenditure for the bus contract renewal programme due to utilised in April 26.

FC&PW: A favourable variance of \$77,000 was recorded for the period. Phasing impacts will be adjusted through the third quarter forecast.

RUD: Budget relates to consent processing appeals, with no expenditure required to date. This budget has been reduced in the 3rd quarter forecast.

ICM: A favourable variance of \$65,000 was recorded for the period (Catchment \$ 50,000, Biodiversity \$15,000).

Integrated Catchment Management - total favourable variance of \$3.2 million

- Catchment Planning and Management - A favourable variance of \$540,000, primarily reflecting delays in project delivery due to flood-response demands in the Lower Waikato, West Coast and Waipā catchments and CM Operations.
- Biosecurity – A favourable variance of \$2.5 million, with programme delivery impacted by severe weather, contractor available issues, seasonal work constraints, and re-tendering processes, alongside the decision to phase delivery. Notable underspends were recorded in Possum Control (\$1.3 mil), Animal Pest (\$430,000), Plant Pest (\$240,000), Marine and Freshwater Gold Claim (\$178,000), Wilding (\$100,000) and Kauri (\$225,000). The programmes in North Taupo and Waikite Valley are expected to carry forward into 26/27 (\$710,000). The unspent budget will be adjusted and shown in Q3 forecast.
- Biodiversity – A favourable variance of \$100,000 is driven by underspends of \$70,000 in Biodiversity Priority Sites and \$20,000 in Waikato Collective Impact Biodiversity program. It will be utilized in the last quarter.

Flood Control & Protection Works - total favourable variance of \$604,000

- River Management - An unfavourable variance of \$140,000 due to Project Watershed (Hamilton City Council's invoice \$130,000)
- Flood Protection - A favourable variance of \$400,000 has been recorded primarily reflecting project delivery delays compared with planned phasing, largely due to flood-response demands.
- Drainage - A favourable variance of \$350,000 (Thames Valley \$60,000, PMP \$185,000, Waikato Central \$80,000, Franklin \$35,000), driven by weather conditions that have been unsuitable for spraying activities - high winds, rainfall, storms and unsuitable temperatures have caused multiple postponements or rework due to the risk of spray drift, wash off, and reduced treatment effectiveness.

SUMMARY COST OF SERVICE STATEMENT

	Actual	YTD Forecast	Variance	Revised Budget	Annual Plan Budget	Feb YTD Actual
Revenue						
General rates	50,996	50,996	-	67,929	67,929	39,473
Targeted rates	63,439	63,439	-	84,657	84,657	49,294
Government grants	19,986	19,808	178	27,083	27,890	15,739
Fees and charges	11,425	11,382	43	13,906	14,351	10,052
Other income	14,511	13,972	539	18,985	18,399	12,141
Interest income	1,478	798	680	1,422	1,422	918
Derivative Revaluation	(1,468)	-	(1,468)	-	-	-
Investment income	6,102	6,429	(327)	8,572	8,572	8,646
	166,469	166,823	(355)	222,554	223,220	136,261
Expenditure						
Community and services	5,574	5,916	341	9,899	8,425	4,301
Regional hazards and emergency response	3,032	2,326	(707)	2,845	2,812	2,305
Civil Defence and Emergency Management	2,665	2,830	165	3,780	4,453	2,129
Flood protection and control works	26,241	25,078	(1,163)	35,162	33,926	19,835
Integrated catchment management	21,628	27,059	5,431	40,095	37,724	17,002
Regional transport connections	46,096	47,682	1,585	64,560	64,620	34,765
Resource use	19,887	21,660	1,773	29,473	31,906	15,654
Science, policy and information	24,515	25,873	1,358	38,153	36,541	19,344
Other activities	627	994	367	1,687	1,687	528
CCOs	1	1	(0)	1	111	1
Treasury and rating	1,316	1,925	609	2,209	1,909	1,655
Corporate, management	1,400	157	(1,243)	553	(1,125)	563
	152,983	161,499	8,516	228,417	222,988	118,081
Net operating surplus / (deficit)	13,485	5,324	8,161	(5,863)	232	18,181
Transfer to / (from) reserves						
General reserves	643	79	(565)	(631)	(550)	560
Civil defence	(168)	(279)	(112)	(279)	-	(132)
Zone reserves	4,460	1,430	(3,030)	4	809	3,292
Natural heritage	704	194	(509)	400	-	427
Biosecurity	2,273	(461)	(2,734)	(2,492)	(668)	1,570
Regional transport connections	(231)	(1,152)	(921)	(2,636)	(2,002)	729
Prior year surplus	(1,706)	(2,231)	(525)	(3,251)	(2,051)	(813)
Regional development fund	-	-	-	(1,559)	-	-
Derivative Reserve	(1,468)	-	1,468	-	-	(633)
Asset revaluation reserve	-	-	-	-	-	-
Investment equalisation and preservation	4,620	4,946	326	6,594	6,594	8,906
Communications Network	(128)	(128)	0	(170)	(170)	-
	8,999	2,397	(6,602)	(4,020)	1,962	13,906
Increase / (decrease) in retained earnings	4,487	2,927	1,560	(1,843)	(1,730)	4,274

COMMENTARY ON SIGNIFICANT FINANCIAL VARIANCES

Operating revenue

Revenue type	Commentary	Government grants
(Fees and charges	<p>\$43,180 favourable (Q2 was \$369,680)</p> <p>Resource Use: An unfavourable variance of \$437,000 which is split between consent applications (\$254,000) and consent monitoring (\$213,000), with the balance in annual charges which is favourable to budget by \$33,000. This unfavourable variance is largely offset by a corresponding reduction in labour and contracted services costs.</p> <p>Science, Policy and Information: Invoiced amounts to consent holders for information gathering and monitoring activities are \$316,000 higher than forecast. Further credit notes are anticipated, which would reduce this variance.</p>	<p>\$178,200 favourable (Q2 was \$368,310)</p> <p>Regional Transport Connections: An unfavourable variance of (\$250,000) is reported at the end of March 2026 (Q2 was \$348,000).</p> <ul style="list-style-type: none"> • Rail: A favourable impact of \$218,000 (Q2 was \$69,000) as a result of net costs being impacted by line closures. March 26 saw an increase in Kiwi Rail Service fees as a result of increasing diesel prices impacting the hook & tow charge. • Public Transport Operations: An unfavourable variance of \$250,000 due to a delay in claiming RITS system costs. A portion of these costs have been claimed under another category. The total for RITS are \$675,000. • Total Mobility: An additional \$184,000 has been claimed (q2 was \$324,000), reflecting increased demand for Total Mobility services nationally. NZTA have approved a claim exceeding the Cap in anticipation of additional funding being confirmed in this work category. • Transport Planning Work Grants are \$405,000 lower than forecast due to a number of factors. Transport Choices funding did not proceed for FY25/26 for \$99,000. Road Safety Strategy Funding was not confirmed for FY 25/26 \$135,000. RLTP and RPTP expenditure are below forecast and therefore lower in Grants (\$181,000). WRTPM is below forecast (\$49,000) due to delays in providing a purchase order to CoLab. <p>Flood protection – Unbudgeted Kanoa funding totalling \$556,000 not identified in Q2, comprising: Lower Waikato Stopbanks \$147,000, Kirikiri Stopbank Upgrade \$135,000, Thames Valley Diversion Planting \$24,000, Mangatawhiri Pump Station \$213,000, and Lower Waikato Floodgate Programme \$37,000.</p> <p>Catchment Management and Planning - Lower than budgeted revenue from government grants was driven by project delays limiting the level of claims that could be made</p>

Other revenue

\$539,210 favourable (Q2 was \$668,340)

Resource Use - A favourable variance of \$431,000 is reported, driven by additional fines income.

Science, Policy and Information - An unfavourable variance of \$37,000, primarily reflecting Future Proof activity being behind budget.

Regional Transport Connections: An unfavourable variance in Rail for Cafe Revenue due to block of line closures (\$64,000) to be adjusted in Q3 forecast.

Rates Penalty Income - A favourable variance of \$1.0 million (Q2 was \$496,000) is reported following January's invoicing. Remissions relating to the recently issued penalty invoices are anticipated and will be processed in the third quarter.

Wellbeing Project - Expected funding of \$250,000 from Well Energy Trust received in April.

Catchment Management and Planning – Other income was \$185,000 lower than budgeted due to delays in landowner related projects, including those funded by the Waikato River Clean-up Trust. These delays have reduced the total cost of projects to be delivered and the level of funding to be claimed from the Waikato River Clean-up Trust.”

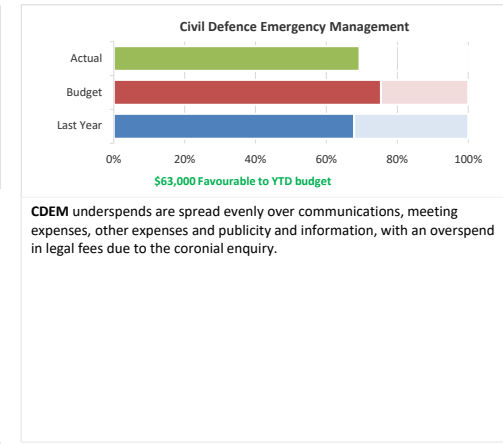
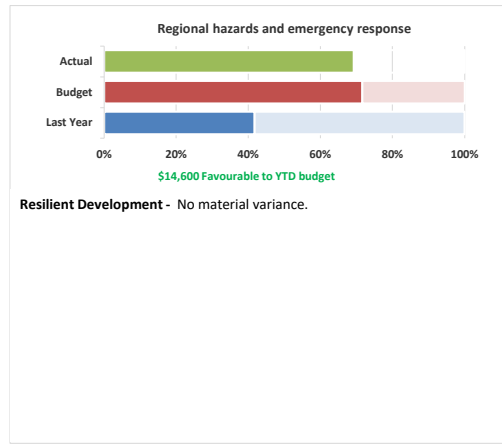
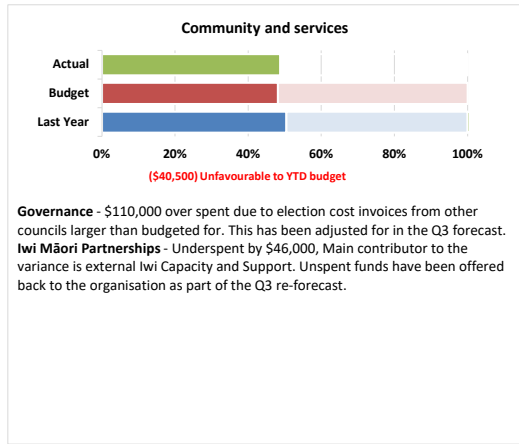
Investment
income

\$973,782 favourable (Q2 was \$4.424 million)

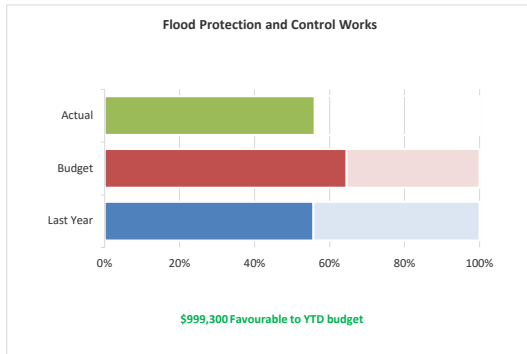
The gross and net performance of the investment fund for the quarter and year to date has been in line with benchmark and below the targeted return, and the return reflects weak performance driven primarily by volatility across growth assets due to uncertainty in the markets.

