AGENDA

Finance and Performance Committee Meeting

Date:	**Wednesday, 19 August 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 Kairīwhi* **|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.

Order Of Business

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 MATTERS ARISING FROM PREVIOUS MEETINGS

Rā | Date: **6 August 2026**

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

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

TE ARONGA | PURPOSE

1. To review the actions and matters arising from previous Finance and Performance Committee meetings.

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the report *Matters arising from previous meetings* (Finance and Performance Committee, 19 August 2026) be received.

	Meeting Date	Agenda context	Committee request	Status
1	18 February 2026	Corporate Strategies – Information services	The Committee requested that training be available for elected members in the use of Council's approved AI technologies.	Microsoft Copilot training was scheduled for councillors on 21st May 2026.
2	18 February 2026	Financial performance monitoring and second quarter forecast to 31 December 2025	Elected members requested information on all contracted services and consultancy expenditure at the end of the financial year. Staff noted that the Local Government (System Improvements) Amendment Bill required public reporting of this information.	Information is provided as part of the August 2026 Committee agenda.
3	18 February 2026	Outstanding debt and collection action status	The Committee requested that, in relation to the 3+ month debt reported, a search of the Companies Register is undertaken to ensure that there is no concentration of risk with individuals. Confirmation that such a check has been undertaken is to be signalled in the report against that outstanding account balances.	Confirmation of this additional process step is noted in the report to this meeting.
4	13 May 2026	Outstanding debt and collection action status	The Committee requested that a process for the regular review of liquidations be undertaken in relation to outstanding debtors.	This additional process step has now been implemented by staff.
5	13 May 2026	Rates information	The Committee requested that analysis on the split of commercial and residential ratepayers is also provided within the report.	This analysis is being developed for inclusion in reporting for the 2026/27 financial year.

ĀPITIHANGA | ATTACHMENTS

Nil

6.2 SIDF TRIAL COSTS

Rā | Date: **27 July 2026**

Kaituhi | Author: **Greg Ryan, Director, Integrated Catchment Management**

Kaituku | Authoriser: **Greg Ryan, Director, Integrated Catchment Management**

TE ARONGA | PURPOSE

1. The purpose of this report is to provide the Committee with a summary of the resources that were used to deliver the trial of the Sustainable Infrastructure Decision-making Framework (SIDF) in the Motukaraka Pump Station catchment.
2. This information was requested by the Committee Chair.

KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

3. The SIDF was developed to enable Council to take a more considered and sustainable approach to infrastructure investment decision-making. It was later incorporated into the 2024-2074 Infrastructure Strategy as a key tool to achieve the agreed strategic direction.
4. The SIDF was trialled in the Motukaraka Pump Station catchment and engaged a broad range of expertise from within Council, external contracted services and project partners (i.e. landowners, iwi and the Department of Conservation). A summary of the cost to undertake this trial has been provided in this report.

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the report *SIDF Trial Costs* (Finance and Performance Committee, 19 August 2026) be received.

HOROPAKI | BACKGROUND

5. Council's flood infrastructure assets were largely built during the 1960's and 1970's with the intention of enabling the productive use of land for agriculture, and protecting communities and infrastructure established within floodplains.
6. Waikato Regional Council (WRC) has traditionally made investment decisions on its existing flood protection infrastructure assuming it will refurbish or replace them with similar infrastructure, with the primary aim of preserving the current level of service and functionality. However, the cost of undertaking this work has increased significantly, and other matters such as changing climatic conditions, geomorphology and higher environmental performance standards now requires WRC to consider a wider range of factors when making infrastructural decisions, and likely undertake more complex and varied engagement with catchment stakeholders.
7. The challenge of undertaking this more complex level of community engagement was first addressed through the development of the Sustainable Infrastructure Decision-making Framework (SIDF), which was developed to support a sustainable and affordable approach

to significant and long-term decisions on infrastructure investment. It provided a balanced and holistic approach to infrastructure investment decision-making, acknowledging the need to consider social, economic, environmental and cultural perspectives, and the active involvement of key stakeholders.

8. The SIDF was later integrated into the 2024-74 Infrastructure Strategy, which also reflects the need to transition to a more sustainable and holistic approach to flood protection infrastructure.

9. The Integrated Catchment Management Committee was provided with a summary of the trial project during their May 2026 meeting, including lessons learnt. This report provides additional detail on the cost to deliver this project.

TE TAKE | ISSUE

10. The trial of the SIDF in the Motukaraka Pump Station catchment required the involvement and expertise of a range of Council staff. The cost of this time is summarised in the following table, which is based on timesheet entries against the project.

WRC Staff Cost (burdened)				
Position	**Directorate**	**2024/25**	**2025/26**	**TOTAL**
Graduate Engineer	Integrated Catchment Management	$533		$533
Senior Technical Advisor - Primary Sector Delivery	Resource Use	$1,729		$1,729
Asset Manager	Integrated Catchment Management	$600		$600
Social Scientist	Science, Policy and Information	$15,760		$15,760
Operations Team Leader - Lower Waikato	Integrated Catchment Management	$541		$541
Scientist - Matauranga Maori	Science, Policy and Information	$277		$277
Regional Resilience Specialist	Integrated Catchment Management	$1,000		$1,000
Procurement & Contracts Specialist	Integrated Catchment Management	$58		$58
Scientist - Water	Science, Policy and Information	$646		$646
Manager - Environmental Science	Science, Policy and Information	$57,967	$22,099	$80,065
Manager - Planning and Support	Integrated Catchment Management	$24,062	$2,552	$26,615
	TOTAL	**$103,173**	**$24,651**	**$127,824**

11. The trial also required additional capability and capacity from outside of Council, which was provided through various contracted services agreements. These are summarised in the following table.

Contracted Services				
Vendor	**Services**	**2024/25**	**2025/26**	**TOTAL**
Asset Management Business Improvement Ltd	Project management and technical director	$286,236	$124,598	**$410,834**
Tiakanga Consulting Ltd	Support services for iwi engagement and cultural input	$4,118	$40,486	**$44,604**
Harapa Holding Ltd	Technical Input	$4,613	$7,220	**$11,833**
Name redacted – LGOIMA s7(2)(a)	Iwi and Maori Liaison		$7,440	**$7,440**
Submergent Limited	Motukaraka Catchment Modelling	$50,000	$14,400	**$64,400**
Infometrics Limited	Economic Report		$8,500	**$8,500**
Collaborations Limited	MCA Development and Options Assessment		$18,000	**$18,000**
Concept Consulting Group Limited	Financial, Infrastructure, Value, Economic (FIVE) Tool		$5,000	**$5,000**
Martin Lynch Consulting Limited	Motukaraka Options Green House Gases Assessment		$9,998	**$9,998**
	TOTAL	**$344,967**	**$235,642**	**$580,608**

12. The above expenses were largely covered by the Regional Resilience work programme, which is funded by the Uniform Annual General Charge (UACG). Smaller amounts were also funded by the Tai Ranga Whenua work programme to support iwi engagement and the Lower Waikato Zone work programme to support asset-related tasks.

13. In addition to what is described above, this project benefited from substantial contributions of time and expertise from landowners, iwi and the Department of Conversation that were not funded by Council.

ĒTAHI ATU TAKE | OTHER MATTERS

14. No other matters have been identified for the attention of the Committee.

WHAKAKAPINGA | CONCLUSION

15. The trialling of the SIDF in the Motukaraka Pump Station catchment has required the use of a wide range of expertise from across Council, as well as from contracted services where that expertise was not available internally. Project partners also demonstrate a significant commitment to the project and contributed their own expertise, often at their own cost.

16. The SIDF approach to infrastructure investment decision making is a key tool for implementing Council's 2024-2074 Infrastructure Strategy. This trial has shown that a

breadth of expertise is required to take this approach. There is a significant cost to provide this expertise in terms of both staff time and contracted services. While the costs of this trial were able to be met through the reprioritisation of the 2024/25 work programme, this is not a sustainable approach. The Regional Resilience work programme needs to continue to support the broader management of natural hazard risk across the Waikato Region. Flood protection and land drainage work programmes are heavily committed to the operation and maintenance of existing infrastructure, and are under increasing pressure due to increasing service delivery costs.

17. While this trial of the SIDF was not successful in determining a final outcome for the Motukaraka Pump Station catchment, the issues that have driven this approach to investment decision making remain relevant and will need to be further considered by Council when the Infrastructure Strategy is reviewed as part of the development of the 2027-2037 Long Term Plan.

ĀPITIHANGA | ATTACHMENTS

Nil

6.3 2025/26 NON-FINANCIAL PERFORMANCE RESULTS

Rā | Date: **6 August 2026**

Kaituhi | Author: **Ian Robertson, Corporate Performance Analyst**

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

TE ARONGA | PURPOSE

1. To provide the Finance and Performance Committee (the committee) with draft non-financial performance results for 2025/26, prior to an external audit and subsequent publication in the 2025/26 Annual Report.

KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

2. There are 50 performance measures in Council's 2024-2034 Long Term Plan (LTP). Staff have completed year-end processes, and draft results show:
   (a) 36 measures were achieved (72 per cent)
   (b) 4 measures have been reported as achieved in part (8 per cent)
   (c) 9 measures have not been achieved (18 per cent)
   (d) 1 measure was not applicable (2 per cent).
3. Draft results presented through this report will be subject to an external audit process by The Audit Office over September and October 2026. The audit will focus on measures that are material or expected to influence readers' overall understanding of Council's performance.
4. Audited results will be included in Council's 2025/26 Annual Report, which is scheduled to be adopted by Council on 29 October 2026.
5. It should be noted that results may change to those presented in this report based on feedback received through the audit. Any significant changes will be reported to Council at the time of the adoption of the audited Annual Report.

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the report *2025/26 Non-Financial Performance Results* (Finance and Performance Committee, 19 August 2026) be received.

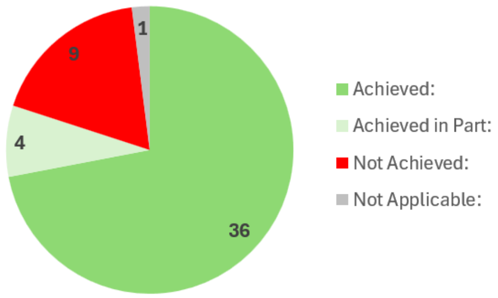
HOROPAKI | BACKGROUND

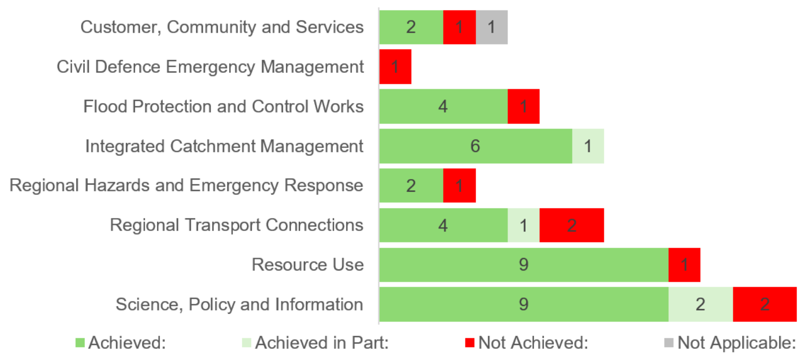
6. The Local Government Act 2002 (the act) requires that performance management information is developed for all groups of activities (GOAs) including levels of service, performance measures and targets. The Act also requires that a statement of service performance is provided in Council's Annual Report, comparing level of service achieved to the targets set out in the LTP.

7. Council's 2024-2034 LTP includes 50 performance measures, reflecting major aspects of Council's GOAs. Of those measures, 49 are relevant for the 2025/26 reporting period.

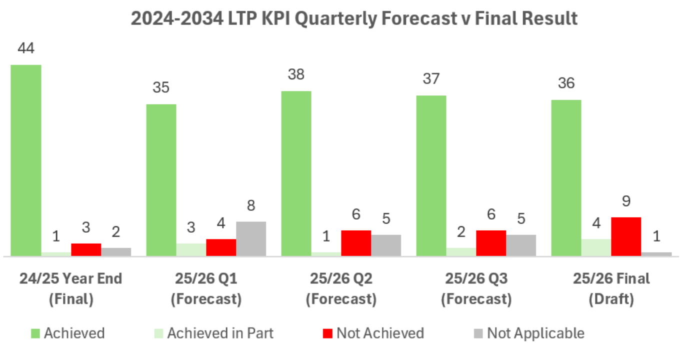
TE TAKE | ISSUE

8. Staff have provided provisional results for 2025/26. These show that 36 targets have been achieved, four have been achieved in part, and nine have not been achieved. One measure was not applicable for 2025/26.





9. This result sees a minor shift from the performance results forecast at the end of the third quarter, when it was expected that 37 measures would be achieved compared to the 36 reported as achieved in the provisional results (72 per cent) and 44 (88 per cent) achieved in 2024/25.



10. The following table highlights targets that have not been met as well as where there has been significant change compared to the third quarter forecast. Full draft results prepared for inclusion of the 2025/26 Annual Report are provided in Attachment One.

Customer, community and services 1.1 Percentage of official information requests responded to within statutory timeframes
Draft result: Not achieved
As forecast, the 100 per cent target has not been achieved because of two missed requests in the first quarter. Internal processes are in now in place to avoid this issue reoccurring.
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
Draft result: Not achieved
At 30 June 2026, 22 per cent of staff are trained to an intermediate level compared to 23 per cent for the prior year. This reduction reflects staff turnover throughout the year, with training of new staff not keeping pace.
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
Draft result: Not achieved
As forecast, the target to complete a region-wide review of risk factors was not achieved. However, significant work has been undertaken with completion of flood modelling across the Waihou Valley Scheme and Piako River Scheme as part of the Hauraki Plains Adaptation Project.
Integrated catchment management 4.3 Average Rat Tracking Index (RTI) level for rat control operations
Draft result: Achieved in part
As previously reported, the measure has been achieved in part due to a failed result (>5 per cent) at the Te Miro site.
Regional hazards and emergency response 5.1 Regional resilience strategy is developed, and plans developed, reviewed, and implemented for identified areas
Draft result: Not achieved
As forecast, the target for 2025/26 was not achieved due to delays in the prior year. However substantial progress has been achieved, and Council endorsement of a comprehensive resilience and adaptation framework and plan is anticipated in September 2026 which will inform the development of the 2027 - 2037 LTP.
Regional transport connections 6.1 Regional plans and strategies are reviewed and submitted within statutory timeframes and implemented
Draft result: Achieved in part
The target for 2025/26 has two components. While development of the Regional Public Transport Plan remains on track, the Regional Road Safety Strategy is behind schedule, resulting in partial achievement of this measure.