COMMENTARY ON SIGNIFICANT FINANCIAL VARIANCES

Operating expenditure



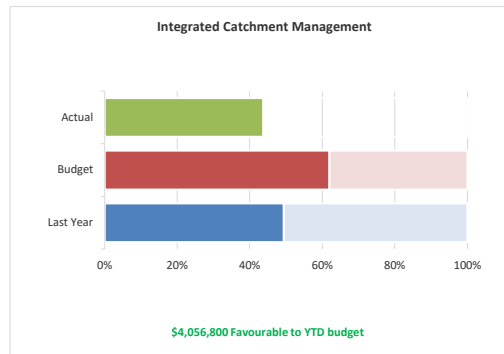
Operating expenditure



Flood Protection: A favourable variance of \$393,000 has been reported, primarily driven by ongoing delays in programme delivery resulting from adverse weather conditions, contractor availability, and staffing levels while the ICM reorganisation reviews were underway. These timing delays have driven budget re-phasing through the third quarter forecast.

River Management: An unfavourable variance of \$47,000.

Drainage: A favourable variance of \$465,000, driven by weather conditions that continue to delay planned spraying activities.

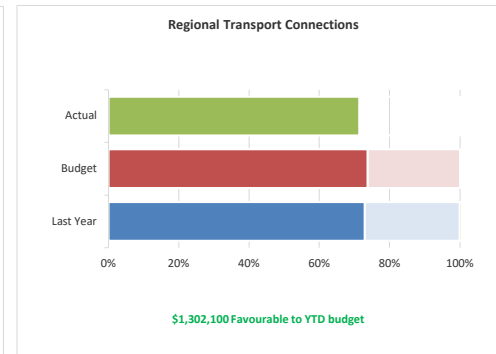


Catchment Planning and Management: Catchment Planning and Management continues to report a favourable variance of \$1.1 million, driven by delays in programme delivery due to on-going adverse weather conditions, limited contractor availability, and reduced staffing capacity during the ICM restructuring process. As a result, planned spending will be deferred and rephased through the forecast update.

Biosecurity: A total favourable variance of \$2.5 million largely driven by programme delivery delays arising from severe weather, seasonal work constraints, contractor availability, staffing levels while organisation reviews were in progress, and retendering process. Total \$2.3 million is expected to be adjusted in the Q3 forecast, with \$1.2 million transferred to Reserves for future expenditure and \$1.1million carried forward into 2026/27 for outstanding projects (Waikite Valley, North Taupo, Plant Pests and Kauri)

- **Regional Priority Possum Control:** \$ 1.3million favourable
- **Animal Pests:** \$380,000 favourable
- **Plant Pests:** \$270,000 favourable
- **Kauri:** \$280,000 favourable

Biodiversity: A total favourable variance of \$440,000 (Q2 was unfavourable \$260,000) - Biodiversity Priority Sites (\$120,000) and Natural Heritage Fund (\$310,000) due to timing of application, approvals and fund releases.



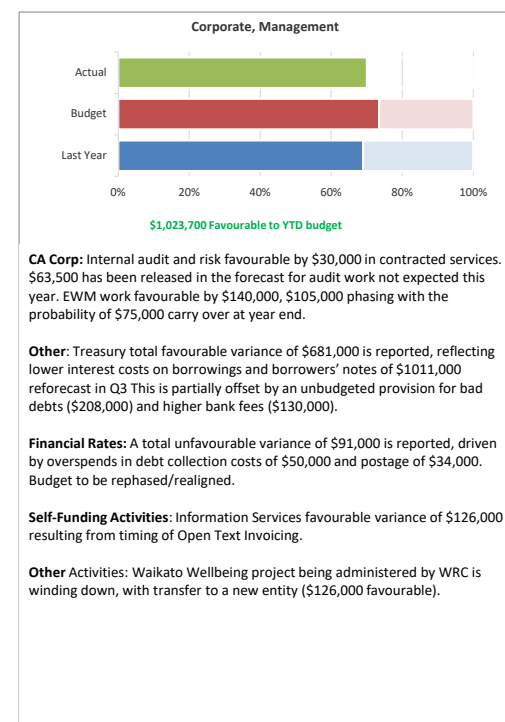
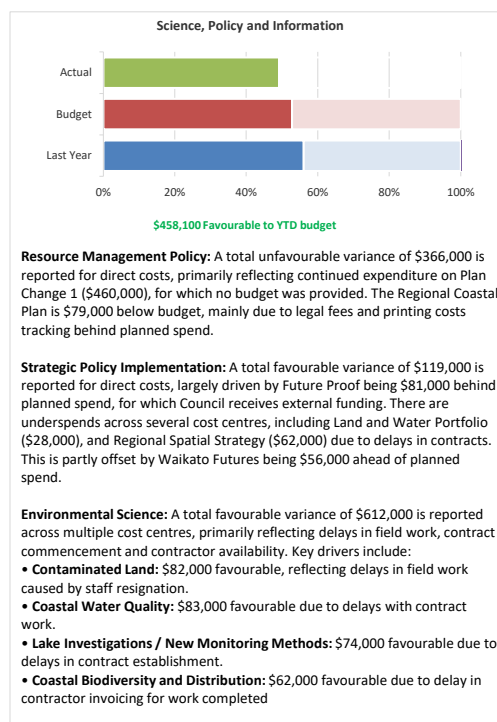
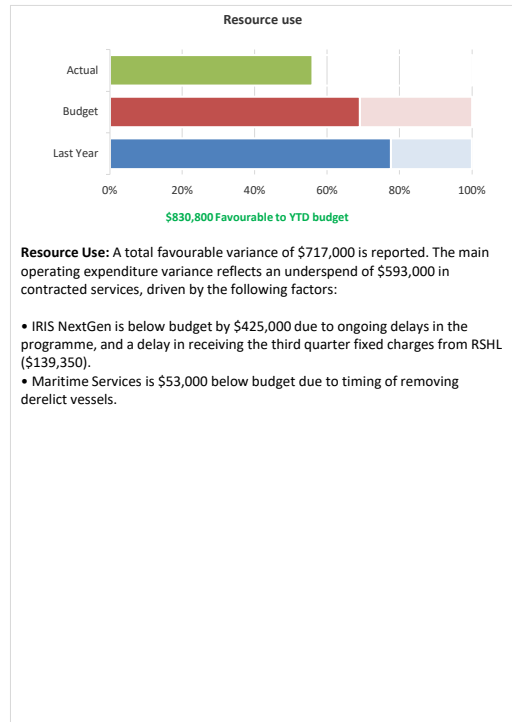
Rail Operations: Reduced costs of \$185,000 reflect the impact of block-of-line closures on service delivery.

Transport Planning: An underspend of \$447,000 is reported. A number of workstreams have not proceeded FY25/26 for Transport Choices and Road Safety Strategy. WRTM is behind schedule due to delays in purchase order creation and expenditure for RLTP / RTP are lower than forecast.

Passenger Transport Operations: An underspend of \$648,000. Consultancy \$136,000 will be utilised in Q4 in Bus Contracts tendering and the remaining underspend relates to Brand Development and rolling Campaigns in Bus and Rail in Customer Insights and Communications which will be utilised in Q4. Rent External payable to Hamilton City Council is underspent \$330,000 which is being reviewed.

Total Mobility: An additional \$184,000 has been claimed (q2 was \$324,000), reflecting increased demand for Total Mobility services nationally. This additional claim has partially offset lower CERF funding from fares. The CERF funding calculation is being reviewed to be in alignment with fare expenditure.

Operating expenditure



6.4 RATES INFORMATION AS AT 31 MARCH 2026

Rā | Date: 16 April 2026

Kaituhi | Author: Linda Bond, Team Leader - Rates

Kaituku | Authoriser: Janine Becker, Director, Customer and Corporate Services

TE ARONGA | PURPOSE

1. To provide the Committee with an update on the collection status of the 2025/26 rates assessed by Council as at 31 March 2026.

KŌRERO WHAKATAHI | EXECUTIVE SUMMARY

2. Total rates assessed (excluding GST) for the 2025/26 financial year is \$152.610 million across 226,548 rateable properties. This compares to the total rates revenue provided for the in the Annual Plan of \$152.581 million.
3. From 1 July 2025 to 31 March 2026, Council collected \$138.419 million (excluding GST), representing 91 percent of current-year rates. This is in line with the collection achieved in the same period in the previous year.
4. Considering all payments received for current year rates, remissions, accounts on agreed payment arrangement and other adjustments, the net balance of current year rates (including penalties) outstanding is \$7.189 million (5 percent) as of 31 March 2026 (2025: \$7.889 million; 4 per cent.)

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the report *Rates Information as at 31 March 2026* (Finance and Performance Committee, 13 May 2026) be received.

HOROPAKI | BACKGROUND

Rates Collection

5. Total rates assessed (excluding GST) for the 2025/2026 financial year is \$152.610 million across 226,548 rateable properties. This compares to the total rates revenue provided for the in the Annual Plan of \$152.581 million.
6. Total rates collectible (excluding GST), after taking account of remissions granted (\$736,680) and penalties applied to current year rates (\$956,000) is \$152.829 million.
7. From 1 July 2025 to 31 March 2026 Council collected \$138.801 million (excluding GST) in payment of these rates, representing 91 percent collection of current year rates. This is in line with the collection rate for the same period in the previous year.
8. After considering all payments received in respect of the current year's rates, remissions, accounts subject to agreed payment arrangements, and other adjustments, the net balance

of current year rates outstanding was \$7.188 million (5 percent) as of 31 March 2026 (2025: \$7.889 million; 4 per cent.)

9. The unpaid rates balance at 30 June 2025 (being amounts outstanding in respect of rates and penalties) was \$10.322 million. As at 31 March 2026, the arrears balance had reduced to \$6.785 million (excluding GST). This balance is made up of \$4.988 of unpaid rates and \$1.796 of penalties applied. The total arrears penalties applied in this financial year is \$1.811 million.
10. Staff are continuing to work on the collection of outstanding rates. This includes working with ratepayers to establish agreed payment arrangements to support the clearance of arrears. Where appropriate, and in accordance with Council policy, accounts that remain unpaid and where engagement has been unsuccessful may be referred to a collection agency for recovery actions. Collection actions available to Council for unpaid rates are provided for in the Local Government (Rating) Act 2002 and include mortgagee demands, debt collection activities, and legal or court-based actions, such as abandoned land processes and rating sales.

Rates penalties

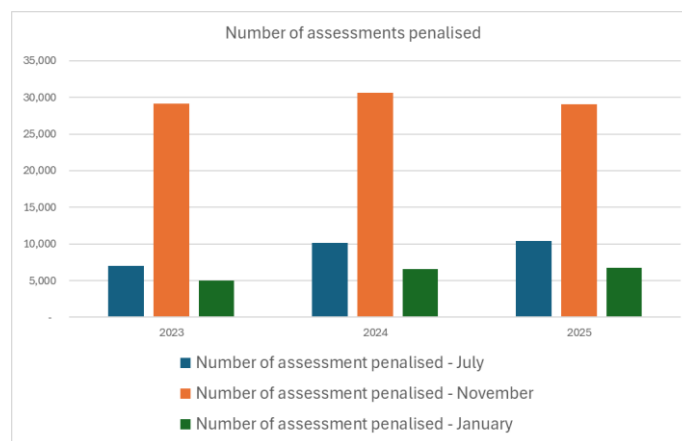
11. Rates penalty income for the year to date is \$2.73 million, compared with an Annual Plan budget of \$1.8 million. This is higher than the average penalty income of \$1.8 million over the previous two financial years.
12. Given this increase, further analysis has been undertaken to understand the underlying drivers and assess whether any change in approach or future budget settings may be required.
13. Rates penalties are applied at three times over the financial year:
 - a. July penalty applied to all balances outstanding at 30 June.
 - b. November penalty applied to current year rates not paid by the due date of 31 October, unless a payment arrangement is in place.
 - c. January penalty applied to prior year rates that remain outstanding.
14. Council has as part of its rates remission and postponement policies a policy on the remission of penalties. This policy was reviewed as part of the 2024 – 2034 Long Term Plan with the new policy settings in relation to remission in place since the last financial year. The policy provides that:
 - a. Remission of a penalty charged on the current year's rates will be considered where no penalty has been remitted in the previous financial year and
 - i. Payment of the full amount of the current year's rates is received within four weeks of the penalty being charged, or
 - ii. An agreed payment arrangement is put in place
 - b. Where further rates are outstanding, remission of the latest penalty will be considered where:
 - i. Payment of the full amount of the outstanding rates is received within four weeks of the penalty being charged, or
 - ii. An agreed payment arrangement is put in place.
15. The following graphs illustrate the differences in the rates balances subject to penalties and the corresponding revenue generated across these penalty cycles.



16. The increase in rates penalties income is primarily driven by a year-on-year increase in total rates outstanding that are subject to penalties. As shown in the graphs above, the value of rates balances incurring penalties has increased steadily over recent years – noting that the increases in these balances are greater than the increase in the total rates revenue assessed to current ratepayers over this period.

	2024/25			2025/26		
	Average balance penalised	Increase in balance penalised	Increase in annual rates revenue	Average balance penalised	Increase in balance penalised	Increase in annual rates revenue
July	\$867	15.3%	7.4%	\$1,021	17.8%	5.7%
November	\$556	5.8%		\$626	12.6%	
January	\$1,048	16.3%		\$1,198	14.3%	

17. The following graphs shows the number of properties where penalties have been applied).



18. While the total number of assessments attracting penalties has remained broadly stable, the average balance per penalised account has increased as noted in the table above, resulting in a higher dollar value of penalties applied and collectible.

Rates debtor management

19. Council primarily manages rates debtors internally. External debt management services are used where rates owing continue to increase, payment arrangements are not being adhered to, or where escalation is required, including lodging mortgage demands and pursuing legal

action where necessary and in accordance with the collection actions available to Council through the Local Government (Rating) Act 2002.

20. Council currently has approximately 33,200 accounts being paid by way of direct debit (total rates under arrangement \$5.665 million), and a further 3,500 accounts being paid by way of automatic payment (total rates under arrangement \$1.219 million). The arrangements include the recovery of prior year balances owing.
21. Debt management efforts are focused on ratepayers who are not on a payment arrangement. This cohort is actively managed through internal follow-up processes, including reminder notices and direct contact. Where engagement is unsuccessful or debts become more aged, Council engages external debt management services.
22. At the time of reporting, there are 811 accounts under active management with the external agency. These relate to cases involving mortgage demand processes, abandoned land, or where legal recovery action is being pursued.
23. The table below outlines the number of ratepayers not on arrangements and the age profile of the outstanding rates.

Category/Age	5+	4	3	2	1	current
Count of Rates debtors not on arrangement	729	300	764	1,361	2,372	7,737
Amount owed by Rates debtors not on arrangement	\$ 246,186	\$ 388,049	\$ 767,911	\$ 1,658,554	\$ 3,205,878	\$ 8,407,385

Note – amounts are GST inclusive

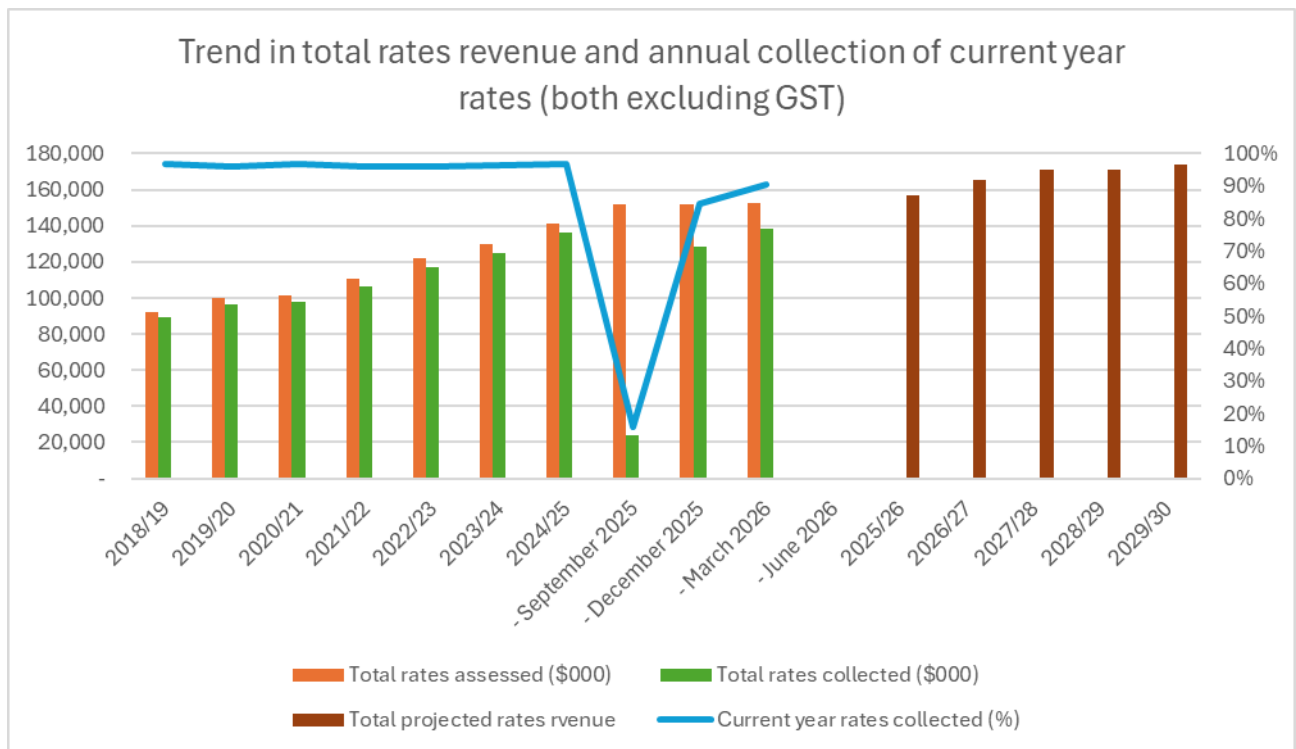
24. The ageing profile shows that while a portion of rates debt remains historic, most balances are concentrated in the current and one-year categories, indicating that debt recovery activity is increasingly focused on early intervention.
25. Council is strengthening its rates debtor management approach, with a clear focus on early engagement, payment arrangements, and targeted recovery action for more aged and higher-risk balances. Most outstanding rates are current or recently due, and active measures are in place to support affordability while reducing longer-term debt exposure.

Rates remissions

26. Rate remissions of \$736,680 were processed against the 2025/26 rates assessed (2025: \$516,060) against a budget provision of \$775,000.
27. The table below provides a breakdown of remissions by type, with a comparison to the previous financial year.
28. Hardship remissions for the quarter are 16 per cent higher than for the end of year 2024/25.
29. Following the move to regional rating for public transport services, remissions previously applied to the Hamilton City public transport rate are no longer applicable.

Remission name	2025/26 (\$)	2024/25 (\$)
Remission (CV <1000)	27,657	23,994
Remission (Community)	78,429	60,430
Remission (General - includes Primary Industry Compliance and 1877 road agreement (TCDC))	38,810	4,720
Remission (Lakeshore Res)	7,514	7,008
Remission (MFL) % total	43,303	33,428
Remission (MFL) % value base	19,390	17,919
Remission (PT Indirect - rail)	99,507	70,091
Remission (PT Indirect)	0	25,396
Remission (Public Transport Direct)	0	111,748
Remission (QEII)	153,008	133,488
Remission (Sport/Rec)	49,483	46,753
Remission (Taupo Lakebed)	6,226	6,010
Remission (Urban/Rural)	4,702	6,744
Remission (Waihou-Piako Catchment/Waihou Valley Scheme)	10,635	4,375
Remission (Hardship)	178,640	168,996
Remission (Significant Natural Area)	4,629	3,012
Remission (Natural disaster)	623	
Remission (uncollectable)	1,077	
Remission (Forestry Alleviator)	13,048	12,184
Total	736,680	736,297

30. The graph below shows the trend in collection of current year rates over the course of the year.



WHAKAKAPINGA | CONCLUSION

31. Rates collection to date is consistent with prior year's collection performance for the same period.
32. Council will continue to utilise the collection tools available to it under the Local Government (Rating) Act 2002 to support effective rates collection.

ĀPITI HANGA | ATTACHMENTS

Nil

6.5 MAKAO INVESTMENT FUND PERFORMANCE REPORT TO 31 MARCH 2026

Rā | Date: 29 April 2026

Kaituhi | Author: Janine Becker, Director, Customer and Corporate Services

Kaituku | Authoriser: Janine Becker, Director, Customer and Corporate Services

TE ARONGA | PURPOSE

1. To provide an update on the performance of Council's investment fund to 31 March 2026.

KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

2. The quarterly Makao Investment Performance Report to 31 March 2026 has been received. It shows the overall net return for the investment fund for the quarter was -2.58 per cent – 0.4 per cent below its benchmark. Over the last 12 months, net performance was 10.37 per cent, compared to a benchmark of 10.56 per cent, and a target return of 6.58 per cent.
3. The portfolio delivered a negative quarterly return, with performance weighed down by weakness across global equity allocation, while emerging markets provided a modest positive contribution. Global listed infrastructure was the standout absolute performer, supported by strong investor demand for defensive, essential assets amid broader market volatility, with energy midstream and utilities sectors leading returns within infrastructure. Global bonds detracted modestly as rising yields weighed on fixed income markets.

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the report *Makao Investment Fund Performance Report to 31 March 2026* (Finance and Performance Committee, 13 May 2026) be received.

WHAKAKAPINGA | CONCLUSION

4. Performance of Council's investment fund has been slightly behind its benchmark for the quarter and 12 month returns, but ahead of its target return for the year to 31 March 2026 of 6.58 per cent.

ĀPITIHINGA | ATTACHMENTS

1. Waikato Regional Council - Performance Report - Q1 2026 [↓](#)

Waikato Regional Council

Performance report

Q1 2026

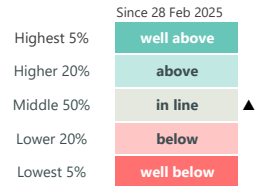


Strategy

Target



Outcome vs. expectations



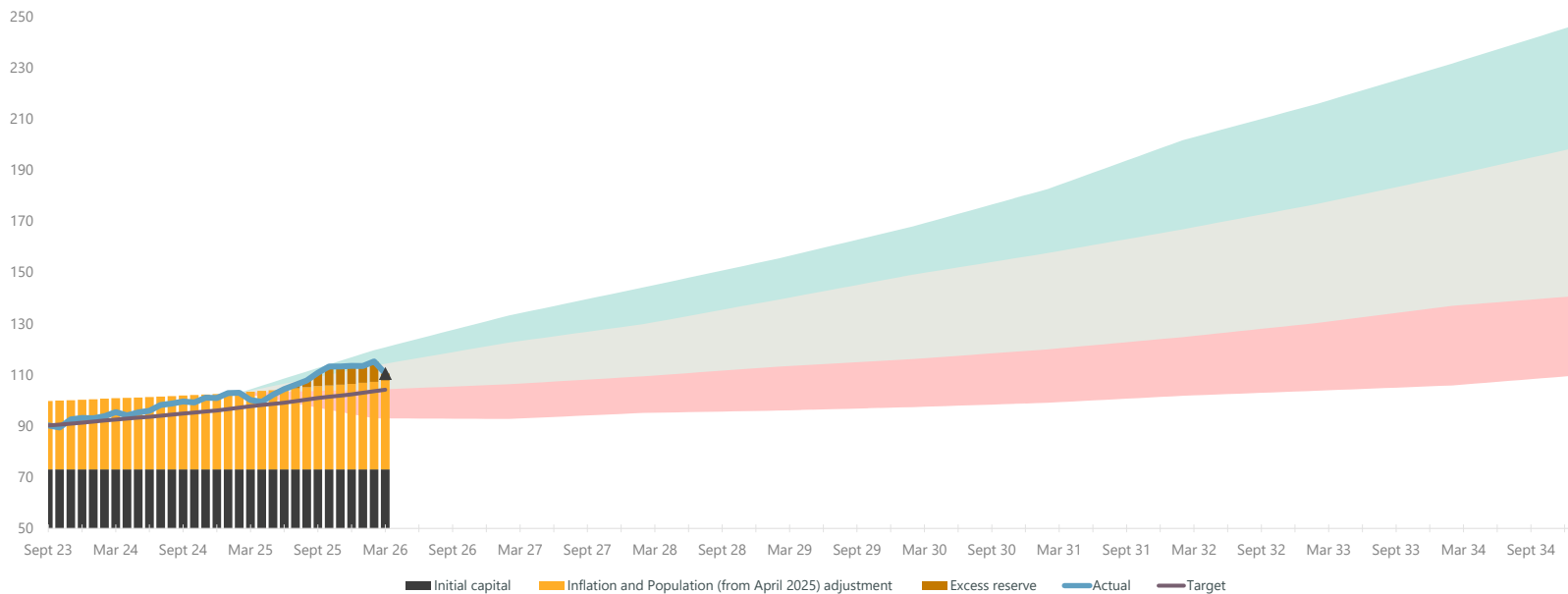
Observations

The first quarter proved more challenging for global investors than previous periods. Global developed equity markets fell over the quarter, pressured by the war in Iran and a rotation away from some prior market leaders. In contrast, global listed infrastructure delivered positive returns, as cash flow sensitivities to inflation were buoyed by the sharp increase in the oil price. Emerging market equities were also a bright spot, delivering modest positive returns. Fixed income outcomes were negative, with global fixed interest markets declining and managers underperforming their benchmarks.