Regional transport connections 6.2 Number of public bus trips per capita (Hamilton)
Draft result: Not achieved
As forecast, the target for year-on-year patronage growth on Hamilton services has not been met for 2025/26, with a marginal decline of 0.3 per cent compared to 2024/25.
Regional transport connections 6.4 Percentage of buses that depart on time from bus stops in accordance with the timetable
Draft result: Not achieved
As forecast, the target of 73 per cent of departures in accordance with timetables has not been met. While this measure remains an important indicator of service reliability, it does not necessarily reflect the full customer experience, with bus passengers increasingly accessing real-time information to plan their journeys.
Regional transport connections 6.6 Year-on-year passenger rail patronage growth
Draft result: Achieved
Rail patronage improved compared to forecasts, which had projected that the target of 2 per cent growth would not be achieved. However, patronage recovered during the fourth quarter, ending with a 6.4 percent increase in trips (77,175 trips) compared to the previous financial year.
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
Draft result: Not achieved
As forecast, this measure has not been achieved due to delays in Freshwater Farm Plan implementation and Plan Change 1.
Science, policy and information 8.4 Peer-reviewed environmental science is used to respond to emerging regional issues
Draft result: Achieved in part
This target includes three deliverables, with only two of these being achieved due to the delay in finalising the Waikare-Whangamarino Action Plan in the fourth quarter.
Science, policy and information 8.9 Facilitate a process for the development of a *Regional Spatial Strategy*
Draft result: Not achieved
Finalisation of a specific strategic spatial focus report has been paused while the Planning Bill and Natural Environment Bill provide clearer direction.
Science, policy and information 8.10 Policy programme is delivered as per the planning schedule

Draft result: Achieved in part
There are two component parts to this target, with one of them achieved. The Freshwater Policy review is paused awaiting direction on new planning frameworks.
Science, policy and information 8.11 We will undertake a review of current arrangements and recommend a revised infrastructure funding model to inform decision making
Draft result: Not achieved
While the project remains on track as per the adjustment project management plan, the target to complete the review of critical infrastructure funding in 2025/26 has not been met, and work will continue in 2026/27.

WHAKAKAPINGA | CONCLUSION

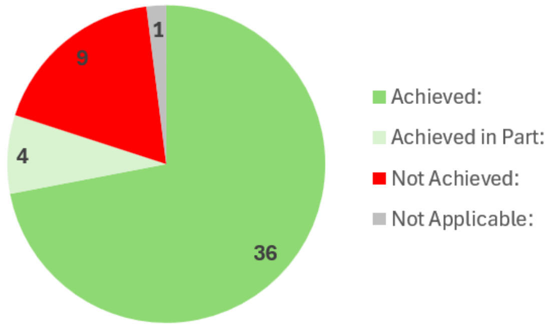
11. Draft non-financial performance results for 2025/26 show that Council has achieved 36 (72 per cent) of the 50 measures in its 2024-2034 LTP. Following the annual audit process, results will be approved by Council for publication in the 2025/26 Annual Report.

ĀPITIHANGA | ATTACHMENTS

1. 2025/26 Draft LTP Non-Financial Performance Results (Doc # 36187052) ⇩

2025/26 Draft Year End LTP Non-Financial Results

There are 50 performance measures in the council's 2024 2034 Long Term Plan. At the end of the year, one of the measures is reported as not applicable. Of the remaining 49 measures, 36 measures were achieved, 4 were achieved in part and 9 were not achieved.



The traffic lights below are used to show the status of each result in the tables that follow.

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 for the year.

Doc # 36187052

Customer, Community and Services			
Performance measure	**Target**	**Actual**	**Commentary**
1.1 - Percentage of official information requests responded to within statutory timeframes	100%	**Not achieved**	• At the end of 2025/26 we had responded to 293 official information requests, of which 291 (99.3%) were responded to within statutory timeframes. • In both late instances a follow up email from the requester indicated that a request had not been responded to. • Measures have been taken to prevent this occurring again, including a review of the WRC LGOIMA processes.
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%	**Achieved**	• There were 79 meetings held in 2025/26. All of these were open to the public. Where meetings contained public excluded sessions, these were compliant with the grounds set out in the LGOIMA.
1.3 - Key actions are completed within the specific timeframes identified in the Māori Partnership Approach	80% of actions completed per schedule	**Achieved**	• All key actions identified in the Māori Partnership Approach were completed in 2024/25. • Twelve out of thirteen ongoing actions that require annual delivery were also completed in 2025/26.
1.4 - Long term plans (LTPs) and amendments to long term plans receive 'unmodified' audit opinions	Unmodified opinion received if LTP amended	**Not applicable**	• This measure is not applicable for this year as no LTP amendments were made in 2025/26. • The current LTP was adopted in June 2024. The next LTP is due to be adopted by 30 June 2027.

Civil Defence Emergency Management Group			
Performance measure	**Target**	**Actual**	**Commentary**
2.1 - 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 Waikato Regional Council workforce is trained to meet the SLA requirement	**Not achieved**	• As of 30 June 2026, 22% of staff were trained, compared to 23% in June 2025, so the target was not achieved. • This reduction reflects staff turnover throughout the year, with training of new staff not keeping pace.

Note
[1]As 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.

Flood protection and control works			
Performance measure	**Target**	**Actual**	**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).	Key standards met	**Achieved**	• This measure is made up of two elements. Both were achieved for 2025/26. • *Note: the two elements to this measure are described in parts one and two below.*
3.1 - **Part one:** percentage of planned mandatory maintenance[1] actions achieved each year	90%	**Achieved**	• 3,016 mandatory maintenance actions were planned for 2025/26. 2,992 (99%) were completed by 30 June 2025.
3.1 - **Part two:** percentage of stopbanks maintained above designed flood height, as agreed within each zone	Rural: 92% Urban: 95%	**Achieved**	The results for 2025/26 were: • Rural: 93.2% • Urban: 97.3%
3.2 - Percentage of flood recovery plans[2] implemented[3] after all major events[4]	100%	**Achieved**	• There were no major incidents in 2025/26 that significantly impacted Council's flood protection infrastructure.

Doc # 34469486 Page 3

Flood protection and control works			
Performance measure	**Target**	**Actual**	**Commentary**
			• There were however several major floods during January and February 2026, where recovery plans are in place and being implemented. It is noted that several actions will extend into the 2026/27 financial year
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	**Not achieved**	• Flood modelling across the Waihou Valley Scheme and Piako River Scheme as part of the Hauraki Plains Adaptation Project has been completed. • Work achieved in 2025/26 will allow a more detailed and progressive natural hazard risk project to be implemented in 2026/27, providing a region-wide risk and prioritisation assessment.
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	**Achieved**	• There were no reported incidences of weather events with an annual exceedance probability of 10% where it took more than three days to remove surface water.
3.5 - Percentage of planned maintenance actions undertaken each year in priority rivers and/or at priority sites across all zones	80%	**Achieved**	• 301 of 329, or 92% of planned maintenance actions have been undertaken in priority rivers and/or priority sites. • An achievable revised planned works program was put in place following the severe weather events.

Note

[1] Maintenance can mean repair, renewal or maintenance.

[2] The plans set out timeframes within which flood response actions are to be completed.

[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).

[4] Major refers to any flood event that causes damages that cannot be remediated through normal operational funding and requires disaster recovery funding to rectified.

[5] This measure is only applicable if a weather event of up to 10 per cent annual exceedance probability occurs.

Integrated Catchment Management			
Performance measure	**Target**	**Actual**	**Commentary**
4.1 - Number of on-the-ground projects on private land within the top 30% of priority ecosystems delivering biodiversity restoration action	20	**Achieved**	• There have been 36 projects funded within the top 30% of priority ecosystems delivering biodiversity restoration actions.

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	**Achieved**	• The Natural Heritage Partnership Programme funded 96 groups and/or individuals to undertake restoration activities in the region.
			• The number of projects per fund were as follows:
			  • Small Scale Community Initiatives Fund: 57
			  • Environmental Initiatives Fund: 25
			  • Natural Heritage Fund: 14.

4.3 - Average Rat Tracking Index[1] (RTI) level for rat control operations	≤5%	**Achieved in part**	• This is a stand-alone measure for the Hamilton Halo programme. The Hamilton Halo programme aims to reduce rat numbers during the native bird breeding season at key sites surrounding Hamilton, improving fledging success.
			• A post-control RTI below 5% indicates the operation has been successful.
			• In 2025/26, rats were controlled at three sites. The target was achieved at two of the three sites. Despite additional work, the target was not achieved at Te Miro, resulting in an average RTI across the three sites of 5.28%.
			  • Pukemako - 3.33% - Pass
			  • Tirohanga - 2.50% - Pass
			  • Te Miro – 10.00% - Fail
			• As this is a performance-based contract, the final payment to the contractor was withheld for Te Miro.

4.4 - Average number of possums[2] caught for every 100 traps set for possum operations	≤5% Residual Trap Catches (RTC) for ground control	**Achieved**	• The average RTC for 2025/26 was 2.24%.

Integrated Catchment Management			
Performance measure	**Target**	**Actual**	**Commentary**
			• Rotowaro and Nukuhakari were not completed by 30 June. The remaining control and budget will be carried from the 2025/26 year over into the 2026/27 year for completion. • Waikite Valley Farmland Sector 2B and North Taupō PPCA's contract period runs from 1 January 2026 – 30 December 2026. As this straddles the 2025/26 and 2026/27 financial years these will reported on at the completion of the 2026/27 year. • The eight PPCA sectors carried over from 2024/25 were completed during 2025/26 and are included in this year's results.
4.5 - Reducing trend for coverage of eradication pest plants[3] at known sites	Reducing trend	**Achieved**	• Each eradication site is inspected annually to identify pest plant presence, undertake treatment where required, and survey the surrounding area. • Continued implementation of this annual management programme is progressively exhausting seed banks and rhizome reserves, resulting in a noticeable reduction in the extent of eradication pest plants across known sites. • Through an uplift in surveillance additional sites were identified in 2025/26 which will be included in the priory programme for 2026/27.
4.6 - Percentage of sampled catchment works maintained in effective condition to the standards set out in zone plans[4]	85%	**Achieved**	• 86% of works inspected are in effective condition, based on a sample size of 83 properties.
4.7 - Percentage of new catchment works undertaken in priority catchments and/or at priority sites across all zones[5]	80%	**Achieved**	• 92% of completed catchment works were undertaken in priority catchments and/or sites. • Over time, the proportion of priority catchments and priority sites across all zones has increased. Coupled with an increase

Integrated Catchment Management			
Performance measure	**Target**	**Actual**	**Commentary**
			in targeting priority areas, this has resulted in a significant overachievement of this measure.

Note

[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.

[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.

[3] Plants included in the operative Regional Pest Management Plan (RPMP) eradication category.

[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.

[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.

Regional hazards and emergency response			
Performance measure	**Target**	**Actual**	**Commentary**
5.1 - Regional resilience strategy is developed, and plans developed, reviewed, and implemented for identified areas	Implement regional strategy and plan	**Not achieved**	• A comprehensive resilience and adaptation framework and plan has been developed. The timing of the council endorsement process has resulted in final approval falling outside the reporting period. The framework is scheduled to be presented to the relevant committee in August 2026, with finalisation expected in September 2026. • The emerging findings and strategic considerations from development of the resilience and adaptation framework are being used to inform long term plan discussions.

Regional hazards and emergency response			
Performance measure	**Target**	**Actual**	**Commentary**
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%	**Achieved**	• 98% of customers reported satisfaction with WRC's flood warning text/alert system. • The result is based on feedback from 52 customers as part of our annual flood survey undertaken in the final quarter of 2025/26.
5.3 - Two readiness exercises are undertaken per year	Two exercises undertaken	**Achieved**	• Two exercises took place on 7 October 2025, and 17 March 2026. Both were assessed by Maritime NZ assessors as meeting required standards.

Note

[1] The text/alert system is one component of the overall Flood Warning Service.

Regional transport connections			
Performance measure	**Target**	**Actual**	**Commentary**
6.1 - Regional plans and strategies are reviewed and submitted within statutory timeframes, and implemented	Maintain and report on implementation of the *Regional Public Transport Plan* and *Road Safety Strategy*	**Achieved in part**	• Preparation of the 2027 Regional Land Transport Plan (RLTP) is on track in-line with the most recent National Land Transport Programme 2027 timelines, as advised by the NZ Transport Agency (NZTA). • The 2022-2032 Regional Public Transport Plan was updated through a significant variation (involving units and service model) in quarter one. Further key variations, e.g. fares policy, are underway. • The development of the Regional Road Safety Strategy (RRSS) is behind schedule due to staff resourcing. The review of the RRSS will now be completed in 2026/27 to match funding

Regional transport connections			
Performance measure	**Target**	**Actual**	**Commentary**
			assistance from NZTA. 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	**Not achieved**	• The number of bus trips per capita in Hamilton declined by 0.3% (to 15.8 trips per capita, compared with 15.9 last fiscal year). • Patronage continued to be impacted by fare affordability pressures during 2025/26. This followed a 20% fare increase in 2024/25 and a further 11.4% increase from 1 July 2025, implemented to meet NZ Transport Agency (NZTA) private share funding requirements under the 2024–27 National Land Transport Programme (NLTP). • A 4.2% increase in patronage was observed in the fourth quarter compared with the same period last year, which can likely be attributed to the rise in fuel prices that began in early March 2026. • Despite not achieving the target, the year-end result suggests patronage has stabilised. Continued delivery of reliable, high-quality services is expected to support customer confidence and future demand growth
6.3 - Number of public bus trips per capita (regional total outside of Hamilton)	Number of trips per capita increase year-on-year	**Achieved**	• Trips per capita outside Hamilton increased by 3.2% in 2025/26 compared to the prior year. • This result was achieved despite a decline in patronage in the first quarter. The decline is primarily attributed to 20% fare increase in 2024/25 and a further 11.4% fare increase from 1 July 2025, implemented to meet NZTA's private share targets under the 2024–27 National Land Transport Programme (NLTP).