The Council's portfolio decreased in value, ending the quarter at NZD \$110.5m, modestly above the inflation and population growth adjusted value. We have applied a 1% annualised population growth adjustment (based on Stats NZ June 2025 estimate for the Waikato region) to the Preservation Reserve Value from 1 April 2025, which is reflected in the below graph.

Strategy journey

in \$ million



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Assets

Change in assets

in \$'000

	Quarter	1 Year	3 Years	5 Years	Since 30/09/2023
Starting value	113,456	100,090	NA	NA	90,191
+ Net cash flow	-40	-40	NA	NA	-1,040
+ Rebates & Tax	40	129	NA	NA	324
+ Investment gains/losses	-2,946	10,330	NA	NA	21,034
= Ending value	110,509	110,509	NA	NA	110,509

Comments

The portfolio recorded investment losses of just under \$3 million during the quarter, reflecting the broader weakness across most equity and fixed interest markets. However, investment gains are still at \$10.3m over the past 12 months, and over \$21 million since the start of our advisory relationship. Infrastructure was the standout performer during the quarter, delivering strong absolute returns over the period. Emerging market equities also contributed positively, while the absolute performance from global equities detracted across both hedged and unhedged strategies. Global bonds also weighed on returns as fixed income markets faced headwinds from increasing interest rates.

Assets class breakdown

	Value (\$'000)	Current	SAA	Difference	Range (+/-)
Global Fixed Interest (sovereign)	20,107	18.2%	19.0%	-0.8%	3.0%
Global Fixed Interest (aggregate)	19,958	18.1%	19.0%	-0.9%	3.0%
Cash	2,099	1.9%	2.0%	-0.1%	3.0%
Total Defensive	42,164	38.2%	40.0%	-1.8%	5%
Global Equities (hedged)	25,618	23.2%	23.3%	-0.1%	4.0%
Global Equities (unhedged)	26,016	23.5%	23.3%	0.3%	4.0%
Global Listed Infrastructure	10,824	9.8%	9.0%	0.8%	2.0%
Emerging Markets Equities	5,888	5.3%	4.5%	0.8%	1.0%
Total Growth	68,345	61.8%	60.0%	1.8%	5%
Total Portfolio	110,509				

Comments

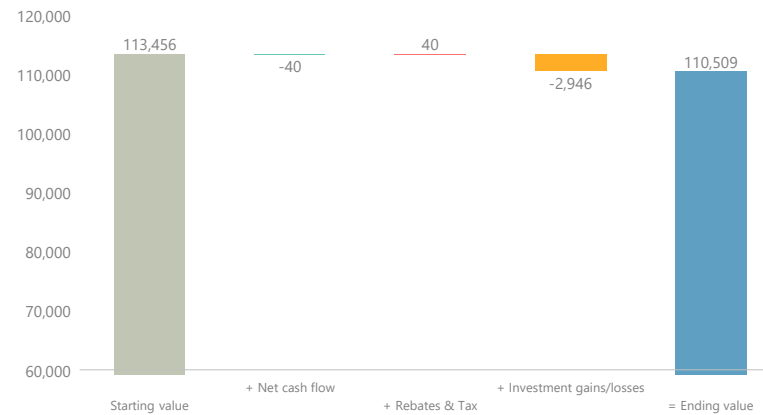
The current asset allocation remains within all rebalancing ranges, with a modest overweight to growth assets relative to the Strategic Asset Allocation (SAA) target.

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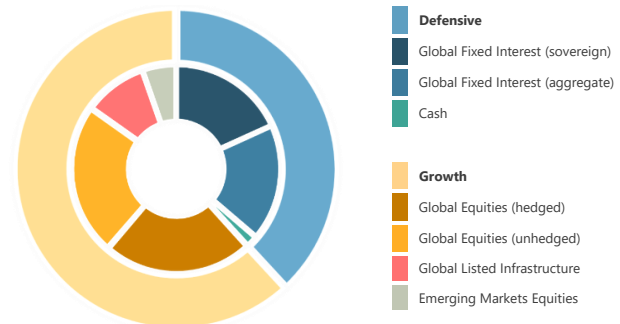


Quarterly change in assets

in \$'000



Current asset allocation



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31 March 2026

Portfolio

Portfolio returns

Annualised for periods exceeding 1 year

	Quarter	1 Year	3 Years	5 Years	10 Years	Since 31/03/95
Gross return	-2.52%	10.66%	7.39%	4.35%	5.90%	7.33%
Net return	-2.58%	10.37%	7.03%	3.97%	5.50%	NA
Benchmark	-2.18%	10.56%	7.44%	4.37%	5.37%	6.66%
Net excess over benchmark	-0.40%	-0.18%	-0.41%	-0.40%	0.12%	NA
Target	1.75%	6.58%	6.40%	7.78%	6.77%	6.28%
Net excess over target	-4.33%	3.79%	0.63%	-3.81%	-1.27%	NA

Comments

The portfolio delivered a negative quarterly net return of -2.58%, underperforming both the benchmark and the target objective. Performance was weighed down by weakness across global equity allocations, while emerging market equities provided a modest positive contribution. Global listed infrastructure was the standout absolute performer, supported by strong investor demand for defensive, essential assets amid broader market volatility, with energy midstream and utilities sectors leading returns within infrastructure. Global bonds detracted modestly as rising yields weighed on fixed income markets.

Attribution analysis

	Quarter	1 Year	3 Years	5 Years
Benchmark	-2.18%	10.56%	NA	NA
+ Asset allocation	-0.07%	-0.17%	NA	NA
+ Security selection	-0.29%	0.25%	NA	NA
+ Interaction	0.02%	0.03%	NA	NA
= Gross return	-2.52%	10.66%	NA	NA
- Fee impact	-0.06%	-0.29%	NA	NA
= Net return	-2.58%	10.37%	NA	NA

Comments

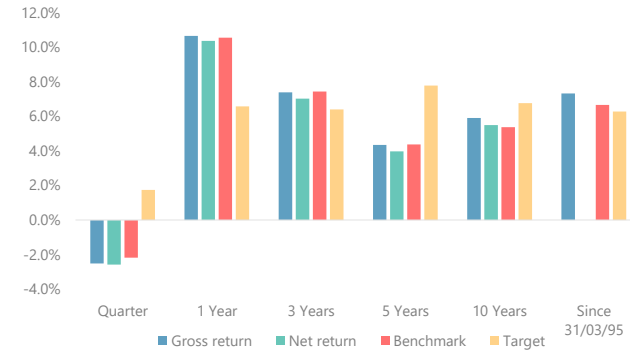
Active management detracted from performance during the quarter, reflecting underperformance against the benchmark from both fixed income managers, PIMCO and Colchester. The asset allocation impact was also negative, as the portfolio was overweight growth assets at the start of the period.



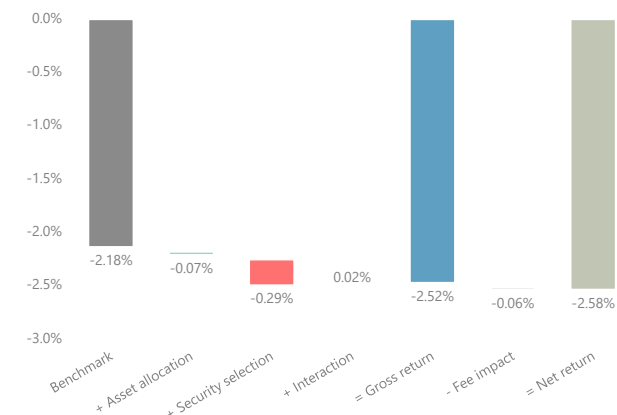
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Portfolio return comparison



Quarterly attribution analysis



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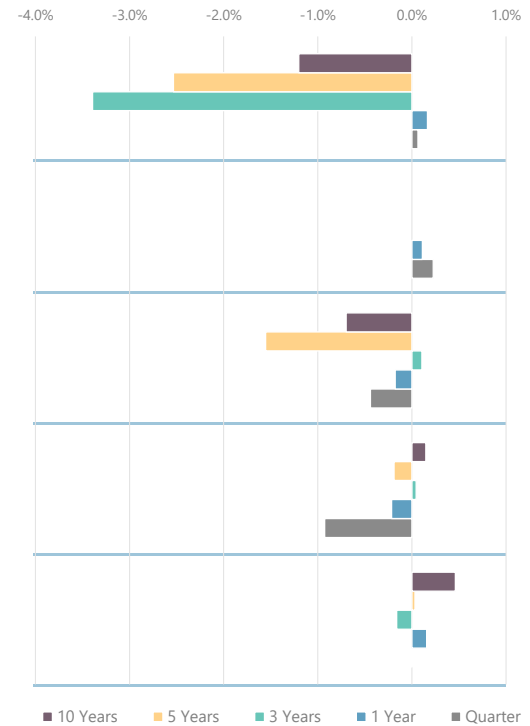
Asset classes

Asset class returns

Annualised for periods exceeding 1 year *

	Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception
Global Equities	-5.73%	16.49%	14.02%	9.14%	11.61%	8.98%
net of fees	-5.76%	16.38%	13.57%	8.61%	10.99%	NA
Benchmark	-5.82%	16.21%	16.96%	11.14%	12.19%	9.27%
Excess return net of fees	0.06%	0.16%	-3.39%	-2.53%	-1.20%	NA
Emerging Market Equities	0.88%	27.96%	NA	NA	NA	21.53%
net of fees	0.82%	27.63%	NA	NA	NA	21.22%
Benchmark	0.59%	27.52%	NA	NA	NA	21.16%
Excess return net of fees	0.23%	0.11%	NA	NA	NA	0.06%
Real Assets	7.71%	14.02%	7.35%	5.78%	6.82%	8.63%
net of fees	7.60%	13.57%	6.83%	5.24%	6.20%	NA
Benchmark	8.05%	13.75%	6.73%	6.80%	6.90%	9.70%
Excess return net of fees	-0.44%	-0.18%	0.11%	-1.55%	-0.70%	NA
Global Bonds	-1.47%	1.58%	3.66%	0.40%	2.43%	6.86%
net of fees	-1.58%	1.14%	3.18%	-0.05%	1.99%	NA
Benchmark	-0.65%	1.35%	3.13%	0.14%	1.84%	NA
Excess return net of fees	-0.93%	-0.22%	0.05%	-0.19%	0.15%	NA
Cash	2.56%	5.25%	4.97%	3.88%	3.24%	3.53%
net of fees	2.51%	5.05%	4.86%	3.77%	3.14%	3.41%
Benchmark	2.52%	4.90%	5.02%	3.74%	2.68%	2.82%
Excess return net of fees	0.00%	0.16%	-0.16%	0.03%	0.46%	0.60%

Excess returns



Comments

Global equities declined during the quarter, however the passive funds modestly outperformed on a net basis. Emerging market equities delivered modest positive returns, also outperforming their benchmark. Real assets delivered positive absolute returns, supported by the defensive characteristics of infrastructure and strength in energy-related assets. Global bonds detracted from returns and significantly underperformed their benchmark, with weakness across both PIMCO and Colchester over the period reflecting a challenging environment, in which rising yields and shifting rate expectations weighed on returns.