Regional transport connections			
Performance measure	**Target**	**Actual**	**Commentary**
			• The recovery from quarter two onwards indicates patronage has stabilised, supported by the continued delivery of high-quality services, helping to rebuild customer confidence and stimulate demand. • Further upward trend (11%) was seen in quarter four, which can likely be attributed to the rise in fuel prices that began in early March 2026.
6.4 - Percentage of buses that depart[1] on time from bus stops in accordance with the timetable	73%	**Not achieved**	• 71% of buses departed on time from bus stops according to published timetables in 2025/26, up from 70% in 2024/25. • While this measure remains an important indicator of service reliability, management will consider whether additional or alternative measures could better reflect customer experience in an environment where passengers increasingly rely on real-time travel information. • This measure will be reviewed as part of the next long term plan process.
6.5 - Percentage of customers who are 'satisfied' or better with the bus transport service	83%	**Achieved**	• The 2025 bus service customer satisfaction survey report shows that 95% of respondents were satisfied with our bus services, a 2% increase compared to last year's result. • A total of 1,000 bus passengers were surveyed across all public bus routes in the region, with participants selected proportionally to patronage levels on each service. The overall satisfaction score is calculated by aggregating a range of responses in relation to the bus transport service. 926 responses were included in the final results as some of the responses were incomplete.

Regional transport connections			
Performance measure	**Target**	**Actual**	**Commentary**
6.6 - Year-on-year passenger rail patronage growth[2]	2% patronage growth compared to the previous 12 months	**Achieved**	• Rail patronage reached to 77,175 (a 6.4% increase), up from 72,590 in the previous financial year.
6.7 - Percentage of customers who are 'satisfied' or better with our passenger rail services	92%	**Achieved**	• Te Huia achieved a customer satisfaction score of 97%, exceeding the target by 5%. • Out of a total sample population of 500 survey respondents, 474 were included in the validated sample frame. Within this frame, 459 participants were satisfied with our Te Huia service.

Note

[1]This measure was stated as bus stop arrivals in the previous 2021-2031 LTP and 2023/24 Annual Report. However performance has always been measured against bus stop departures, a correcton made through the 2024-2034 LTP and this Annual Report.

[2] 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**	**Actual**	**Commentary**
7.1 - Percentage of resource consents processed in accordance with the RMA timeframe discount regulations	≥ 95%	**Achieved**	• For the financial year 1 July 2025 to 30 June 2026, 99% of resource consent applications were processed in accordance with the RMA timeframe regulations. • This is determined by dividing the number of applications processed in accordance with the RMA timeframes (829 applications) by the total number of applications received (840 applications). • In addition to the 11 applications that did not meet the discount regulation requirements:

Resource Use			
Performance measure	**Target**	**Actual**	**Commentary**
			• One application was subject to the queued priority process (where applications to take water needed to be processed in priority order), so did not trigger the discount regulations • One application was issued prior to the expiry of the existing consents and, pursuant to section 7 of the discount regulations, no discount was required as the consent was issued prior to the expiry of the existing consent • Two applications were withdrawn as the rules for moorings in the *Proposed Waikato Regional Coastal Plan* now require a Mooring Licence under the *Maritime Transport Act 1994*, instead of a resource consent.
7.2 - Percentage of highest priority consented sites monitored each year	100%	**Achieved**	• 486 consented sites were identified as highest priority. • Compliance assessments were completed for 470 sites. Compliance assessments were deferred at 16 sites because they were non-operational at the time. • A further 336 lower priority sites were also monitored, making a total of 822 consented sites monitored.

Resource Use			
Performance measure	**Target**	**Actual**	**Commentary**
7.3 - Percentage of time the 24-hour, seven-day-a-week response service for reporting environmental incidents is available	100%	**Achieved**	• Response services have been available consistently throughout the year, with no disruption to online services. • Phone contact has also had minimal disruption, with total outage periods of 13 hours and 49 minutes for the year across four events. Each cause was different, varying from a brief power cut to system outages.
7.4 - Percentage of incidences of serious[1] non-compliance[2] with the environmental regulations that are actioned[3]	100%	**Achieved**	• During 2025/26, there were 46 instances of serious non-compliance were identified across 1012 sites. All 46 instances have been actioned in keeping with our enforcement policy. • This has resulted in either punitive action (infringement notices/formal warnings), directive action (abatement notices served or in effect), or suspects being subject to further formal investigation.
7.5 - Percentage of notifications, related to potential breaches of environmental regulation and assessed as requiring physical attendance, that are attended	100%	**Achieved**	• A total of 1796 notifications were received from the public relating to environmental incidents this year. 462 were assessed as requiring physical attendance and, of those, 460 were attended in 2025/26. The remaining two will be completed in 2026/27. • As this is an ongoing process, jobs are received right up to 30 June. This means it is not possible to physically attend all incidents within the same reporting year. Jobs received in the final weeks of 2025/26 will be attended in the first weeks of the new reporting year.
7.6 - Risk to boaties is appropriately mitigated within 12 hours of a known failure of a category one aid to navigation[4]	100%	**Achieved**	• We have had four Category 1 Aids to Navigation failures this year., occurring at Jack's Point - Coromandel Harbour, Southern Opito, Tairua Harbour Entrance (Starboard) and Kawhia.

Resource Use			
Performance measure	**Target**	**Actual**	**Commentary**
			• In each instance appropriate mitigation steps were completed within 12 Hours.
7.7 - A 24-hour, 365-day-per-year response service is maintained for serious maritime incidents[5]	100%	**Achieved**	• Response services have been available consistently throughout the year with no disruption to online services. • Phone contact has also had minimal disruption, with total outage periods of 13 hours and 49 minutes for the year across four events. • Each cause was different, varying from a brief power cut to system outages.
7.8 - Number of education programmes[6] evaluated for their effectiveness and updated as required	1	**Achieved**	• The education programme evaluated for effectiveness this year was the Waikato Enviroschools programme. • Evaluation showed it is performing at a very high level, with nine of the ten elements of the Enviroschools delivery rated as 'highly effective'. • In the three years since the last evaluation, the team has made substantial innovations that have extended Enviroschools' reach and increased engagement in the programme.
7.9 - Based on customer feedback, engagement activities undertaken in collaboration with partners and stakeholders meet their intended purpose[7]	80%	**Achieved**	• The number of events for 2025/26 was reduced due to the delays to freshwater farm plans and Plan Change 1. However, feedback from stakeholders shows that they appreciate our approach. • One event was held where we received formal feedback. • This was from an event with rural stakeholders in December, which had 100% of responders agreeing/strong agreeing that the event met its purpose.

Resource Use			
Performance measure	**Target**	**Actual**	**Commentary**
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%	**Not Achieved**	• Delays to Freshwater Farm Plan implementation and Plan Change 1 have impacted the timing of the supporting resources and systems required to meet this measure. • While progress has been made in developing catchment information, registration tools and guidance materials, these have not yet been fully implemented and tested with customers, limiting Council's ability to demonstrate achievement against the 80% target. • Early feedback from customers involved in developing these resources and systems has been positive, providing confidence in the approach as implementation progresses.

Note

[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.

[2] Non-compliance can come about from proactive consent monitoring, proactive permitted activity monitoring or reactively responding to incidents that are reported to council.

[3] Actions include: no further enforcement action, letter of direction, abatement notice, formal warning, infringement notice, prosecution.

[4] Considered to be of primary navigational significance including leading lights, outer channel markers, isolated danger marks and wreck marks.

[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.

[6] The programme includes Advancing Māori Medium, Enviroschools, Waste Minimisation, Youth and Secondary.

[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.

Science, Policy and Information			
Performance measure	**Target**	**Actual**	**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	**Achieved**	• River water quality data for the Taupo catchment was audited in 2025/26.

Science, Policy and Information			
Performance measure	**Target**	**Actual**	**Commentary**
			• The findings show no impact on monitoring changes in water quality from transferring the sampling function from WRC to Tuwharetoa Māori Trust Board.
8.2 - Percentage of time (during flood events) when data isn't available for more than 70 continuous minutes[1]	<2% of the time	**Achieved**	• Data was unavailable at one or more sites for more than 70 continuous minutes during flood events, only 1.3% of the time throughout 2025/26.
8.3 - State of Environment monitoring and reporting systems are reported on biannually to meet council requirements	Six monthly reports to the Environmental Performance Committee against the implementation plan	**Achieved**	• The State of Environment update was presented to Environmental Performance Committee on 11 March 2026. • Air quality and drinking water quality State of Environment summaries were presented to Environmental Performance Committee on 9 June 2026.
8.4 - Peer-reviewed environmental science is used to respond to emerging regional issues	Annual summary of science output and uptake/outcomes reported to council Completion of Water Security Management Plan Completion of Whangamarino / Waikare Options and Actions Report	**Achieved in part**	• The annual science impact report is drafted and will be reported to council at the next opportunity. • The Water Security Management Plan has been completed and approved. • Waikare-Whangamarino Action Plan completion has been delayed to the end of August to enable increased engagement within the catchment and to respond to sector groups.
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	**Achieved**	• A report summarising coastal and freshwater swimmability monitoring results during the recreational bathing season was presented and carried at the June 2026 meeting of the Environmental Performance Committee.

Science, Policy and Information			
Performance measure	**Target**	**Actual**	**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	**Achieved**	• Weekly 'swimmability' data was updated weekly throughout the recreational bathing season (1 November 2025 to 31 March 2026).
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 *Waikato Regional Policy Statement* is given effect to	>95% of formal submissions made within time >90% endorsed by elected members	**Achieved**	• Staff coordinated timely submissions throughout the year to ensure the council is actively engaging in national policy reforms and district plan change processes to promote high-quality, well-informed national direction and to ensure the Waikato Regional Policy Statement is given effect to. • A summary report of all involvement in central government proposals and district plan changes is brought to every Strategy and Policy Committee meeting.
8.8 - Actively engage in Future Proof discussions and initiatives to ensure direction is in line with the *Waikato Regional Policy Statement* and national direction	>90% attendance at Future Proof technical meetings, with at least two accountability measures implemented that strengthen Future Proof outcomes	**Achieved**	• Staff have actively engaged and supported elected members in Future Proof discussions and initiatives, to ensure direction is in line with the Waikato Regional Policy Statement and national direction. • A particular challenge for Future Proof has been coordinating and responding to a significant number of Fast Track applications throughout the year.
8.9 - Facilitate a process for the development of a *Regional Spatial Strategy*	Strategic spatial focus report finalised for council endorsement	**Not achieved**	• Further work has been paused until the Planning Bill and Natural Environment Bill provide clearer direction. The select committee is due to report back at end July 2026 on these Bills. • The lack of detail prevents staff from preparing a meaningful specific strategic spatial focus report for council at this time. • Throughout this year, staff have been focusing on information gaps, options for governance and stakeholders for a regional plan. Staff have regularly coordinated with other regions,

Science, Policy and Information			
Performance measure	**Target**	**Actual**	**Commentary**
			sector groups, and the Ministry for the Environment to share work to date and prepare for regional spatial planning.
8.10 - Policy programme is delivered as per the planning schedule	Decisions on Submissions on Proposed Regional Coastal Plan notified Regional Plan reviews progressed in accordance with project plans	**Achieved in part**	• Work on the Proposed Regional Coastal Plan appeals has progressed well. A memorandum on how Waikato Regional Council will address the appeals was lodged with the Environment Court in February. Mediations commenced in late May and will continue until October 2026. • The Freshwater Policy review is paused, and staff are preparing to transition to the new resource management planning framework. • The third Interim decision on Proposed Waikato Regional Plan Change 1 – Waikato and Waipā River Catchments was received in early June. Staff and legal counsel are responding to the final suite of 20 directions in the decision.
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	**Not achieved**	• Originally this project was set for completion at the ed of 2025/26, however has been rescoped to accommodate the scale and complexity of the required work. • While the project remains on track as per the adjustment project management plan, the target to complete the review in 2025/26 has not been met. • A set of principles was agreed by Council in June 2026 to inform design of a new funding model during 2026/27. This will enable consideration of outcomes through the 2027-2037 LTP.

Science, Policy and Information			
Performance measure	**Target**	**Actual**	**Commentary**
8.12 - Percentage of data and metadata that has quality controls[3] in place	>90%	**Achieved**	• This performance measure was consistently met this financial year, with an annual average of 92% of all spatial data passing the metadata quality controls. • 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	**Achieved**	• Multiple new and enhanced LiDAR-derived layers have been delivered that support key organisational and community outcomes, including:
			  • a major update to the Coastal Inundation Tool
			  • completion of an updated and improved hydro-corrected digital elevations model.
			• Additional derivative outputs have been produced including:
			  • slope classification layers
			  • a fish passage barrier layer that's now operational for staff.
			• These datasets are delivering tangible value across planning and environmental management functions.

Note

[1] 70 minutes is considered the maximum time we would like flood managers to be without data before making decisions.

[2] A summary of our actual reported swimmability results and the basis for these will be included in our future annual reports.

[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.

6.4 DRAFT FINANCIAL PERFORMANCE TO 30 JUNE 2026 AND REQUESTS FOR BUDGET CARRY OVER

Rā | Date:	**7 August 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 present the Council's draft financial performance results for the year ended 30 June 2026 to the Committee, along with requests to carry budget forward from 2025/26 to 2026/27 to allow planned works to be completed.

KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

2. Staff have prepared the draft financial statements for the year ended 30 June 2026, noting that the results presented are still subject to change as final year end processes, including audit, are completed.
3. Council's headline financial performance results have been impacted by the favourable performance of the investment fund, with returns for the year being $9.481 million favourable to the third quarter forecast.
4. After adjusting for this surplus return, Council achieved an operating surplus of $9.014 million for the year, compared with a forecast deficit of $487,000. After allowing for reserve transfers, the increase in retained earnings (general ratepayer funded) is $1.971 million - $1.590 million favourable to the March 2026 forecast, and $3.701 million favourable to the 2025/26 Annual Plan budgeted deficit of $1.73 million.
5. Staff have identified requests for the carry-over of budgets to the 2026/27 financial year. These budget carry overs allow planned works to be completed. All carry over requests can be accommodated within the surplus achieved in the current year.
6. After taking account of proposed operating expenditure carry over requests of $6.148 million, an unallocated operating surplus of $2.717 million remains available for the Council to consider.
7. Following Council's decision through the 2026/27 Annual Plan to return $2.549 million of the prior year surplus to rate payers, unallocated surplus funds from previous financial years totalling $24,000 remain available for the Council to allocate.

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

1. That the report *Draft Financial Performance To 30 June 2026 and Requests for Budget Carry Over* (Finance and Performance Committee, 19 August 2026) be received.

2. That the Committee recommends to Council the approval of budget carry over and adjustment requests of:
   (i) $6.148 million carry over of operating expenditure
   (ii) $5.288 million of budget adjustments for reserve-funded activities
   (iii) $4.500 million of operating capital expenditure carry overs
   (iv) $1.406 million of infrastructure capital expenditure carry overs
3. That the Committee recommends to Council the approval of $50,000 from the 2025/26 operating surplus to undertake a review of emergency management responsibilities and resourcing requirements as an input into the 2027 – 2037 Long Term Plan considerations.

HOROPAKI | BACKGROUND

8. The Financial Performance Monitoring Report shows the draft financial results against the revised budget for the year. It should be noted that these results are not final and remain subject to change as final reviews and audit are completed.
9. Council's headline financial performance results have been impacted by the favourable performance of the investment fund, with returns for the year being $9.481 million favourable to the third quarter forecast.
10. After adjusting for this surplus return, Council achieved an operating surplus of $9.014 million for the year, compared to a forecast deficit of $487,000.
11. After allowing for reserve transfers, the increase in Retained Earnings (being general ratepayer funded) is $1.971 million - $1.590 million favourable to the third quarter forecast. Analysis of the reasons for this result is included in the Financial Performance Monitoring report attached. As staff work to finalise the financial statements and the audit process is completed, there may be changes to this position.
12. At 30 June 2026, revenue was $2.730 million favourable to the third quarter forecast. The key contributors include:
   (a) Additional Ministry of Business, Innovation and Employment grants of $2.1 million were received during the year that had not been included in the forecast.
   (b) Fees and charges exceeded forecast, reflecting cost recovery associated with consents processed for the year and the recovery of project-related costs. Key contributors were:
      (i) higher regulatory income related to consent processing charges ($128,000)
      (ii) higher consent holder charges for information gathering and monitoring activities ($186,000)
      (iii) Transport cost recoveries from Waikato District Council towards the cost of the Matangi service ($263,000) and partners towards Waikato Regional Transport Model (WRTM) project cost ($131,600), noting that these cover additional costs not forecast.
   (c) Other income is favourable by $490,000 due to:

(i) Higher bus and rail fare revenue ($796,000) driven by growth in patronage in response to increased fuel prices as well as additional cost recovery with respect the Transport Centre and bus back advertising commission ($248,000)

(ii) Rates penalty income is $779,000 favourable to the third quarter forecast

These favourable variances were offset by:

(iii) Iwi Māori Partnerships - $196,000 unfavourable due to limited activity requiring the release of funds received and held to support treaty settlement processes, offset by reduced expenditure

(iv) The Waikato Wellbeing project funding was $102,000 unfavourable following completion of the project prior to the end of the financial year (with reduced expenditure). This work has now been transitioned to a new Trust

(v) Flood protection and control works were unfavourable by $741,000 due in most part to Tranche 2 funding from Kanoa included in the third quarter forecast not being approved for payment this year

13. The total cost of service is favourable by $6.771 million. Key contributors to this variance are:

(a) Overall contracted services expenditure was $6.441 million favourable to forecast, while consultancy fees are underspent by $435,000. An overview of these variances is provided in the Financial Performance Monitoring report.

(b) Overall staff salary costs across the organisation were $497,000 favourable to forecast (<1 per cent favourable).

(c) Infrastructure depreciation for the year is $9.939 million against a third quarter forecast of $8.117 million, following the completion of the three-yearly revaluation of these assets.

(d) Conversely, depreciation on operating assets is $4.051 million against a third quarter forecast of $5.390 million. The budget provisions for depreciation expense were reviewed through the 2026/27 Annual Plan when these variances were first identified in this year's financial results.

(e) An increase in the provision for doubtful debts ($660,000) and unrealised losses on revaluation ($663,000) were not forecast in the third quarter due to the level of uncertainty associated with these accounting estimates.

14. Total capital expenditure for the year ($18.661 million) is under the full year forecast of $26.187 million. The key variances relate to:

(a) Operating capital expenditure ($3.547 million favourable to forecast), with $4.658 million requested as a carry over to 2026/27. The key drivers include:

(i) Property ($626,000) and fleet ($461,000) related spending delays, including completion of the new Whitianga depot

(ii) Delays in the European Train Control System ($910,000) and WRTM ($178,000) projects

(iii) Information Technology hardware underspend ($165,000)

(iv) Monitoring equipment underspends, including Corbicula equipment related to check clean dry procedures ($385,000) and estuarine tide monitoring ($185,000)

(b) Total infrastructure capital expenditure of $13.620 million is $3.737 million below the revised third quarter forecast, and $5.342 million below the Annual Plan. This is largely due to the release of project contingencies as well as some project delays that are expected to be delivered in 2026/27 (with carryover requests), including:

(i) Lower Waikato Stopbank Project – $1.0 million of works was delayed due to weather and supplier capacity constraints. This work has been rephased into 2026/27 and is contracted ready for delivery in the new construction season. This work will be accommodated within the 2026/27 budget with no carryover required.

(ii) Waihou - generators have been procured but will not be delivered until December 2026. $800,000 is requested to be carried over to 2026/27.

(iii) Piako – delays with a number of land purchases have resulted in costs of $483,000 being deferred with a carryover request to support.

(iv) A further carryover of $123,000 is requested to support work in the Lower Waikato that is contracted but has not been delivered in 2025/26.

CONTRACTED SERVICES / CONSULTANCY ANALYSIS

15. The Committee has requested an overview of the Contracted Services and Consultancy expenditure incurred by the Council over the 2025/26 financial year. The tables below summarise this expenditure by Group of Activities, with a detailed schedule provided as an Attachment to this report.

Contracted Services			Vendor Spend >$50,000	
GOA	**Total Spend ($000)**		**No. of Vendors**	**Value ($000)**
Community and Services	925		2	439
Council Controlled Organisations	163		1	163
Flood Protection & Control Works	9,034		45	7,414
Integrated Catchment Management	13,780		51	8,763
Regional Hazards and Emergency Response	492		2	287
Regional Transport Connections	51,078		25	50,088
Resource Use	4,235		20	2,699
Science, Policy and Information	7,160		36	5,695
Waikato Civil Defence Emergency Management Group	91		-	-
Corporate & Management	8,862		37	7,341
Grand Total	**95,822**			**82,889**

Consultancy			Vendor Spend >$50,000	
GOA	**Total Spend ($000)**		**No. of Vendors**	**Value ($000)**
Flood Protection & Control Works	36		-	-
Integrated Catchment Management	32		-	-
Regional Hazards and Emergency Response	8		-	-
Regional Transport Connections	129		-	-
Resource Use	10		-	-
Coporate & Management	163		1	91
Grand Total	**378**		**1**	**91**

RESERVE BALANCE SUMMARY

16. A summary of the closing reserve balances held based on the draft financial results is provided below. As the financial statements are still subject to final review and external

audit, the balances presented should be regarded as preliminary and may change before the audited financial statements are finalised.

17. When considering this information, the following points should be noted:

    (a) Operating reserves reflect the differences between budgeted and actual revenue and expenses. This approach is generally utilised in two different ways by Council:

        (i) To manage the collection and application of targeted rates for the specific purposes for which they were raised.

        (ii) To smooth the financial impact of activities that have uneven expenditure patterns over time, such as elections, statutory planning processes and other significant periodic activities.

    (b) Capital reserves are utilised to track the “cash” difference between capital expenditure and capital funding sources (being depreciation and loan repayments). A deficit balance within a capital reserve is not necessarily a concern, as it can reflect the timing differences between capital expenditure and the funding sources used to finance that expenditure. In many cases, these balances are supported through Council's borrowing programme. Capital reserve balances will generally be offset / funded by Council’s borrowing programme

18. In addition to the reserve balances, staff have provided information on where reserve funds have already been committed through planning / budgeting processes over the next three years.

19. Closing balances as at 30 June 2026 include funds that are expected to be spent in 2026/27 – reflected through requests to carry funds over. These requested carry overs are reflected in the projected reserve movements for 2026/27.

20. Targeted rate reserves attract either interest income or expense based on their balance. Where reserves are in funds, interest income is allocated to these reserves, while where these are in deficit, an interest charge will be allocated.

Reserve	Purpose	Operating Reserve	Capital Reserve	Total Reserve Funds held at 30 June 2026	Projected Reserve Movement	Forecast Reserve Balance held at 30 June 2027
					2026/27 (Annual Plan, CO & FC)	
		$'000	$'000	$'000	$'000	$'000
Motor vehicle and plant	To recognise the difference between actual and budgeted expenditure. Reserve funds may be applied to the funding of vehicle and plant capital expenditure.	1,445	-	1,445	82	1,527
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.	826	(20,162)	(19,335)	120	(19,215)
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.	2,251	3	2,254	-	2,254
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.	932	199	1,131	-	1,131
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.	3,334	(1,036)	2,298	-	2,298
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.	3,547	1,119	4,666	-	4,666
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.	1,772	2,360	4,132	(257)	3,874
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.	1,051	(568)	483	0	483
Regional disaster recovery	To provide funding to respond to natural disaster events, including the funding of insurance excesses.	3,007	-	3,007	154	3,161
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	199	3,954
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.	(689)	-	(689)	(464)	(1,153)
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.	(9,462)	(10,722)	(20,184)	(79)	(20,263)
LW Flood Community Works		(66)	-	(66)	-	(66)

Reserve	Purpose	Operating Reserve	Capital Reserve	Total Reserve Funds held at 30 June 2026	Projected Reserve Movement	Forecast Reserve Balance held at 30 June 2027
					2026/27 (Annual Plan, CO & FC)	
		$'000	$'000	$'000	$'000	$'000
Wharekawa Coast (Kaiaua)		(68)	-	(68)	-	(68)
General	To smooth the costs of the triennial elections over the three-year term of the council.	226	-	226	184	410
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.	1,744	-	1,744	8	1,752
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.	4,251	-	4,251	(1,670)	2,582
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.	209	-	209	(8)	201
Building Act contingency	A legal contingency fund in relation to council's responsibilities under the Building Act 2004. Waikato Regional Council acts as the consenting authority on behalf of a number of other local authorities.	78	-	78	-	78
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.	2,406	-	2,406	(800)	1,606
Complaints and enforcement	To smooth the costs associated with large enforcement cases, as these occur in an ad hoc manner	72	-	72	-	72
Contaminated Land Investigation	To provide funding to respond to approved contaminated land investigations.	400	-	400	-	400
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.	(28)	-	(28)	-	(28)
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.	7,357	-	7,357	(2,508)	4,849
Inter-regional Rail	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.	505	-	505	-	505
Total Mobility	To recognise the difference between actual and budgeted total mobility expenditure.	319	-	319	-	319
Community Transport	To recognise the difference between actual and budgeted community transport expenditure.	(264)	-	(264)	-	(264)

Reserve	Purpose	Operating Reserve	Capital Reserve	Total Reserve Funds held at 30 June 2026	Projected Reserve Movement	Forecast Reserve Balance held at 30 June 2027
					2026/27 (Annual Plan, CO & FC)	
		$'000	$'000	$'000	$'000	$'000
Stock truck effluent	To allow the funding of this activity to be smoothed across financial years.	1,116	-	1,116	-	1,116
Regional development fund	To recognise the provision for the Regional Development Fund and implementation of the Regional Development Fund Policy. Also to recognise that application of the fund will not occur in a uniform manner.	5,149	-	5,149	(1,672)	3,477
Investment fund capital protection	To recognise the provision for the investment fund inflation-proofing.	34,966	-	34,966	2,721	37,687
Investment fund equalisation	To provide a smoothing of the impact of variable investment fund returns over time. The investment equalisation reserve tracks the difference between the budgeted fund return and the actual fund return each year	8,154	-	8,154	1,566	9,719
Population Growth Reserve		1,087	-	1,087	1,570	2,657
Derivative Financial Instrument	To recognise the fluctuations in the value of derivative financial instruments. As financial instruments are held to maturity, movements in the value of the instruments at 30 June 2021 are not realised.	268	-	268	-	268
Operational fixed asset depreciation	To recognise the difference between budgeted and actual operational fixed asset depreciation. To ensure that depreciation funding is not applied to general council expenditure.	747	-	747	-	747
Integrated Regional Information System (IRIS)	To allow funding for the IRIS project to be smoothed over the development period. The reserve is expected to be fully expended once the project is completed.	348	-	348	-	348
Resilient Development		20	-	20	-	20
Prior Year Surplus	A council- owned reserve for the management of operating surplus funds and their use across financial years.	4,999	-	4,999	(4,389)	610
Research & Development		250	-	250	250	500
Communications network	To recognise the difference between actual and budgeted expenditure. Reserve funds may be applied to the funding of communications network capital expenditure.	280	-	280	-	280

REQUESTS FOR THE CARRY OVER OF UNSPENT FUNDS

21. At the end of each financial year, staff consider the status of work planned but not yet delivered. The status of this work will be contributing to Council's overall financial performance results for the year, and so consideration is given to whether funding is required to be carried over to the next financial year to allow this work to be completed.