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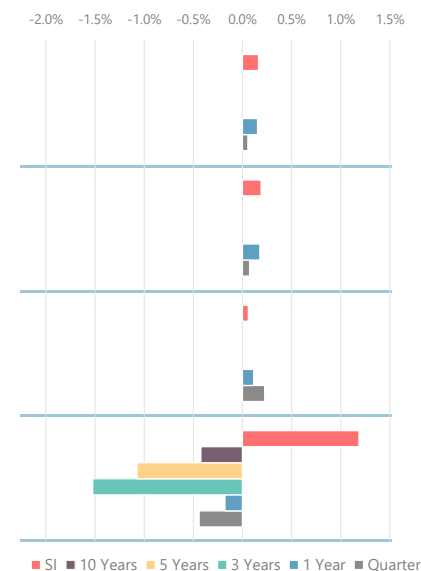
Managers

Manager returns

Annualised for periods exceeding 1 year

	Value (\$'000)	Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception
Vanguard Ethically Conscious International Shares Index Fund	26,016	-5.40%	16.94%	NA	NA	NA	7.81%
net of fees		-5.42%	16.82%	NA	NA	NA	7.71%
Benchmark		-5.48%	16.67%	NA	NA	NA	7.54%
Excess return net of fees		0.05%	0.15%	NA	NA	NA	0.16%
Vanguard Eth.Cons. Int. Shares Fund – NZD Hedged	25,618	-6.04%	16.18%	NA	NA	NA	6.71%
net of fees		-6.06%	16.06%	NA	NA	NA	6.60%
Benchmark		-6.14%	15.89%	NA	NA	NA	6.41%
Excess return net of fees		0.07%	0.18%	NA	NA	NA	0.19%
Vanguard Emerging Markets Shares Index Fund	5,888	0.93%	29.08%	NA	NA	NA	25.45%
net of fees		0.87%	28.75%	NA	NA	NA	25.13%
Benchmark		0.64%	28.63%	NA	NA	NA	25.07%
Excess return net of fees		0.23%	0.11%	NA	NA	NA	0.06%
First Sentier Global Listed Infrastructure Fund	10,824	7.80%	14.35%	7.25%	5.28%	7.02%	9.43%
net of fees		7.69%	13.90%	6.83%	4.86%	6.57%	8.90%
Benchmark		8.14%	14.08%	8.35%	5.94%	6.99%	7.72%
Excess return net of fees		-0.44%	-0.18%	-1.52%	-1.07%	-0.42%	1.19%

Excess returns



Comments

The three Vanguard index funds delivered returns in line with their respective benchmarks, consistent with their passive investment approach. Absolute returns were negative for both global equity funds as developed markets declined sharply over the quarter amid the escalating conflict in the Middle East, tariff concerns and uncertainty around the Federal Reserve's rate path. Vanguard Emerging Markets recorded modest positive absolute returns and outperformed its benchmark slightly during the quarter. First Sentier Global Listed Infrastructure delivered strong absolute returns, but the fund modestly underperformed its benchmark after fees.

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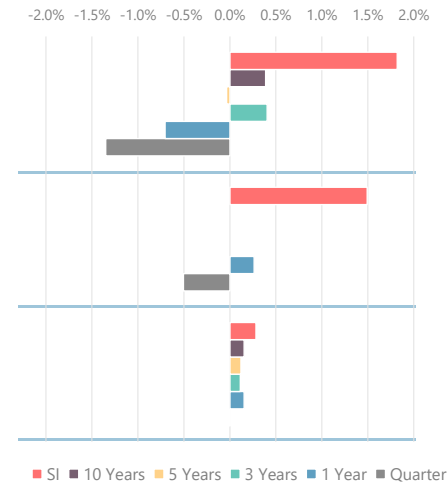
Managers

Manager returns

Annualised for periods exceeding 1 year

	Value (\$'000)	Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception
PIMCO Global Bonds via Fisher Funds	19,958	-1.83%	1.71%	4.13%	0.60%	2.67%	7.09%
net of fees		-1.93%	1.32%	3.74%	0.22%	2.29%	6.74%
Benchmark		-0.58%	2.03%	3.33%	0.25%	1.90%	4.92%
Excess return net of fees		-1.35%	-0.70%	0.41%	-0.04%	0.39%	1.82%
Colchester Global Government Bond PIE Fund	20,107	-0.95%	2.04%	NA	NA	NA	3.57%
net of fees		-1.08%	1.53%	NA	NA	NA	3.06%
Benchmark		-0.57%	1.27%	NA	NA	NA	1.57%
Excess return net of fees		-0.51%	0.26%	NA	NA	NA	1.49%
Mercer Macquarie NZ Cash Fund	2,099	0.66%	3.39%	4.93%	3.81%	2.91%	3.20%
net of fees		0.61%	3.19%	4.73%	3.62%	2.71%	3.01%
Benchmark		0.61%	3.04%	4.62%	3.50%	2.56%	2.73%
Excess return net of fees		0.00%	0.15%	0.11%	0.12%	0.15%	0.28%

Excess returns



Comments

PIMCO underperformed its benchmark significantly, reflecting an overweight to duration as yields rose during the period. The Colchester Global Government Bond Fund underperformed its benchmark, with overweight positions in Indonesian and Polish bonds and an underweight to Chinese nominal bonds being the primary detractors from relative returns. Despite the challenging quarter, both managers have added value net of fees since inception, with PIMCO in particular delivering strong long-term outperformance relative to its benchmark. The Mercer Macquarie NZ Cash Fund tracked its benchmark closely, with a small positive contribution from active cash management.

Glossary

Portfolio returns

Gross return	The weighted average return of the portfolio before fees, based on the actual weights.
Net return	The weighted average return of the portfolio after fees, based on the actual weights.
Benchmark	The weighted average return of the underlying manager benchmarks, based on the SAA weights.
Net excess over benchmark	The difference between the net return and the benchmark return.
Target	The target return for the portfolio. Currently, this is inflation plus 3.5%.
Net excess over target	The difference between the net return and the target return.

Attribution analysis

Attribution: Asset allocation	The difference in the weighted average benchmark returns, based on the actual and SAA weights.
Attribution: Security selection	The weighted average gross excess return of the underlying managers over their respective benchmarks, based on SAA weights.
Attribution: Interaction	The impact that the security selection effect has on the asset allocation effect. E.g. when an asset class is underweight and the manager(s) have underperformed, this results in a positive interaction effect.

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6.6 TREASURY MANAGEMENT AND MONITORING TO 31 MARCH 2026

Rā | Date: 16 April 2026

Kaituhi | Author: Tamsin Germishuys, Financial Controller

Kaituku | Authoriser: Janine Becker, Director, Customer and Corporate Services

TE ARONGA | PURPOSE

1. To provide the Finance and Services Committee with an update on the performance of the Council's investment fund, cash management activities, and the status of the Council's external borrowing programme for the period ended 31 March 2026.

KŌRERO WHAKATAHI | EXECUTIVE SUMMARY

2. The Council takes professional investment advice from Makao Investments and advice on borrowing and interest rate management from PricewaterhouseCoopers.
3. The total value of the investment fund at 31 March 2026 was \$110.509 million, all of which was placed with external fund managers.
4. The year-to-date investment fund return to 31 March 2026 was \$6.116 million, compared to a year-to-date budgeted return of \$4.286 million. For the quarter to 31 March 2026, this represents a net return of -2.6 per cent against a benchmark of -2.34 per cent.
5. As at 31 March 2026, the Council's investments were compliant with all counterparty risk limits.
6. The Council's total external debt at 31 March 2026 was \$53 million, with \$29 million of notional interest rate swaps in place in support of the borrowing programme.

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the report *Treasury Management and Monitoring to 31 March 2026* (Finance and Performance Committee, 13 May 2026) be received.

HOROPAKI | BACKGROUND

7. Council's investment fund originated from the sale of shares in the Ports of Auckland and Port of Tauranga that vested with Council in the 1990's.
8. Funds are managed in a diversified investment portfolio in a way that provides a return to current ratepayers, while the value of the fund is protected for future generations.
9. The investment strategy is set through the Statement of Investment Policies and Objectives (SIPO). Council takes professional advice in relation to the fund from Makao Investments.
10. The fund's asset allocation is 60 per cent growth / 40 per cent income.
11. Investment fund returns are distributed on the following basis:

- First, to inflation-proof the base capital of the fund.
- Second, to adjust the base capital of the fund for population growth, and thereafter
- To provide a subsidy to the general rates revenue requirement. For 2025/26, the rates subsidy is \$1.957 million.

12. Where fund performance varies from the budgeted returns, movements are captured through an Equalisation Reserve. This reserve serves to smooth the availability of investment returns over time.

TE TAKE | ISSUE

Fund performance

13. The year-to-date investment fund return to 31 March 2026 is \$6.116 million against a budgeted return of \$4.286 million. Detailed market performance information is provided through the Makao Investment Monitoring Report included in the agenda for this meeting.

Fund value

14. Overall, the value of the investment fund at 31 March 2026 is:

	December 2025 (\$000)
Diversified Fund	110,509
Working Capital not withdrawn from fund	(1,503)
Total Investment Fund	109,006

	Current Fund value \$000's	YTD return \$000's	YTD return %	Asset allocation (%)	Range (%)	Within Range	Opening Fund value \$000's
Diversified fund							
Global Equities - Hedged	25,618	1,215	4.98%	23.18%	19.25 - 27.25	✓	24,403
Vanguard Eth.Cons. Int. Shares Fund – NZD Hedged	25,618	1,215	4.98%	23.18%			24,403
Global equities	26,016	2,612	11.16%	23.54%	19.25 - 27.25	✓	23,404
Vanguard Ethically Conscious International Shares Index Fund	26,016	2,612	11.16%	23.54%			23,404
Emerging Market Equities	5,888	1,117	23.41%	5.33%	3.5 - 5.5	✓	4,771
Vanguard Emerging Markets Shares Index Fund	5,888	1,117	23.41%	5.33%			4,771
Real Assets	10,824	1,131	11.67%	9.79%	7 - 11	✓	9,693
First Sentier Global Listed Infrastructure Fund	10,824	1,131	11.67%	9.79%			9,693
Growth Assets	68,345	6,074	9.8%	61.85%	55 - 65	✓	62,271
Global Fixed Interest	40,065	(5)	(.01%)	36.25%	32 - 44	✓	40,070
PIMCO Global Bonds via Fisher Funds	19,958	7	.04%	18.06%			19,951
Colchester Global Government Bond PIE Fund	20,107	(12)	(.06%)	18.19%			20,119
NZ Cash	2,099	46	2.24%	1.90%	0 - 5	✓	2,053
Mercer Macquarie NZ Cash Fund	2,099	46	2.24%	1.90%			2,053
In house managed cash	0	0	.0%	0.0%			0
Income assets	42,164	41	0.10%	38.15%	35 - 45	✓	42,123
Overall Diversified Fund	110,509	6,116	5.86%	100%			104,393
Total Funds Invested	110,509	6,116	5.86%				104,393