22. Each carry over requested by staff is considered against the following criteria:

    (a) It must relate to work budgeted for in the 2025/26 year, but not completed - there should be a contract and / or purchase order for the work

    (b) There must be available budget to carry over

    (c) It is not already budgeted for in the 2026/27 year

    (d) The additional workload is achievable in the 2026/27 year, considering the work already included in the 2026/27 Annual Plan

23. Based on the draft financial performance results to 30 June 2026, $8.865 million of operating funds is available to be considered for carry over:

	Actual ($000)	Annual Plan ($000)	Variance ($000)
Net Operating Position	18,495	232	18,263
Transfer (to)/from reserves	(16,523)	(1,962)	(14,561)
Increase / (decrease) in retained earnings	**1,971**	**(1,730)**	**3,701**
Funded by:			
Carry over of funding from 2024/25 to 2025/26			4,922
Add back non cash items			
- Impairment of investment in IRIS			241
Funds available			8,865
Carry over requests			6,148
Funds Remaining			2,717
Unallocated surplus funds from previous financial years			24
Total unallocated funds remaining			2,741

24. $6.148 million of operating expenditure carry overs have been requested – meaning there is sufficient funding available from the operating surplus achieved in 2025/26 to fund the proposed operating expenditure carry-overs. If approved, an unallocated operating surplus of $2.702 million will remain available for Council consideration. In addition to this, Council retains unallocated surplus funds from previous financial years of $24,000 following the decision through the 2026/27 Annual Plan process to release $2.549 million of the prior year surplus, making total funds available $2.726 million.

25. In considering these surplus funds, staff note the potential for unanticipated costs associated with legislative and structural reform. The Committee may wish to consider a recommendation to Council to retain these funds to be able to respond to these matters.

26. In addition to these operating expenditure carry overs, capital expenditure carry overs of $5.906 million have also been requested.

27. In total, staff have requested total carry-overs of $17.342 million across operating and capital expenditure budgets.

28. An overview by Group of Activity is provided in the table below.

29. Carry overs are considered along with the funding source that is required to support them:

  (a) Those funded by operating revenue utilise retained earning variances achieved at the end of the year.

  (b) Reserve funded carry overs are those that relate to targeted rate-funded activities.

  (c) Operating expenditure carry overs funded by borrowing may be in relation to projects that have previously been approved by Council to be funded in this way to spread costs over time. For this year, carry over requests in this class relate specifically to the IRIS NextGen programme, and the conclusion of the Infor Consolidation project.

Request to carry over to 2026/27	Operational expenditure carry overs requested	Funded by			Capital expenditure carry overs requested	Total carry overs requested
Group of activity		Operating revenue	Reserves	Borrowing		
Customer, community and services	1,494,442	185,000	1,309,442	-	-	1,494,442
Waikato Civil Defence Emergency Management	-	-	-	-	-	-
Regional hazards and emergency response	60,470	60,470	-	-	-	60,470
Flood protection and control works	171,261	-	171,261	-	2,122,510	2,293,771
Integrated catchment management	1,162,710	67,863	1,094,847	-	247,160	1,409,870
Regional transport connections	2,043,124	104,703	1,938,421	-	145,163	2,188,287
Resource use	3,430,333	161,706	-	3,268,627	17,900	3,448,233
Science, policy and information	2,150,064	1,436,255	713,809	-	1,883,335	4,033,398
Corporate and management	923,411	740,249	60,386	122,776	1,490,167	2,413,578
TOTAL	**11,435,815**	**2,756,246**	**5,288,166**	**3,391,403**	**5,906,234**	**17,342,049**

30. Operating revenue funded budget adjustments totalling $2.756 million have been requested, noting the following requests:

  (a) $484,000 for the Peatlands programme to fulfil tasks up to Milestone 5

  (b) $199,000 for committed purchase orders related to external Iwi capacity and support

  (c) $315,000 (saved following the pause in the freshwater plan review project due to resource management law reform), to be used for the initial stages of the Natural Environment Plan project as required by new legislation.

  (d) $340,000 for Information Services to address OpenText project delays ($200,000) and the Emerging Technology project ($140,000)

  (e) $258,000 related to various Transport projects, including Regional Public Transport Plan, Road Safety strategy and Metro Spatial plan

  (f) $120,000 for the new Learning and Development programme establishment and pilot

  (g) $60,000 to cover the legal and consultancy costs associated with Resource Management Act appeals currently in progress

  (h) $68,000 to complete the review of the remaining Taupo Nitrogen Discharge consents

  (i) $587,000 to cover several Science Policy and Information activities, including:

    (i) Peatlands lidar monitoring ($119,000)

    (ii) Regional Spatial Plan ($100,000)

    (iii) Water Security Plan implementation ($50,000)

(iv) Regional Coastal Plan ongoing Appeals process ($75,000)

(v) SIDF framework revision ($60,000)

(vi) Soil mapping ($70,000)

31. Reserve-related budget adjustments of $5.288 million have also been requested. These adjustments reflect the timing of expenditure and ensure reserve-funded activities remain aligned with their intended purpose and available funding.

(a) $1.785 million related to Passenger Transport operations, covering

(i) National Ticketing System delays ($972,000)

(ii) Bus contractor indexation costs ($551,000)

(iii) Fare price increase project delayed to September 2026 ($150,000)

(iv) Bus contract tender project ($109,000)

(b) $1.25 million following delay in progressing the funding deed for Te Ariki Tahi Sugarloaf wharf

(c) $919,000 to complete possum control in several sectors, with limited work undertaken in 2025/26 due to re-tendering, the decision to phase delivery in Waikite Valley/Paeroa Range and North Taupo and delays to completion due to contractors failing to meet performance targets.

(d) $176,000 for biosecurity activities not completed in 2025/26

(i) Animal pests - goats ($60,000) – contractor efforts were diverted into Department of Conservation operations in Southern Coromandel

(ii) Wilding Conifer ($96,000) - programme delays as new contractors were vetted and significant storm related impacts.

(iii) Kauri Protection ($20,000) – work not completed due to the seasonal nature of the support provided.

(e) $414,000 related to regional spatial plan development

(f) $141,000 to complete the Whangamarino Action Plan and development of the Implementation Plan

(g) $159,000 following rephasing of the project to review Flood Management and Drainage Services funding (with funding provided through the prior year surplus reserve)

32. In addition to the operating expenditure carry overs, capital expenditure carry overs of $5.906 million are also requested. These are split between:

(a) Operating capital - $4.5 million for:

(i) Vessel construction milestone four payment of $716,000

(ii) Corbicula internal Check Clean Dry compliance requirements ($227,000)

(iii) Fleet replacement purchases ($584,000)

(iv) Property related costs, including completion of the Whitianga depot ($682,000)

(v) Replacement data storage hardware ($200,000)

(vi) Waikato Regional Transport Model project costs ($145,000)

(vii) LiDAR data ($822,000), satellite imagery ($200,000) and aerial photography ($137,000)

(viii) Environmental monitoring equipment including water flow and sensor (partly Kanoa funded), air quality, biodiversity and estuarine tide monitoring ($615,000)

(b) Infrastructure capital of $1.406 million for:

(i) Delivery delays of generators for Waihou ($800,000)

(ii) Land purchase delays in Piako ($483,000)

(iii) Lower Waikato asset renewals ($123,000)

Emergency management responsibilities and resourcing review

33. Council has a range of emergency management responsibilities, including flood management, marine oil spills, and support to Waikato CDEM Group responses. Recent weather events have placed pressure on existing response arrangements, and as a consequence ELT has recently committed to providing the Regional Flood Response Team with increased organisational-wide support for stand-by and response roles. Alongside this, Council has also been asked to consider whether the development of the 2027-37 LTP should provide further support to the Emergency Management Office and Regional Resilience Team to overcome the pressure that increasingly frequent responses are having on business-as-usual functions across the Community Resilience and Emergency Response activities.

34. Following the early consideration of this request, ELT has recommended that an independent review of Council's emergency management responsibilities and resourcing be undertaken, including a comparison with other Councils that deliver a similar service. ELT have also recommended that the funding for this review, currently estimated at $50,000 based on a confirmed offer of service, be requested from Council's 2025/26 operating surplus that is presented in this report. It is therefore proposed that this funding be included in the funds that are approved to carry forward to the 2026/27 financial year.

TE AROMATAWAI I TE HIRANGA | ASSESSMENT OF SIGNIFICANCE

35. 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

36. The preferred option is for the Committee to recommend the proposed carry overs to Council for approval. This allows work planned for 2025/26 that staff have been unable to complete to be finished.

NGĀ WHAIWHAKAARO KAUPAPAHERE | POLICY CONSIDERATIONS

37. 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

38. The draft financial statements indicate that Council has delivered a favourable financial outcome for the year ended 30 June 2026. These preliminary results indicate a favourable result for the year of $1.971 million compared to the third quarter forecast surplus of $381,000. While the results remain subject to final review and audit, the preliminary position reflects a favourable operating result, with revenues exceeding budget and expenditure being managed within approved funding levels.

39. Against this result, staff have requested carry-overs totalling $17.342 million to support the completion of planned projects and programmes in 2026/27.

    (a) $6.148 million carry over of operating expenditure

    (b) $5.288 million of budget adjustments for reserve-funded activities

    (c) $4.500 million of operating capital expenditure carry overs

    (d) $1.406 million of infrastructure capital expenditure carry overs

40. All proposed carry overs request can be accommodated through the funds that remain available, while still maintaining an unallocated operating surplus for Council's consideration.

ĀPITIHANGA | ATTACHMENTS

1. **Financial Performance and Monitoring Report to 30 June 2026** ⇩
2. **Contracted Services Analysis by GOA / Vendor** ⇩

Waikato Regional Council
Performance Monitoring Report
For the period ended: 30 June 2026

COUNCIL PERFORMANCE AT A GLANCE

For the period ended: 30 June 2026

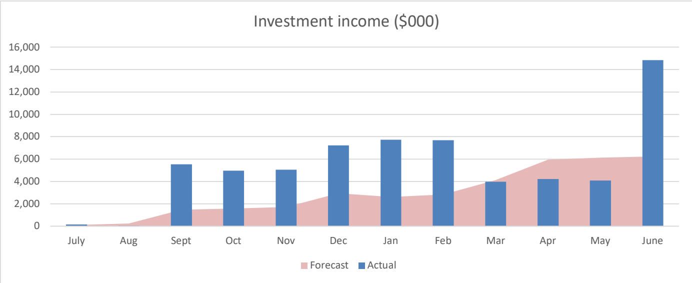
FINANCIAL OVERVIEW ($000)

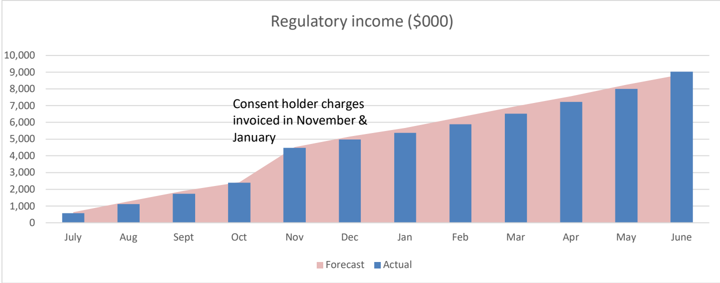
	FY actual	FY forecast	Tracking	Trend	Comment
Operating revenue	235,914	223,703	105%	↑	
Operating expenditure	217,419	224,190	97%	↑	
Net operating surplus / (deficit)	18,495	(487)	-3795%	↑	
Capital expenditure v YTD estimate	18,661	25,945	72%	↓	Operational capital expenditure: $3.547 below budget as a result of delays to planned spending in a number of areas, with the majority being proposed as a carry over into 2026/27 Infrastructure capital expenditure: $3.737 million below budget driven by Lower Waikato and Waihou / Piako underspends

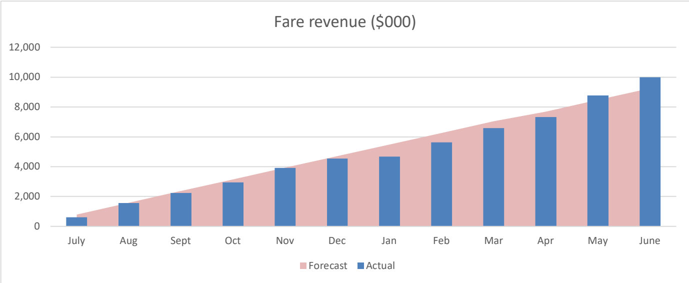
Trend	
↑	Improving trend in performance since the last reporting period.
↓	Declining trend in performance since the last reporting period.
→	No change in performance since the last reporting period

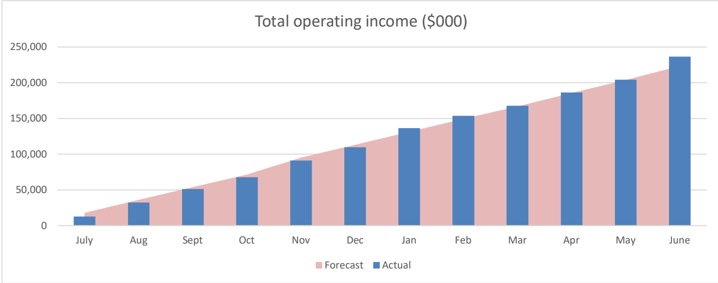
KEY FINANCIAL INDICATORS

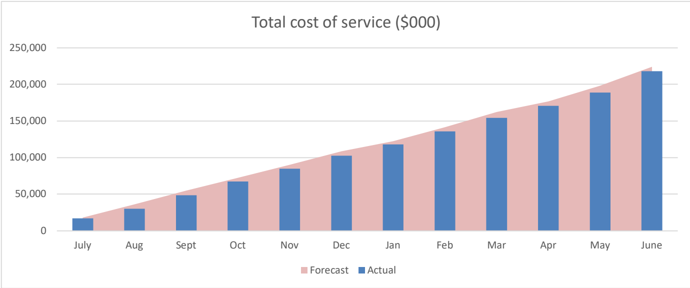
	FY actual	FY forecast	Tracking	Trend	Summary variance explanations
Investment and Interest income (excluding inflation proofing)	14,840	6,232	238%	↑	The last quarter delivered a strong turnaround for global investors. The portfolio ended the year with a value of $122.5 million, well above the inflation and population adjusted value.
Regulatory income	9,023	8,869	102%	↑	• Overall Regulatory Income above forecast by $154,000. • Consent application fees are above forecast by $125,000. • Consent Monitoring is below forecast by $27,000. • Annual consent administration charges are above forecast by $56,000.
Resourcing budget (combined salaries, contracted services and consultancy fees)	130,416	137,353	95%	↑	• Contracted Services spend represents 91% of the full year forecast, an underspend of $6.005 million • Consultancy Fees have reached just 50% of the full year forecast, underspent by $435,000 • Staff costs are $497,000 lower than the full year forecast of $71.462 million
Public Transport Fare revenue	9,998	9,252	108%	↑	Total fare revenue is higher than the full year forecast as both bus and rail fare saw a significant growth in patronage in the last quarter due to increased fuel prices.
Current year rates collection	96.0%	June 2025: 96.8%	99%	↓	Current year rates collection is tracking marginally behind last year.

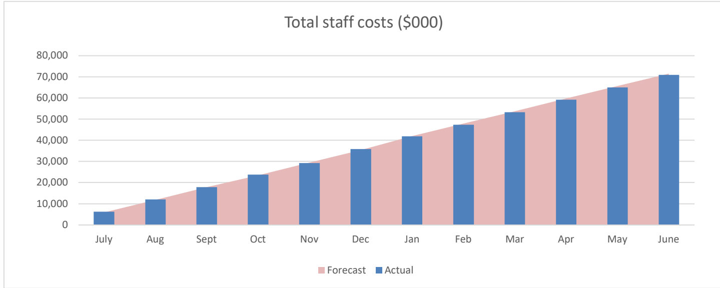

Investment income ($000)
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
July Aug Sept Oct Nov Dec Jan Feb Mar Apr May June
Forecast Actual

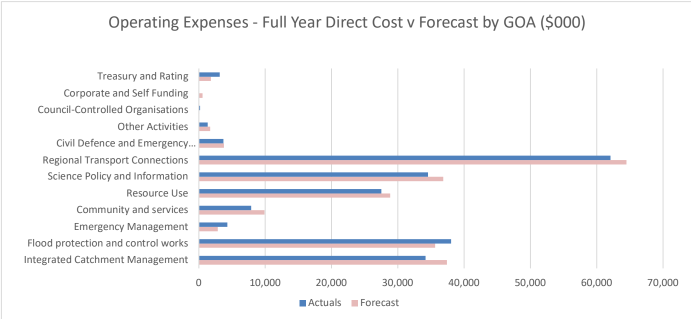

Regulatory income ($000)
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
Consent holder charges invoiced in November & January
July Aug Sept Oct Nov Dec Jan Feb Mar Apr May June
Forecast Actual

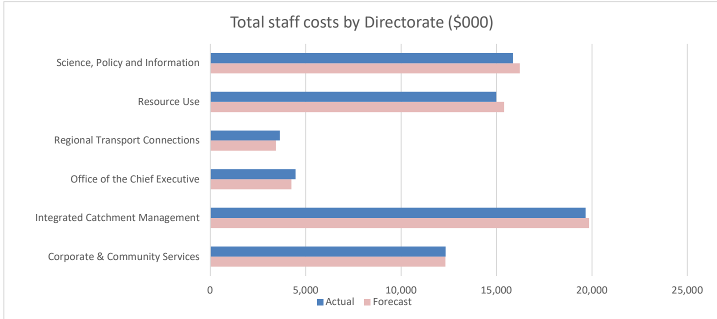

Fare revenue ($000)
12,000
10,000
8,000
6,000
4,000
2,000
0
July Aug Sept Oct Nov Dec Jan Feb Mar Apr May June
Forecast Actual

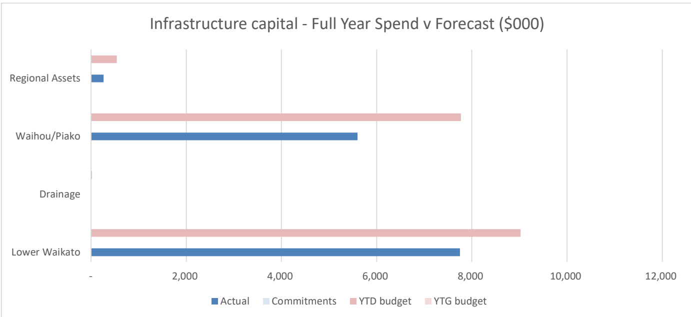

Total operating income ($000)
250,000
200,000
150,000
100,000
50,000
0
July Aug Sept Oct Nov Dec Jan Feb Mar Apr May June
Forecast Actual











Infrastructure Capital

Infrastructure capital expenditure totalled $13.620 million, $3.737 million below the full-year forecast of $17.357 million. Of this variance, $1.606 million is proposed to be carried forward into 2026/27 to support project delivery.

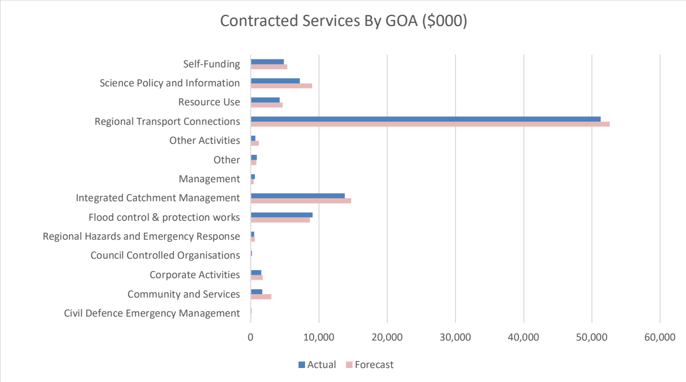
Key contributors include:
- Lower Waikato – $1.0 million below forecast due to project delays, with expenditure rephased into 2026/27.
- Waihou generators – delivery delays have resulted in $800,000 being carried forward into 2026/27.
- Piako – land acquisition processes have taken longer than anticipated, resulting in a carry-forward request of $483,000.

Operational Capital

Operational capital expenditure was $3.546 million below budget, with the majority of the variance relating to projects continuing into 2026/27.

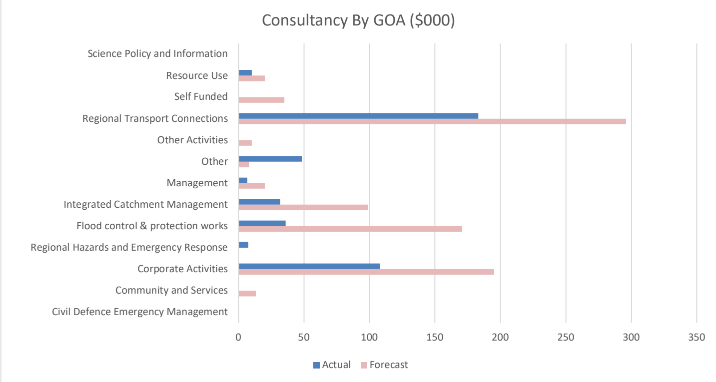
Key contributors include:
- Property programme – $626,000 below budget.
- European Train Control System (ETCS) – $910,000 below budget.
- Waikato Regional Transport Model (WRTM) – $178,000 below budget.
- Golden Clam response equipment – $385,000 below budget.

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 $1,355,000
The favourable result reflects a combination of deferred project expenditure and lower-than-budgeted public transport operating costs. Key drivers include:
• Rail expenditure had an favourable variance of $345,000 which is covered by the higher fare revenue and additional Crown funding allocation by NZTA towards fuel crisis.
• Transport Strategy and Delivery had a favourable variance of $245,000, of which $493,000 is overspent primarily due to a bulk supplier invoice related to the WRTM project, which is funded by project partners. The WRC contribution remains within budget. $245,000 underspent in Metro Spatial plan and Transport planning work is requested to be carried forward.
•Total Mobility had a favourable variance of $349,000, which is largely offset by additional government grant funding and the remaining covered by the reserve drawdown as forecasted.
• PT Operations had a favourable variance of $2,167,000. Indexation cost are $551,000 below the budget based on the latest interim indices, this is subject to change with Q4 indexation tables. $110,000 towards contract renewal unspent will be carried forward to the following year as the work is being delayed. The National Ticketing Programme is underspent by $972,000 due to delays in go-live. $150,000 related to the delay in price increase program. Total of $1,785,000 funding is expected to be carried forward into the next financial year. $380,000 underspent re transport facilities maintenance which will be looked at reducing the budgets in next planning cycle.
Resource Use - favourable by $444,000
The favourable variance primarily reflects delays in programme delivery and project timing. Key drivers include:
• IRIS NextGen is underspent by $401,000 due to ongoing delays in the programme.
• Regional Consent Processing is overspent by $167,000 in Billable Contracted Services, however, this has been on charged to customers, but below budget by $88,000 in Contracted Services (non-billable) due to delays in the Overseer Project.
• Maritime Services has a vapourable variance of $53,000 due to delays in three projects underway but not completed at year end (navigation aid maintenance for Coromandel Harbour, removing and disposing of derelict vessel Espasia and supply and install navigational aids at Opito Bay and Tairua).
• Primary Industry Engagement has a favourable variance due of $60,000 due to delays in Plan Change 1.

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 50% of the year-to-date budget (full year budget of $867K), with a total favourable variance of $435,000 across the organisation.

RTC: A favourable variance of $112,000 (Q3: $136,000), primarily due to timing of expenditure for the bus contract renewal programme, which is delayed and will be carried forward to next financial year.

RUD: A favourable variance of $10,000. Consent processing appeals and dam safety were not needed (budget of $10,00 for each consent). However, $10,000 was spent on consultants in investigations for expert opinions on two separate prosecutions. This amount was more than covered by additional fines revenue received this year.

Flood Protection: A favourable variance of $135,000. This includes Flood Protection of $86,000, River Management of $22,000 and Land Drainage $27,000.

ICM: A favourable variance of $67,000, including Catchment $45,000 and Biodiversity $20,000.

Science, Policy and Information - favourable by $1,784,000
The favourable result largely reflects the timing of project delivery, changes in external policy direction, and several projects being delivered at lower cost than anticipated. Key drivers include:
• Environmental Science had a favourable variance of $904,000 across a number of cost centres notably Whangamarino/Waikare Restoration business case ($177,000) due to bringing landowner engagement inhouse; Peatlands Programme ($139,000) as a result of milestones not fully completed due to contractor capacity constraints; Soil and Land Risks and Priorities ($119,000) under budget mainly due to delays with the peat subsidence lidar monitoring caused by unsuitable ground conditions; Water Allocation Plan Imp ($164,000) due to planned expenditure across four contracts either being delayed or carried out in house; Water Security Plan ($103,000) caused by the cost of producing the plan being lower than anticipated; Mātauranga Māori project ($57,000) where there have been challenges with engagement which has effectively stalled the project and Coastal water quality ($55,000) due to delays with completion of work.
• Resource Management Policy had a favourable variance of $313,000 mainly in Freshwater Plan Review ($260,000) due to resource management law reform which has resulted in a pause in the project.
• Social and Economic Information had a favourable variance of $245,000 across a number of cost centres, notably Economic Information and advice ($87,000) due to government direction to pause plan changes; Citizen Research and Engagement ($63,000) due to resource management system reform; Freshwater Ecosystems services ($50,000) due to delays with Scion contract and Waikato Economy ($42,000) due to planned work being lower than anticipated.
• Strategic Policy Implementation had a favourable variance of $242,000 across a number of cost centres, notably Land and Water Portfolio ($92,000) due to projects not progressing this financial year; Regional Spatial Strategy ($60,000) due to legislation change; Regional Energy Strategy ($39,000) caused by the project being delivered with lower costs than forecast; Future Proof being behind planned spend ($21,000) and UNISA unspent budget of $20,000 due to no jointly commissioned research in 25/26.

Integrated Catchment Management - total favourable variance of $936,000
The favourable variance was primarily driven by Biosecurity activities, which were $920,000 below budget. Key drivers include:
• **Catchment Planning and Management** - A small variance of $40,000 overspend.
• **Biosecurity** – A total favourable variance of $920,000, primarily due to underspends in Regional Priority Possum ($290K - delays in program delivery due to contractors not meeting performance targets by 30 June), Animal Pest ($360K - delays in the delivering the Maraetai wash station for Freshwater Biosecurity and underspend in feral goat control due to DOC reprioritising effort in the Southern Coromandel), and Kauri ($270K - unbudgeted external kauri protection funding of $170k from MPI and landowners prioritising farm repair and recovery activities over kauri protection fencing projects and recruitment delays pending the outcome of the ICM review which impacted on operational delivery).
• **Biodiversity** – A favourable variance of $55,000 due to planned work not being completed before year-end.