Investment Equalisation Reserve

15. The investment equalisation reserve serves to set aside excess investment income in any one year where investment income exceeds annual distribution requirements for distribution in future years where there is insufficient investment income.
16. As at 31 March 2026, the council's Investment Equalisation reserve balance is in a deficit of \$1.415 million. The movements for the year are summarised below:

	<i>\$000</i>
Opening balance 1 July 2025	(2,605)
Add Investment fund return	6,116
Less inflation proofing	(2,615)
Less population adjustment	(1,131)
Balance after funds return	(235)
Less 2025/26 annual plan income	(1,468)
Less YTD interest on annual plan income	(27)
Balance at 31 March 2026	(1,731)

17. The fund performance for the March 2026 quarter was negative, with a reduction in earnings of \$2.947 million, largely in line with benchmark. This has seen the equalisation reserve position reverting back to a deficit of \$1.731 million.
18. The 31 March 2026 quarter movement in the CPI was 0.9 per cent, bringing total inflation year to date to 2.5 per cent against a full year budgeted provision for inflation proofing of 2.6 per cent.
19. The Reserves Policy included in the Statement of Investment Policy and Objectives (SIPO) provides for the regular review of both the preservation reserve and the excess return reserve (equalisation reserve). Where the equalisation reserve is consistently below the sum of the Real Capital Base and the Preservation Reserve Value (i.e. the reserve is in deficit), or if there is a persistently high reserve balance, this should be seen as a signal for the Council that it may be appropriate to review the Distribution Policy and / or investment strategy.
20. In the review of the investment fund in 2024, the distribution policy was adjusted to support the recovery of the equalisation reserve balance. This strategy has supported the return of the reserve from the previous deficit position to its current balance, with positive fund returns assisting in this updated position.

Working capital funds management

21. As at 31 March 2026, Council had \$75.039 million invested in term deposits and call accounts, comprised of:

	Term deposits (\$000)	Call accounts (\$000)
Working capital and reserves	65,000	7,200
Tui Mine funds	-	181
Bond accounts	-	2,657
Total at 31 March 2026	65,000	10,039

22. As at 31 March 2026, \$65 million of term deposits of varying durations to match cash flow requirements had been placed. Appendix 1 shows the maturity profiles of these deposits together with relevant interest rates.
23. As at 31 March 2026, Council is compliant with its Counterparty Credit Risk limits as set out in its Treasury Risk Management Policy. The maximum counterparty exposure is set at \$40 million with any one bank.
24. As at 31 March 2026 all banks that the Council has its cash portfolio with are those permitted by the Treasury Risk Management Policy, holding a credit rating of at least A1. The compliance with the counterparty risk policy at 31 March 2026 is presented in Appendix 1.

External borrowing programme

25. Council currently has borrowings of \$53 million, with total borrowings increasing by \$14 million in the March 2026 quarter following the issue of a two-month Commercial Paper (CP) facility with LGFA to provide liquidity through to the end of May 2026. Based on advice from PwC, Council is maintaining a short-term borrowing profile while work progresses on a formal credit rating and the development of a longer-term debt strategy. The use of Commercial Paper forms part of this interim approach, providing liquidity and cash-flow flexibility while longer-term borrowing decisions are deferred.
26. The 2025/26 Annual Plan projected total borrowings of \$58.803 million. Differences between actual and planned borrowing reflect the utilisation of working capital funds in the place of borrowing, delays in capital projects and the receipt of central government funding for flood management activities. Staff are working through a review of balances to match actual borrowing with the funding that has been advanced to debt-funded activities. This will result in an increase in external borrowing, with a consequential increase in working capital funds.
27. With protected borrowing forecast to exceed \$60 million in the near term, staff are progressing work towards obtaining a formal credit rating. A credit rating is expected to deliver borrowing cost savings for new borrowing through improved margins on LGFA debt. The planned “grossing up” of the borrowing programme noted above will be undertaken once the credit rating is in place.
28. Council manages its interest rate risk using interest rate swaps. Advice on these derivative financial instruments is taken from PwC in their capacity as treasury adviser. The derivatives serve to swap the floating interest rates attached to the Local Government Funding Agency borrowing for agreed fixed rates as part of the Council’s interest rate risk mitigation strategy. If future fixed rates rise above those fixed in the swaps, as is occurring now with increasing interest rate projections for long-term rates, then the swaps have a positive valuation as they lock in the lower interest rates than are available in the market for those periods.
29. As at 31 March 2026 the interest rate swap derivatives held by Council are valued as assets at \$704,000 representing an increase in value of \$402,000 compared to 31 December 2025. While the accounting value of the swaps fluctuates and is expected to unwind over time, Council has realised the intended financial benefit through receiving the difference between fixed and floating interest rates, with all swaps currently fixing at rates below prevailing floating rates.

WHAKAKAPINGA | CONCLUSION

30. The year-to-date investment fund return to 31 March 2026 is \$6.116 million against a budgeted year to date return of \$4.286 million.
31. Total working capital funds of \$75.039 million were held at 31 March 2026, with these investments complying with the Counterparty Credit risk limits set in the Treasury Risk Management Policy.
32. Council's total borrowing at 31 March 2026 is \$53 million, compared to the 2025/26 full year Annual Plan figure of \$58.803 million.

Appendix 1:

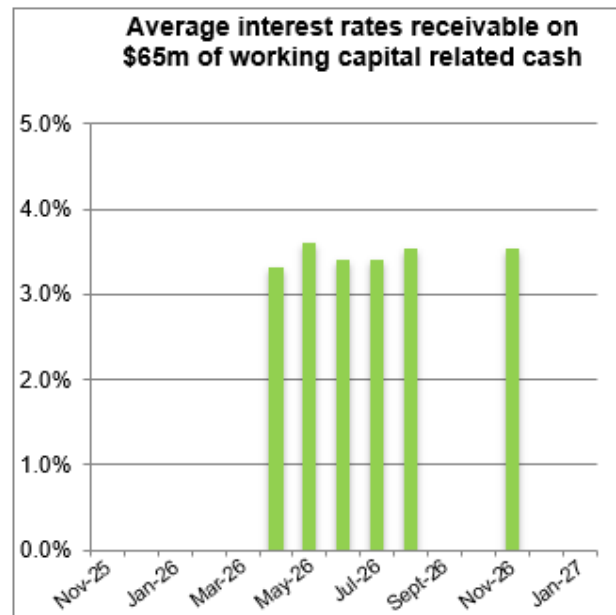
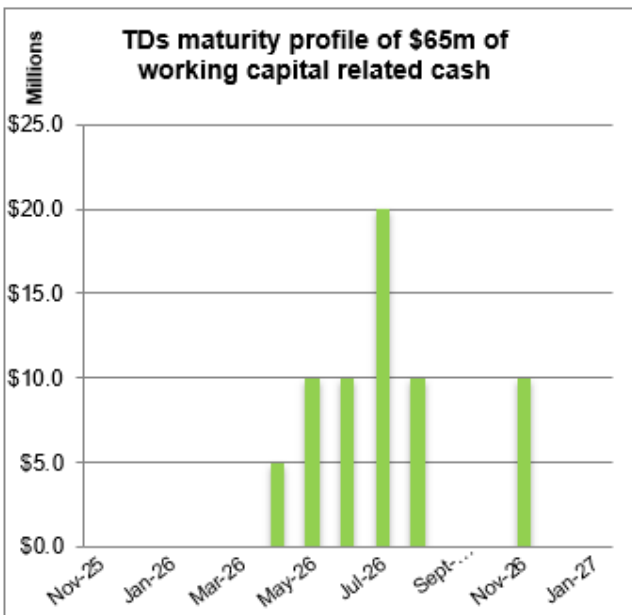
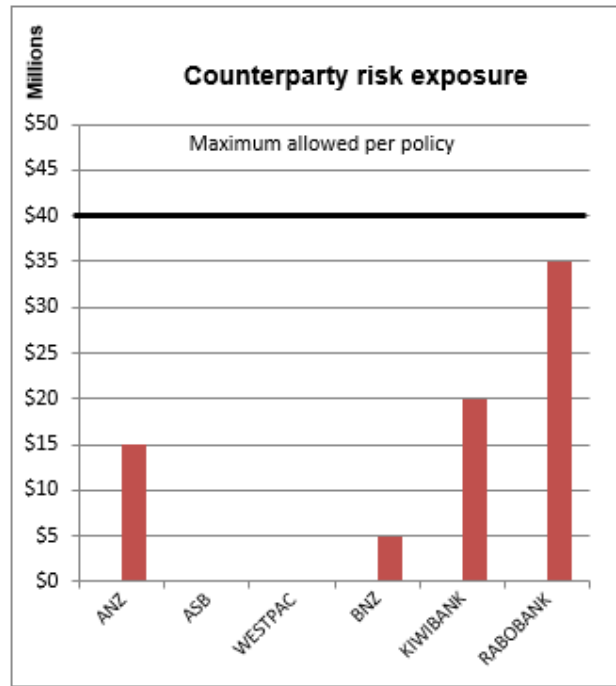
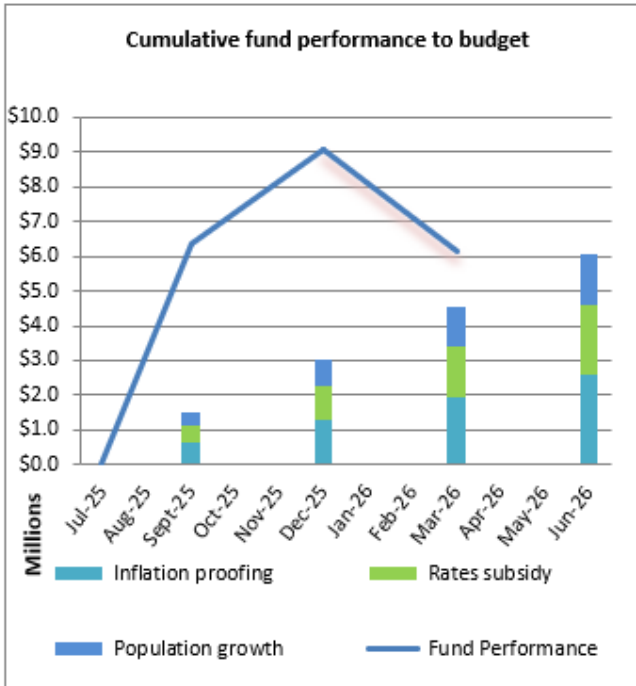
Investments managed by staff

Working capital and reserves		Interest rate	Maturity	Interest
On call:				
ANZ	7,200,337	0.10%	n/a	n/a
Total on call	7,200,337			
Term deposits:				
Working capital related	Term	Interest rate	Maturity	Interest
ANZ	151 5,000,000	3.33%	07/04/26	24,633
Rabobank	180 10,000,000	3.60%	09/05/26	50,301
KiwiBank	211 10,000,000	3.40%	06/06/26	50,301
Rabobank	241 5,000,000	3.55%	09/07/26	24,801
BNZ	241 5,000,000	3.50%	09/07/26	23,055
KiwiBank	241 10,000,000	3.40%	06/07/26	50,301
Rabobank	272 10,000,000	3.55%	09/08/26	49,603
Rabobank	364 10,000,000	3.55%	09/11/26	49,603
Total working capital related	65,000,000	-		322,599
Reserves related				
Total reserves related				
Total working capital				
		72,200,337	-	322,599
Total term deposits				
		65,000,000		
Funds managed on behalf				
On call:	Term	Interest rate	Maturity	Interest
ANZ - Tui Mine funds - 04	n/a 181,453	0.10%	n/a	n/a
ANZ - Bedford Road Bond - 05	n/a 162,019	0.10%	n/a	n/a
ANZ - BT Mining Limited - 06	n/a 12,844			
ANZ - Auckland Transport Hop Cards - 011	n/a 346,924	0.10%	n/a	n/a
ANZ - Coromandel Mussels Ltd Bond - 028	n/a 48,406	0.10%	n/a	n/a
ANZ - Ridge Road Bond - 029	n/a 671,211	0.10%	n/a	n/a
ANZ - CMFA Bond - 032	n/a 44,983	0.10%	n/a	n/a
ANZ - ASL Application 1 - 033	n/a 16,844	0.10%	n/a	n/a
ANZ - ASL Application 2 - 034	n/a 15,010	0.10%	n/a	n/a
ANZ - ASL Application 3 - 035	n/a 9	0.10%	n/a	n/a
ANZ - Kennedy Bay Mussel Co - 036	n/a 53,864	0.10%	n/a	n/a
ANZ - Ecomussel Ltd Auth 122928 - 037	n/a 14,131	0.10%	n/a	n/a
ANZ - Te Kopu A Kanapanapa - 038	n/a 445,174	0.10%	n/a	n/a
ANZ - Tikapa Moana Enterprises Ltd - A - 039	n/a 95,544	0.10%	n/a	n/a
ANZ - Retentions account - 040	n/a 729,852	0.10%	n/a	n/a
		2,838,267	-	
Total on call and term deposits				
		75,038,605	-	

Counterparty risk exposure as at 31 March 2026

Bank	Total \$ per bank		Check if compliant with policy
ANZ	15,038,605	15,038,605	✓
ASB	-	-	✓
WESTPAC	-	-	✓
BNZ	5,000,000	5,000,000	✓
KIWIBANK	20,000,000	20,000,000	✓
RABOBANK	35,000,000	35,000,000	✓
Total on call and term deposits	75,038,605	75,038,605	✓

Appendix 2:



Appendix 3:**List of borrowing instruments from the LGFA as at 31 March 2026:**

(Base currency NZD)

Fixed / Floating	Amount	Rate	Counterparty	Deal Number	Maturity Date
Fixed rate	2,000,000	5.37%	LGFA	851589	15-Apr-26
Fixed rate	2,000,000	5.41%	LGFA	903272	15-May-28
Fixed rate	3,000,000	5.28%	LGFA	851588	20-Apr-29
Fixed rate	5,000,000	4.70%	LGFA	954601	20-Apr-29
Fixed rate	5,000,000	4.83%	LGFA	954603	15-May-30
Fixed rate	2,000,000	4.69%	LGFA	1009480	15-May-30
Floating rate	2,000,000	3.37%	LGFA	208141	15-Apr-26
Floating rate	3,000,000	3.51%	LGFA	208142	15-Apr-27
Floating rate	2,000,000	3.32%	LGFA	753768	15-Apr-27
Floating rate	4,000,000	3.33%	LGFA	903270	15-Apr-27
Floating rate	3,000,000	3.54%	LGFA	208143	15-Apr-28
Floating rate	2,000,000	3.37%	LGFA	582255	20-Apr-29
Floating rate	2,000,000	3.36%	LGFA	753773	15-May-28
Floating rate	2,000,000	3.27%	LGFA	903269	15-May-28
Commercial Paper	14,000,000	2.52%	LGFA	WR0526LS04	22-May-26
	53,000,000				

List of live interest rate instruments entered by Council as at 31 March 2026:

Base currency	Notional Amount	Coupon rate	Deal Number	Maturity Date	Counterparty
NZD	3,000,000	2.64%	208124	15-Jul-26	ANZ
NZD	3,000,000	2.80%	208123	15-Jul-28	ANZ
NZD	3,000,000	2.98%	208125	15-Jul-30	ANZ
NZD	5,000,000	3.64%	956182	30-Sep-30	ANZ
NZD	5,000,000	3.72%	956183	30-Sep-31	ANZ
NZD	2,000,000	2.77%	582250	15-Dec-31	ANZ
NZD	1,000,000	2.73%	582251	15-Dec-31	ANZ
NZD	2,000,000	2.78%	582252	15-Dec-31	ANZ
NZD	5,000,000	3.76%	956184	31-Oct-31	ANZ
	29,000,000				

ĀPITIHANGA | ATTACHMENTS

Nil

6.7 TENDERS BOARD CONTRACTS FROM 1 JANUARY 2026 THROUGH 31 MARCH 2026 REPORT

Rā | Date: 21 April 2026

Kaituhi | Author: Erica Doust, Procurement Lead

Kaituku | Authoriser: Janine Becker, Director, Customer and Corporate Services

TE ARONGA | PURPOSE

1. To present as information the contracts considered by the Tenders Board for the period 1 January to 31 March 2026.

KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

2. The Tenders Board holds the delegation to approve contracts with a value greater than \$250,000, being those contracts which exceed the individual financial delegation held by Directors. Once Tenders Board endorses a contract the delegation to sign goes to the relevant Director.
3. Each contract consideration outlines both:
 - (a) The specific term and value being considered, and
 - (b) Any prior terms and/or values of the contract being considered

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the *Tenders Board Contracts from 1 January 2026 through 31 March 2026 Report* be received.

HOROPAKI | BACKGROUND

4. The Tenders Board is established pursuant to Clause 32 of Schedule 7 of the Local Government Act 2002, whereby the Chief Executive delegates the power to enter into and award contracts and expend funds to the Tenders Board. The Board is comprised of members of the Executive Leadership Team (ELT).
5. The Tenders Board operates on a quorum of at least three members of the ELT, one of whom must be either the Chief Executive or the Director, Finance and Business Services.
6. The delegated authority given to the Tenders Board must be exercised in accordance with the Council's Annual Plan, Long Term Plan and Funding Policies and is not to be inconsistent with the prescribed legislative principles of financial management.
7. The Tenders Board holds the delegation to approve contracts with a value greater than \$250,000, being those contracts which exceed the individual financial delegation held by Directors.

8. Where the Council is seeking to enter into a contract that spans multiple financial years and that commits Council funds (net of contributions from project partners) of more than \$2 million, final approval of the contract (after consideration has been given to the contract by the Tenders Board) must be sought from Finance and Services Committee. This additional approval step reflects that such contracts bind the Council (and potentially future Councils) to expenditure that has not yet been approved as part of an Annual Plan. There are no contracts meeting these criteria contained in this report.
9. For transparency, all contracts that have been considered by the Tenders Board are reported to the Finance and Services Committee for their information.

TE TAKE | ISSUE

10. A total of 8 recommendations were endorsed by the Tenders Board during the period 1 January 2026 to 31 March 2026. Procurement approaches used were as follows:
 - 0 open tenders
 - 1 closed tender
 - 3 variations to existing contracts
 - 4 direct appointments
11. Procurement activities were conducted to ensure best public value. The procurement approaches, and subsequent contract awards were in accordance with WRC Procurement Policy, Guidelines and Financial Delegation Manual.

ĀPITI HANGA | ATTACHMENTS

1. **Schedule of Tenders Board Contract Considerations 1 January 2026 through 31 March 2026 (Doc # 35643870)** [↓](#)

Appendix 1

Schedule of Tenders Board contract considerations for the period 1 Jan 2026 - 31 March 2026

Procurement / Contract	Contractor	Term & Value (Excluding GST)	Commencement Date	Selection Method	Notes	Outcome	Relevant TB Meeting
Kura Waitii ki Kura Waitaa	Te Toki Voyaging Trust	28/02/2026 - 31/12/2028: \$708,000 (\$236,000 annually) WRC: \$100,000 annually (LTP) Waikato River Authority: \$177,952 annually	31-Jan-26	Direct appointment - Contract extension (exemption) Sole provider (skills and resources such as waka and IP) Avoidance of cost of change and inconvenience (Continuity in incumbent)	No conflicts Prior contract terms: 01/01/2022 - 30/01/2024: \$194,000 31/01/2024 - 30/01/2026: \$388,000 (\$582,000 total) extended by TB exemption Total contract value to date (01/01/2022 - 31/12/2028): \$1,290,000	Endorsed with note	5-Feb-26
Retail and Bulk Ground Fuel Supply	BP (syndicated via NZDF)	January 2026 - May 2027: \$650,000	January 2026	Mid-term incumbent contract variation	1 perceived conflict: Chris McLay who abstained from decision Contract term: 01/05/2022 - 31/05/2027: \$1,450,000 New value: 01/05/2022 - 31/05/2027: \$2,100,000	Endorsed	5-Feb-26

Maritime Vessel Replacement	Marine Management Limited	January 2026 - June 2026: \$138,000	January 2026 (for new contract value)	Mid-term incumbent contract variation	No conflicts Prior contract amounts varied: November 2021 - May 2024: \$354,662 TB approved May 2024 - November 2024: \$190,698 (\$545,360 total) TB approved November 2024 - December 2025: \$149,000 (\$694,360 total) TB approved December 2025 - January 2026 \$30,000 (\$724,360 total) Total contract value to date (November 2021 - June 2026): \$862,360	Endorsed	5-Feb-26
Regional Coastal Plan Appeals Legal Services	Simpson Grierson	April 2026 - June 2028: \$1,052,447	Apr-26	Closed RFP - Co-Lab panel for legal services	No conflicts	Endorsed with note	17-Feb-26 EO
Island Block Pump Supply	MacEwans Pumping Systems Ltd	31/03/2026 - 30/09/2027: \$998,020	31/03/2026	Direct appointment (exemption) Sole NZ distributor for required fish friendly low mortality pump under patent	No conflicts Value includes FX fluctuation risk \$130,176 (15%)	Endorsed with note	5/03/2026

Mangataehiri Archimedes Screw Pump Refurb	Cullens Engineering	18/03/2026 – 13 May 2026 \$435,000		Direct appointment (exemption) Urgency due to damage and weather Five suppliers were canvased (informally) for the work	No conflicts	Endorsed with note	5/03/2026
Future Proof Implementation Advisor	Beca - Robert Brodnax	01/05/2026 - 30/04/2027: \$303,000	1/05/2026	Direct appointment - Contract extension (exemption) Continuity in incumbent supplier Avoidance of cost of change and inconvenience	No conflicts Prior contract amounts: 01/05/2023 - 30/04/2026: \$824,500 (\$795,000 original contract amount + \$29,500 in 2025)	Endorsed	24-Mar-26 EO
Earth Sciences New Zealand (NIWA)	Senegal Tea pot trials	01/07/2027 - 30/06/2028: \$74,719	1/07/2027	Mid-term incumbent contract variation	No conflicts Prior contract amounts: 19/01/2026 - 30/06/2027: \$204,104 Total contract value to date (19/01/2026 - 30/06/2028: \$278,823)	Endorsed	31/03/2026

6.8 COUNCILLOR, CHIEF EXECUTIVE AND DIRECTOR EXPENSES FOR THE QUARTER ENDING 31 MARCH 2026

Rā | Date: 16 April 2026

Kaituhi | Author: Tamsin Germishuys, Financial Controller

Kaituku | Authoriser: Janine Becker, Director, Customer and Corporate Services

TE ARONGA | PURPOSE

1. To provide the Finance and Performance Committee with a summary of councillor, Chief Executive and Director expenses for the quarter ended 31 March 2026.

KŌRERO WHAKATAHI | EXECUTIVE SUMMARY

2. Payments in accordance with the Elected Member Remuneration Determination (salary and travel time allowance) to 31 March 2026 were \$280,896 for the quarter and \$828,051 year to date. These are in line with the budget for this period (\$894,157).
3. Other expenses allocated to individual councillors in the course of their duties for the quarter to 31 March 2026 were \$17,984 and \$96,881 for the year to date. The year-to-date expenses largely in line with the budget for the same period (\$99,000).
4. The Chief Executive's expenses for the quarter to 31 March 2026 were \$4,461 and \$13,177 year to date. These expenses are lower than the budget for the same period of \$63,848.
5. Directors' expenses to 31 March 2026 were \$4,454 for the quarter and \$17,408 year to date. These expenses are lower than the budget of \$49,081 for the same period.