Flood Control & Protection Works - total unfavourable variance of $ 364,000, however Materials has a favourable variance of $318,000. Key drivers include:
• River Management - An unfavourable variance of $968,000, Materials has a favourable variance of $147,000. The primary variances are from Coromandel ($433K), Waihou ($296k) and Waipa ($226K) due to weather events and associated clean-up works.
• Flood Protection - A favourable variance of $358,000, reflecting delay in project delivery compared with planned phasing, largely due to flood-response demands. This includes Lower Waikato ($202k) and other Flood area (159K).
• Drainage - A favourable variance of $245,000 due to less work able to be completed due to higher water levels during summer works season

SUMMARY COST OF SERVICE STATEMENT

	Actual	Full Year Forecast	Variance	Revised Budget	Annual Plan Budget
Revenue					
General rates	67,894	67,929	(36)	67,928	67,928
Targeted rates	84,648	84,657	(9)	84,658	84,656
Government grants	28,905	27,000	1,905	27,000	27,890
Fees and charges	14,478	13,916	561	13,917	14,351
Other income	20,556	19,845	711	19,847	18,401
Interest income	2,084	1,783	302	1,783	1,422
Derivative Revaluation	(704)	-	(704)	-	-
Investment Population Growth	1,087	-	1,087	-	-
Investment income	16,966	8,572	8,394	8,572	8,572
	235,914	**223,703**	**12,211**	**223,705**	**223,220**
Expenditure					
Community and services	7,907	9,896	1,989	9,899	8,425
Regional hazards and emergency response	4,283	2,845	(1,438)	2,846	2,812
Civil Defence and Emergency Management	3,706	3,780	75	3,780	4,453
Flood protection and control works	38,021	35,631	(2,390)	35,637	33,926
Integrated catchment management	34,180	37,401	3,221	37,405	37,724
Regional transport connections	62,045	64,463	2,418	64,457	64,620
Resource use	27,506	28,844	1,337	28,841	31,906
Science, policy and information	34,566	36,834	2,269	36,834	36,541
Other activities	1,320	1,687	367	1,687	1,687
CCOs	183	1	(182)	1	111
Treasury and rating	3,138	1,821	(1,317)	1,821	1,908
Corporate, management	565	988	423	988	(1,125)
	217,419	**224,190**	**6,771**	**224,196**	**222,988**
Net operating surplus / (deficit)	**18,495**	**(487)**	**18,982**	**(491)**	**232**
Transfer to / (from) reserves					
General reserves	557	(693)	(1,251)	(693)	(550)
Civil defence	141	169	28	169	-
Zone reserves	877	678	(200)	676	809
Natural heritage	637	474	(163)	474	-
Biosecurity	866	31	(835)	31	(668)
Regional transport connections	1,176	(3,067)	(4,243)	(3,067)	(2,002)
Prior year surplus	(2,724)	(3,325)	(601)	(3,325)	(2,051)
Regional development fund	(190)	(1,559)	(1,370)	(1,559)	-
Derivative Reserve	(704)	-	704	-	-
Asset revaluation reserve	-	-	-	-	
Investment equalisation and preservation	14,969	6,594	(8,375)	6,594	6,594
Investment Population Growth	1,087	-	(1,087)	-	-
Communications Network	(170)	(170)	(0)	(170)	(170)
	16,523	**(869)**	**(17,392)**	**(870)**	**1,962**
Increase / (decrease) in retained earnings	**1,971**	**381**	**1,590**	**379**	**(1,730)**

COMMENTARY ON SIGNIFICANT FINANCIAL VARIANCES

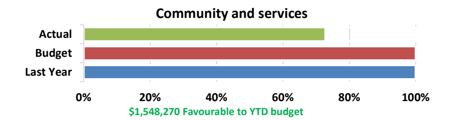
Operating revenue

Revenue type	Commentary
(Fees and charges	**$561,220** favourable **(Q2 was $369,680)** **Resource Use:** Overall, fees and charges revenue is over budget by $128,000, mostly in regulatory income related to consent processing charges. **Science, Policy and Information:** Invoiced amounts to consent holders for information gathering and monitoring activities are $186,000 higher than forecast mainly for water take ($105,000) and process discharge ($40,000). **Regional Transport Connections -** Overall fees and charges $414,500 higher than the budget -$283,000 cost recovery from South Waikato District Council towards the cost of Matangi service. $131,600 cost recovery towards WRTM project cost from partners. Both cost and the other revenue were not captured in the budget. **Regional Hazards and Emergency Management** - $118,000 under budget. Assumed marine oil spill response activities (for which costs are recoverable) were not required, with response to one event which had minimal impacts and no clear owner.
Government grants	**$1,904,590** favourable **(Q2 was $368,310))** **Regional Transport Connections:** Overall grant revenue is $12,000 favourable to forecast. •PT Operations - An unfavourable variance of $1.188 million, primarily due to a delay in the go-live of the National Ticketing System ($495,000), fuel price variations ($281,000), delay in contract renewals ($76,500) and savings in repair and maintenance ($254,000), marketing expenses $128,000. • Rail: higher recoveries due to the crown funding (100% FAR) to facilitate the foregone fare revenue as a result of the Community Connect program ($288,000). Fare revenue has increased as result of fuel prices, reducing the net cost for Council • Total Mobility: An additional $547,000 has been claimed, reflecting increased demand for Total Mobility services nationally. • Transport Strategy and Delivery: Revenue is $171,000 higher than forecast, primarily due to a WRTM bulk invoice from CoLab funded by NZTA. Approximately 40% of the cost is recovered from NZTA through direct invoicing, which was not included in the forecast. **Flood protection** – Unbudgeted MBIE funding $2.1 million comprising received across the capital works programme **Catchment Management and Planning** - Higher than budgeted revenue $156,000. Waihou New Works: Revenue ($61,000) not included in the third quarter forecast. Uptake of Hill Country Erosion works by landowners was greater than anticipated at the third quarter forecast. An additional $118,000 of MPI co-finding has been received.

Other revenue	**$711,460** favourable **(Q2 was $668,340)** **Regional Transport Connections:** Total other revenue is higher than budget by $1.067 million; • Bus and Rail fare revenue have seen a significant growth ($745,000) in patronage in Q46 due to increased fuel prices and higher Bee Card sale. • $238,400 cost recovery of Transport centre rent and bus back advertising commission. **Rates Penalty Income -** A favourable variance of $779,000 **Wellbeing Project -** $102,000 under budget as project funding has come to an end and project has been transferred to a new Trust. **Iwi Māori Partnerships -** $198,000 under budget. This funding is provided to support treaty settlement processes, with Council as an administrator only. **Catchment Management and Planning –** Other income was $221,000 lower than forecast due to delays in landowner related projects, including those funded by the Waikato River Clean-up Trust.	Investment income	**$8,607,629** favourable **(Q2 was $4.424 million)** The last quarter delivered a strong turnaround for global investors. The portfolio ended the year with a value of $122.5 million, well above the inflation and population adjusted value.

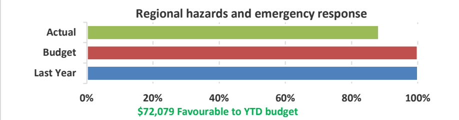
COMMENTARY ON SIGNIFICANT FINANCIAL VARIANCES

Operating expenditure



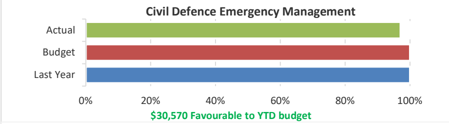
Regional Development Fund - $1.3 million favourable pending progress of the Te Ariki sugarloaf Wharf project and funding deed.

Iwi Māori Partnerships - Favourable by $188,000 Main contributor to the variance is external Iwi Capacity and Support with a lower level of funding provided to partners this year



Flood Warning Management - $55,000 favourable due to many severe weather events causing the team to prioritise response and recovery over normal operations. Expected Legal fees related to the coronial inquiry into cyclone Gabrielle yet to come.

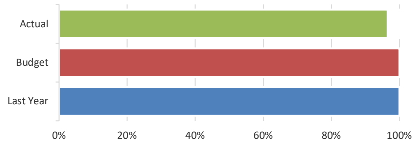
Marine Oil Spills - $19,000 under budget as less than expected oil spills to respond to.



CDEM overall underspent by $30,570. Communications, training and meeting expenses have been lower than forecast due to work being deferred because of staff time spent on activations this year, and fiscal constraints.

Operating expenditure

Flood Protection and Control Works



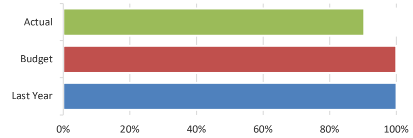
$437,055 Favourable to YTD budget

Flood Control & Protection Works: Total Favourable variance of $437,000

- **River Management** - An unfavourable variance of $718,000 due to event-related costs across Coromandel ($343,000), Waipa ($216,000) and Waihou ($204,000)
- **Flood Protection** - A favourable variance of $850,000, reflecting delays in project delivery compared with planned phasing, largely due to flood-response demands. This includes Lower Waikato ($335,000), Piako ($270,000), Waihou ($90,000), and other Flood areas (123,000).

- **Drainage:** A favourable variance of $300,000 due lower-than-forecast expenditure requirements, deferred delivery of some activities due to resource constraints.

Integrated Catchment Management



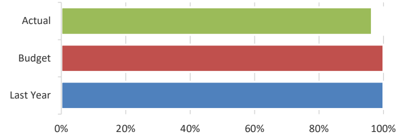
$1,863,013 Favourable to YTD budget

Catchment Planning and Management: Total favourable variance of $818,000 is primarily due to lower than anticipated uptake of co-funded work. Severe weather events, staff vacancies and reduced activity levels contributed to the result, particularly within the Waipā and Waihou-Piako catchments. The lower level of activity also resulted in a corresponding reduction in associated revenue.

Biosecurity: Total unfavourable variance of $900,000 was primarily driven by underspends in Priority Possum Control Programme ($350,000) due to delays in programme delivery resulting in planned activities not being completed by 30 June; Animal Pest ($285,000) - delays in delivering the Maraetai wash station for Freshwater Biosecurity and underspend in feral goat control due to DOC reprioritising effort in the Southern Coromandel); Kauri protection ($375,000) - unbudgeted external kauri protection funding of $170,000 from MPI and landowners prioritising farm repair and recovery activities over kauri protection fencing projects. Separately, Plant Pest budgets were overspent ($135,000), resulting from the reprioritisation of Pest Plant activities toward enhanced surveillance, including eDNA sampling and aerial monitoring.

Biodiversity: A favourable variance of $150,000 due to a delay in the release of funding from the Natural Heritage Partnerships Fund.

Regional Transport Connections



$2,036,013 Favourable to YTD budget

Rail Operations: Unfavourable variance of $345,000 due to increased fuel prices.

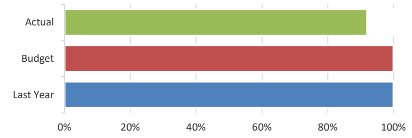
Transport Strategy and Delivery: An unfavourable variance of $326,000 is primarily due to the WRTM bulk invoice was received (noting 11% is the WRC share with the balance is funded by partners). WRC is acting as the banker, therefore offseting favourable variance through revenue.

Total Mobility: $349,000 unfavourable variance due to increased demand for Total Mobility services nationally. Additional costs are offset by central government funding.

Passenger Transport Operations: A favourable variance of $3.083 millionas a result of;
- Delay in National Ticketing system implementation ($972,000)
- Lower than forecast bus contractors' payments ($551,000) following lower than anticipated fuel price impact on indexation
- Lower than forecast costs associated with bus contracts tendering and fare rise projects ($xx,xxx), with funds requested as a carry over.
- Lower than forecast costs for rent and maintenace of the Transport Centre ($500,000), Marketing expenses ($250,000) and Bus Contracts renewal work ($800,000)

Operating expenditure

Resource use

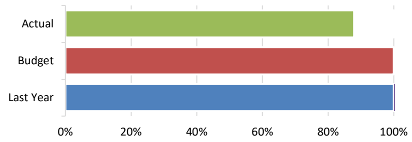


$474,278 Favourable to YTD budget

Resource Use: Overall underspent in operating expenditure by $474,000. Of this variance, $444,000 is from an underspend in contracted services.

• IRIS NextGen is below budget by $401,000 due to ongoing delays in the programme
• Regional Consent Processing is overspent by $167,000 in Billable Contracted Services (recovered from customers), but below budget by $88,000 in other Contracted Services due to delays in the Overseer Project
• Maritime Services is below budget by $21,000 due to delays in three projects underway but not completed at year end
• Primary Industry Engagement below budget by $60,000 due to delays in Plan Change 1 decisions.

Science, Policy and Information



$1,373,613 Favourable to YTD budget

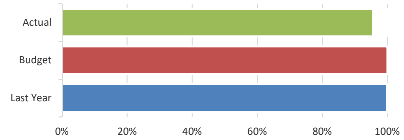
Resource Management Policy: A total unfavourable variance of $115,000 in relation to direct costs, primarily reflecting continued expenditure on **Plan Change 1** ($508,000), for which no budget was provided. This is partly offset by **Freshwater Plan Review** ($315,000 favourable) due to resource management law reform which has resulted in a pause in the project and **Regional Coastal Plan** ($75,000 favourable) due to delays with the project.

Environmental Science: A total favourable variance of $871,000 , primarily reflecting delays in field work and contracts. Key drivers include:
• **Peatlands Programme:** $141,000 favourable as a result of milestones not completed due to contractor capacity constraints
• **Soil and Land Risks and Priorities:** $126,000 favourable due to delays with the peat subsidence lidar monitoring caused by unsuitable ground conditions
• **Water Allocation Plan Implementation:** $162,000 favourable due to planned expenditure across four contracts either being delayed or delivered by staff.
• **Water Security Plan:** $102,000 favourable, with the plan being delivered at lower cost
• **Whangamarino/Waikare Restoration:** $181,000 favourable due to lower than expected costs from Iwi and community engagement groups, bringing landowner engagement inhouse and reducing meeting costs by holding these online
• **Mātauranga Māori:** $57,000 favourable due to there being challenges with engagement which has effectively stalled the project.

Strategic Policy Implementation: A total favourable variance of $294,000 is reported for direct costs across a number of cost centres, notably:
• **Land and Water Portfolio:** $95,000 favourable variance due to projects not progressing this financial year.
• **Regional Spatial Strategy:** $60,000 favourable variance due to legislation change.
• **Regional Energy Strategy:** $37,000 favourable variance. The project has been delivered at a lower total cost.
• **Future Proof:** $25,000 behind planned spend, for which Council receives external funding
• **District Policy and Planning:** $25,000 favourable variance caused by underspend in legal services for WRC input to district plan reviews which are unpredictable due to reliance on court timeframes. The Waikato District Plan appeals are continuing into 2026/27.

Social and Economic Information: A total favourable variance of $251,000 is reported for direct costs:
• **Economic Information and advice:** $87,000 favourable variance due to government direction to pause plan changes.
• **Citizen Research and Engagement:** $68,000 favourable variance due to resource management system reform.
• **Freshwater Ecosystems services:** $50,000 favourable variance due to delays with work on freshwater ecosystem phase 6.