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the report *Councillor, Chief Executive and Director Expenses for the Quarter Ending 31 March 2026* (Finance and Performance Committee, 13 May 2026) be received.

HOROPAKI | BACKGROUND

6. Councillor, Chief Executive, and Director expenses are normally reported to the Finance and Performance Committee on a quarterly basis, reflecting both quarterly and year-to-date (YTD) expenditure.
7. This report includes:
 - (a) Councillors' expenses, including their remuneration and other expenses incurred in the course of their duties and claimed under the Elected Members Allowances and Reimbursements Policy.
 - (b) The Chief Executive's expenses, excluding any remuneration costs (salary and vehicle costs).

- (c) Directors' expenses, excluding any remuneration costs (salary and vehicle costs).

Analysis

8. The following pages details the summary of Elected Members, Chief Executive, and Directors expenses for the March 2026 quarter and year to date to 31 March 2026.

Payments in accordance with Elected Member remuneration determination

Councillor	Payments in accordance with elected member remuneration determination			Payments in accordance with elected member remuneration determination		
	3rd quarter			YTD		
	Salary	Travel Time Allowance	Total	Salary	Travel Time Allowance	Total
Current Elected Members:						
Maher	41,431	2,235	43,666	97,265	4,256	101,521
Downard	22,608	867	23,475	58,485	3,574	62,059
Cookson	18,920	518	19,438	55,831	1,062	56,893
Dunbar - Smith	18,071	461	18,533	50,853	461	51,314
Holmes	17,222	-	17,222	29,361	237	29,599
Hodge	18,071	155	18,226	53,949	225	54,174
Hughes	18,071	-	18,071	53,949	58	54,007
Mahuta	17,222	-	17,222	50,623	-	50,623
McGuire	16,373	859	17,232	28,512	1,437	29,949
Nickel	16,373	-	16,373	52,251	83	52,334
Reymer	16,373	-	16,373	28,512	114	28,625
Smith	18,920	-	18,920	53,766	33	53,799
Stolwyk	18,071	-	18,071	30,210	31	30,241
Strange	18,071	-	18,071	52,092	-	52,092
Past Elected Members:						
Clarkson	-	-	-	26,835	140	26,975
Graf	-	-	-	20,643	-	20,643
Kneebone	-	-	-	21,262	80	21,342
Storey	-	-	-	51,862	-	51,862
Total	275,801	5,095	280,896	816,261	11,790	828,051
YTD Budget	290,552	7,500	298,052	871,657	22,500	894,157

Other Expenses allocated / claimed in the 3rd quarter to March 2026

Councillor	Mileage	Accommodation & Meals	Conferences	Meeting Expenses	Elected member training	Other Expenses	Telecommunications	Vehicle Running	Hearing	FBT	Total
Current Elected Members:											
Maher	-	755	-	521	-	-	-	-	-	330	1,605
Downard	2,604	-	-	-	-	-	142	-	-	-	2,746
Cookson	1,183	435	-	11	-	-	142	-	-	-	1,770
Dunbar - Smith	-	461	-	-	-	-	-	-	-	-	461
Hodge	409	-	-	-	-	-	250	-	-	-	658
Holmes	791	-	-	11	2,913	-	200	-	-	-	3,915
Hughes	271	-	-	11	-	-	258	-	-	-	540
Mahuta	-	-	-	-	-	-	5	-	-	-	5
McGuire	1,722	447	-	-	800	-	133	-	-	-	3,102
Nickel	69	-	-	-	-	-	67	-	-	-	136
Reymer	474	-	-	11	-	-	258	-	-	-	743
Smith	622	-	-	11	-	-	142	-	-	-	775
Stolwyk	477	-	-	11	-	-	133	-	-	-	621
Strange	477	296	-	11	-	-	133	-	-	-	917
Past Elected Members:											
Clarkson	-	-	-	-	-	-	-	-	-	-	-
Graf	-	-	-	-	-	-	-	-	-	-	-
Kneebone	-	-	-	-	-	-	-	-	-	-	-
Storey	-	-	-	-	-	-	-	-	-	-	-
TOTAL	9,099	2,395	-	595	3,713	-	1,853	-	-	330	17,984
Budget	15,000	2,500	-	500	-	10,125	4,000	-	-	875	33,000

Other Expenses allocated / claimed year to date to March 2026

Councillor	Mileage	Accommodation & Meals	Conferences	Meeting Expenses	Elected member training	Other Expenses	Telecommunications	Vehicle Running	Hearing	FBT	Total
Current Elected Members:											
Maher	5,739	1,597	-	521	-	544	133	3,011	1,144	659	13,349
Downard	9,238	-	-	-	2,913	25	275	-	-	-	12,451
Cookson	7,170	435	-	11	2,913	29	481	-	-	-	11,039
Dunbar - Smith	145	461	-	-	2,913	-	-	-	-	-	3,519
Hodge	1,664	-	-	-	640	67	383	-	-	-	2,754
Holmes	2,455	-	-	11	3,108	350	533	-	-	-	6,457
Hughes	830	-	-	11	-	375	658	-	-	-	1,873
Mahuta	-	1,082	-	-	195	17	262	-	-	-	1,555
McGuire	4,570	447	-	-	4,353	-	267	-	-	-	9,636
Nickel	2,236	-	-	-	-	13	467	-	-	-	2,690
Reymer	1,403	-	-	11	640	125	392	-	-	-	2,570
Smith	3,060	-	-	11	-	25	542	-	-	-	3,637
Stolwyk	1,077	-	-	11	-	-	267	-	-	-	1,355
Strange	1,531	1,072	-	11	2,913	67	533	-	-	-	6,126
Past Elected Members:											
Clarkson	535	242	-	-	-	-	-	-	-	-	776
Graf	-	-	-	-	-	-	-	-	-	-	-
Kneebone	2,694	-	-	-	-	21	333	-	5,505	-	8,553
Storey	-	907	-	-	-	17	267	5,290	-	2,060	8,540
TOTAL	44,347	6,242	-	595	20,588	1,648	5,792	8,302	6,649	2,719	96,881
Budget	45,000	7,500	-	1,500	-	30,375	12,000	-	-	2,625	99,000

Chief Executive's expenses year to 31 March 2026

Chief Executive Expenses	3rd Quarter to 31 March 2026 actual (\$)	YTD 2025/26 actual (\$)	Prior Full Year Actual (\$)	Full Year Budget* (\$)
Training, Courses, Conference Fees	-	284	4,048	57,514
Meeting Expenses	255	1,905	3,616	6,866
Subscriptions		4,340	6,362	48,000
Travel - Flights	3,496	5,333	4,630	17,000
Accommodation & Meals	711	760	34	3,750
Travel P Card		-	1,426	
Other Expenses		556	1,738	6,150
Total	4,461	13,177	21,854	139,280

Expenses incurred by the Chief Executive during the 3rd quarter include:

- Travel and attendance at the All-of-local-government meeting, hosted by LGNZ.
- Travel and attendance of a series of Ministerial meetings with the Council Chair.
- Travel and attendance of the Navigating Reform Chief Executives forum hosted by Taituarā.
- Travel and attendance of the Regional Council Executive Committee Group meeting, hosted by Tu Uru Kahika.
- Travel and attendance of the Regional Sector meeting, hosted by LGNZ.
- Travel and attendance of the Dairy NZ collaboration forum meeting, hosted by Tu Uru Kahika.
- Travel and attendance of the Post Local Government reform announcement strategy session, hosted by Tu Uru Kahika.

Approval process for Chief Executive travel and credit card expenses:**Travel**

9. A memo requesting pre-approval for travel expenditure is submitted to the Chair every three months with estimated costs, noting that at times some travel will need to be arranged without the Chair's preapproval. The expense will be submitted for approval at the next available opportunity.
10. A travel report on actual travel taken is provided to the Chair monthly for review. This report is generated by Finance staff who collate Orbit flight data, and any other charges booked through Orbit for travel and accommodation.

Pcard

11. The Chief Executive's PCard (Credit Card) statement plus receipts are approved by the Chair monthly.
12. In addition, all Chief Executive expenses are reported to the Finance and Performance Committee on a quarterly basis.

Directors' expenses for the year to 31 March 2026

Year to date to 31 March 2026 (\$)								
Director	Training, Courses, Conference Fees	Meeting Expenses	Subscriptions	Travel - Flights	Accommodation & Meals	Travel - other	Other Expenses	Total
Customer and Corporate Services	-	530	552	2,438	947	141	-	4,607
Science, Policy and Information	-	330	-	-	-	-	65	395
Integrated Catchment Management	-	1,570	450	2,006	1,409	1,100	10	6,546
Resource Use	-	544	-	910	473	51	31	2,009
Regional Transport Connections	-	554	-	2,485	365	447	-	3,851
Total	-	3,529	1,002	7,839	3,193	1,739	106	17,408

Directors' expenses for the third quarter to 31 March 2026

3rd quarter to 31 March 2026 (\$)								
Director	Training, Courses, Conference Fees	Meeting Expenses	Subscriptions	Travel - Flights	Accommodation & Meals	Travel - other	Other Expenses	Total
Customer and Corporate Services	-			576	11	27		613
Science, Policy and Information		-						-
Integrated Catchment Management		491		-	368	719	10	1,589
Resource Use		107		378				485
Regional Transport Connections				1,558		209		1,767
Total	-	598	-	2,512	379	955	10	4,454

13. Directors' management codes and travel bookings have been reviewed to collate the Director expenses shown above for the quarter to 31 March 2026. Costs associated with the full personal use vehicle costs for which the directors make a salary sacrifice are excluded.
14. The Director, **Customer and Corporate Services** expenses for the third quarter include:
 - (a) Travel and attendance at the RHSL Board meeting in Wellington.
15. The Director, **Integrated Catchment Management** expenses for the third quarter include:
 - (a) Travel and attendance at the Looking Ahead Infrastructure Symposium.
16. The Director, **Resource Use** expenses for the third quarter include:
 - (a) Travel and attendance at the annual Resource Managers Group meeting in Wellington.
17. The Director, **Regional Transport Connections** expenses for the third quarter include:
 - (a) Travel and attendance at three National Ticketing System governance committee meetings held in Auckland, Wellington and Christchurch.

WHAKAKAPINGA | CONCLUSION

18. Councillor expenses for the year to 31 March 2026 are within budget.

19. Individual details of councillor expenses will be provided to elected members prior to the Finance and Performance Committee meeting for their information and feedback.
20. Chief Executive expenses for the quarter to 31 March 2026 have been reported.
21. Directors' expenses for the quarter to 31 March 2026 have been reported.

ĀPITIHANGA | ATTACHMENTS

Nil

7 PUBLIC EXCLUDED ITEMS**RESOLUTION TO EXCLUDE THE PUBLIC****HE TŪTOHUNGA | RECOMMENDATION:**

That in accordance with section 48(1) of the *Local Government Official Information and Meetings Act 1987* (Act) and the interests protected by section 6 or 7 of that Act, the public is excluded from the following parts of this meeting. The general subject of the matters to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds for excluding the public are set out below:

Meeting item no. and subject	Grounds for excluding the public	Reason for excluding the public
7.1 - Non Rates Debtors as at 31 March 2026	s7(2)(a) of the Act - To protect the privacy of natural persons, including that of deceased natural persons	section 48(1)(a)(i) of the Act - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

8 KARAKIA WHAKAMUTUNGA

Unuhia, unuhia

Unuhia mai te uru tapu nui

kia wātea, kia māmā,

te ngākau, te tinana, te hinengaro,

i te ara takatū

Koia rā e Rongo

e whakairia ake ki runga

kia tina! TINA!

Haumi ē, hui ē, TĀIKI ē!

Draw on, draw on,

Draw on to the supreme sacredness

To clear, to free

our heart, body and soul

Our pathway prepared

Lo, there is peace

suspended high above

manifest!

draw together!

Affirm!