Corporate, Management



$1,289,186 Favourable to YTD budget

Corporate: ePO favourable by $82,000 with $40,000 carry over requested to support further embedding of Enterprise Work Management. Customer services $42,000 favourable as Centralisation Project on hold. Centralised training budget is favourable to forecast by $138,000, with a carry over requested.
Other: Treasury total unfavourable variance of $2,260,000 driven by 658k of unbudgeted provision for doubtful debts and $692,000 loss on revaluation in derivative instruments, unfav interest on debt/reserve recovery due to undrawn funds of $779,000..

Financial Rates: A total unfavourable variance of $219,000, driven by higher debt collection costs ($67,000), Rates remissions ($82,000) granted over the budget provision, and unfavourable Interest expense ($121,000).

Self-Funding Activities: Information Services is favourable $1.695 million mainly related to delays in key proacts (OpenText Cloud Migration) $191,000 lower telecommunications costs following change in provider $157,000. Of the variance, $331,000 is requested to be carried over.

Other Activities: $268,000 favourable in Regional Economic Development. Budget ($140,000) has been applied to staff salaries rather than direct costs. Business Sustainability $69,000 favourable due to no spend on materials this year.

Contracted Services Spend 2025-26

Contracted Services spend by GOA / Vendor, > $50,000

Sum of Functional Amount Reporting GOA	Vendor Name	Total	Spending Description
Community and Services	AUDIT NEW ZEALAND	363,574	Annual report audit fees
Community and Services	SILVERSTRIPE LTD	75,458	Website code care
Community and Services Total		**439,032**	
Corporate & Management	ACUMEN CONSULTING LIMITED	86,488	Enterprise Data Strategy implementation
Corporate & Management	ASSET MANAGEMENT BUSINESS IMPROVEMENT (AMBI) LIMITED	104,464	ICM project management
Corporate & Management	ASSET RECRUITMENT	122,281	Temporary staff costs
Corporate & Management	ATTURRA LIMITED	81,326	Discover - Application Managed Services
Corporate & Management	AVVA PROJECT CONSULTING LIMITED	177,493	Infor change management
Corporate & Management	CUSTOM FLEET NZ	400,287	Fleet and accident management
Corporate & Management	DATACOM SOLUTIONS LTD	337,202	New payroll system implementation
Corporate & Management	DATACOM SYSTEMS LTD	74,003	IT hardware and rack storage
Corporate & Management	DELOITTE	108,900	Organisation Performance Strategy development
Corporate & Management	EVEREST GROUP LTD	145,365	HR support for organisation reviews
Corporate & Management	HAMILTON CITY COUNCIL	330,268	District Valuation roll maintenance costs
Corporate & Management	HAURAKI DISTRICT COUNCIL	175,981	District Valuation roll maintenance costs
Corporate & Management	INFOR (NEW ZEALAND)	544,556	Managed services agreement
Corporate & Management	JNO CONSULTING LTD	175,840	Waihou-Piako Zone Programme Management & Coordinator Service
Corporate & Management	LK DIGITAL SERVICES LTD	172,920	IT resource augmentation - Senior Engineer
Corporate & Management	MATAMATA	89,199	District Valuation roll maintenance costs
Corporate & Management	MM GROUP 4 (HAMILTON) LP	57,027	Property operating costs - Ward Street
Corporate & Management	MORRISON LOW ADVISORY LIMITED	55,005	Procurement strategy refresh
Corporate & Management	NAVMAN WIRELESS NEW ZEALAND	129,205	Fleet GPS
Corporate & Management	NEGOTIATE LIMITED	254,625	Infor support specialist
Corporate & Management	NONSUCH CONSULTING SERVICES (2013) LTD	372,499	Enterprise Work Management implementation
Corporate & Management	OCS LIMITED BP02 AUCKLAND	431,259	Cleaning services
Corporate & Management	OPEN TEXT NEW ZEALAND LIMITED	568,509	Document management system upgrade to Cloud
Corporate & Management	PRICEWATERHOUSE COOPERS	136,259	Treasury and tax advisory services
Corporate & Management	REGIONAL SOFTWARE HOLDINGS LIMITED	421,848	Te Uru Kahika business plan
Corporate & Management	TAUPO DISTRICT COUNCIL	120,225	District Valuation roll maintenance costs
Corporate & Management	TE TUHI CONSULTANCY LTD	66,380	Project management services
Corporate & Management	THAMES COROMANDEL DISTRICT COUNCIL	121,381	District Valuation roll maintenance costs
Corporate & Management	THE INFORMATION MANAGEMENT GROUP	112,900	Archive storage
Corporate & Management	THE KINGFISH GROUP LIMITED	200,794	Waikato Wellbeing project
Corporate & Management	THINKPLACE	68,581	Visualising the Waikato Food System
Corporate & Management	VEROS PROPERTY SERVICES LIMITED	80,000	Waikato Wellbeing project
Corporate & Management	WAIKATO DISTRICT COUNCIL	437,665	District Valuation roll maintenance costs
Corporate & Management	WAIPA DISTRICT COUNCIL	131,263	District Valuation roll maintenance costs
Corporate & Management	WALKERSCOTT LIMITED	274,312	Azure Cloud Services hosting
Corporate & Management	WILSON ASSOCIATES LTD	115,735	IT resourcing backup
Corporate & Management	*Name redacted – LGOIMA s7(2)(a)*	58,791	Waikato Wellbeing project
Corporate & Management Total		**7,340,835**	
Council Controlled Organisations	WAIKATO LOCAL AUTHORITY SHARED SERVICES LIMITED T/A CO	163,304	Company management fees
Council Controlled Organisations Total		**163,304**	

Contracted Services spend by GOA / Vendor, > $50,000

Sum of Functional Amount Reporting GOA	Vendor Name	Total	Spending Description
Flood Protection & Control Works	AECOM NEW ZEALAND LIMITED	56,060	Activities for WRC infrastructure asset valuation
Flood Protection & Control Works	AOTEAROA RESTORATION LTD	99,804	Pest plant services
Flood Protection & Control Works	BROUGHTON CONTRACTING LTD	157,467	Drain clearing
Flood Protection & Control Works	BYFORDS CONSTRUCTION 2014 LTD	72,997	Plant and equipment hire
Flood Protection & Control Works	CAMBRIDGE EXCAVATORS LIMITED T/A CAMEX CIVIL	89,645	Drain spraying
Flood Protection & Control Works	DEMPSEY CONTRACTORS LTD	68,388	Alluvium Management Tauranga Taupo Left Bank
Flood Protection & Control Works	ENGINEERING GEOLOGY LTD	61,520	Dam safety review
Flood Protection & Control Works	FARMLANDS CO	70,477	Equipment for river fence replacement
Flood Protection & Control Works	GHASSAN BASHEER CONSULTING LIMITED	85,505	Consent implementation, advice and support
Flood Protection & Control Works	GOLDEN MEADOWS	83,809	Stopbank maintenance
Flood Protection & Control Works	GREEN STREAMS LTD	80,246	Drain spraying
Flood Protection & Control Works	HABRAKEN FENCING LIMITED	276,109	Fencing
Flood Protection & Control Works	HAMILTON CITY COUNCIL	816,000	Project Watershed service level agreement
Flood Protection & Control Works	HARRISON GRIERSON CONSULTANTS LTD	51,970	Lake Waikare sediment deposition monitoring consent
Flood Protection & Control Works	HELP WAIHI INC	108,644	Spraying and planting
Flood Protection & Control Works	HG LEACH & CO LTD	388,592	Supply rock, carting and metal for erosion control
Flood Protection & Control Works	JAMES DRAINAGE (1997) LTD	57,862	Obstruction removal
Flood Protection & Control Works	JRB AG SERVICES LTD	152,989	Drain cleaning / structural audit
Flood Protection & Control Works	K & G CHALLIS EARTHMOVING LIMITED	174,727	Flood asset cleaning
Flood Protection & Control Works	KEREPEHI TRANSPORT LTD	651,137	Flood asset maintenance
Flood Protection & Control Works	KIWI CONTROL SYSTEMS LTD	88,630	Pump maintenance and repair
Flood Protection & Control Works	KOPU ENGINEERING LTD	55,195	Floodgate maintenance and repair
Flood Protection & Control Works	LASER ELECTRICAL NGATEA	76,035	Pumpstation electrical maintenance
Flood Protection & Control Works	LAWRENCE CONSULTANTS LIMITED	81,654	Drainage project management
Flood Protection & Control Works	*Name redacted – LGOIMA s7(2)(a)*	94,400	Drain spraying
Flood Protection & Control Works	MCGUIRE DRAINAGE & CONTRACTING	740,175	Hiring long reach digger, dig out, place rocks & metal, load & cart rock
Flood Protection & Control Works	OTOROHANGA DISTRICT COUNCIL	136,500	Project Watershed service level agreement
Flood Protection & Control Works	PATTLE DELAMORE PARTNERS LTD	183,300	Hydrological Monitoring - Lake Waikare
Flood Protection & Control Works	PAUL JARVIE DRAINAGE & LANDSCAPE LIMITED	250,788	Drain cleaning
Flood Protection & Control Works	PAUL STEINER CONTRACTING LIMITED	134,590	Drain cleaning, erosion control, blockage removal
Flood Protection & Control Works	PIRAWAI EXCAVATION LIMITED	98,409	Excavation services
Flood Protection & Control Works	PRISTINE ARB LTD	250,223	Vegetation removal & chipping
Flood Protection & Control Works	R & L DRAINAGE LTD	179,955	Erosion control
Flood Protection & Control Works	ROADWORX LTD	117,060	Erosion control, blockage removal
Flood Protection & Control Works	SIMPSON TREE WORKS LIMITED	81,505	Remove falling trees from river
Flood Protection & Control Works	SKYWORK HELICOPTERS AGRICULTURAL LTD	83,050	Aerial spraying
Flood Protection & Control Works	SLR CONSULTING NEW ZEALAND LIMITED	199,520	Consenting support (Vessel & Lake Waikare)
Flood Protection & Control Works	STORM WATERS CONTRACTING LIMITED	134,400	Flood recovery
Flood Protection & Control Works	TE MIRO WATER CONSULTANTS LIMITED	55,020	Mangatawhiri Flood Scheme System Performance Review
Flood Protection & Control Works	TE TUMU PAEROA	71,108	Grant claim
Flood Protection & Control Works	TONKIN & TAYLOR LTD	280,460	Consent support
Flood Protection & Control Works	TREEMAN TRAV	145,476	Vegetation control
Flood Protection & Control Works	WAIHOU EXCAVATION LTD	131,941	Excavation services
Flood Protection & Control Works	WEST WAIKATO WEEDS LIMITED	80,500	Regional Pest Plant Direct Control: Amphibious/Terrestrial
Flood Protection & Control Works	WSP	59,832	Upgrade Peer Review; Structural Assessments
Flood Protection & Control Works Total		**7,413,672**	

Contracted Services spend by GOA / Vendor, > $50,000

Sum of Functional Amount			
Reporting GOA	**Vendor Name**	**Total**	**Spending Description**
Integrated Catchment Management	AOTEAROA RESTORATION LTD	138,617	Pest plant services
Integrated Catchment Management	AQUA AG LTD	55,010	Pest plant services
Integrated Catchment Management	ARCO ENVIRONMENTAL CONTRACTORS LTD	82,038	Pest plant services
Integrated Catchment Management	AUCKLAND COUNCIL	68,697	Pest Management
Integrated Catchment Management	BAY OF PLENTY REGIONAL COUNCIL	602,218	National wallaby eradication programme
Integrated Catchment Management	DEPARTMENT OF CONSERVATION	448,021	Regional goat control and Marine biosecurity advocacy
Integrated Catchment Management	ENEX LIMITED	66,135	Grant Claim
Integrated Catchment Management	EPRO LTD	97,160	Waikite Valley 2B PPCA - Aerial and ground based control
Integrated Catchment Management	ETHOS ENVIRONMENTAL LIMITED	78,617	Plantell maintenance and development
Integrated Catchment Management	EXIM PROPERTIES LTD	351,259	Pest Plant Direct Control and data collection
Integrated Catchment Management	*Name redacted – LGOIMA s7(2)(a)*	57,127	Grant Claim
Integrated Catchment Management	GREEN STREAMS LTD	239,882	Spraying services
Integrated Catchment Management	GREYROCK WEED SERVICES	61,315	Pest plant project management
Integrated Catchment Management	HAKO TIAKI WHENUA TRUST	50,847	Planting
Integrated Catchment Management	HELIWORX WAIKATO LTD	101,866	Pest plant surveillance
Integrated Catchment Management	HELP WAIHI INC	81,648	Pest plant services
Integrated Catchment Management	*Name redacted – LGOIMA s7(2)(a)*	67,251	Coastcare West Coast Coordinator
Integrated Catchment Management	J S BAILEY LIMITED	62,017	Grant Claim
Integrated Catchment Management	KOROPUPU FARMS	51,953	Grant Claim
Integrated Catchment Management	KOTARE PASTORAL LTD	61,408	Grant Claim
Integrated Catchment Management	LAND & TREE WORKS LTD T/A TREEWORKS	130,182	Coromandel Wilding Conifer Control
Integrated Catchment Management	LAND INFORMATION NEW ZEALAND	59,000	Hornwort Control at Lake Karāpiro
Integrated Catchment Management	LANDCARE RESEARCH (NZ) LTD	146,428	LiDAR based SedNetNZ modelling in the Waitomo Catchment
Integrated Catchment Management	LATHAM FAMILY TRUST	75,480	Grant Claim
Integrated Catchment Management	LAWRENCE CONSULTANTS LIMITED	56,193	Project management
Integrated Catchment Management	*Name redacted – LGOIMA s7(2)(a)*	92,412	Pest plant services
Integrated Catchment Management	NATIVEAWA LTD	83,944	Planting
Integrated Catchment Management	NEW ZEALAND BIOSECURITY SERVICES LIMITED	239,874	Pest Plant Direct Control & Data Collection
Integrated Catchment Management	NEW ZEALAND INSTITUTE FOR EARTH SCIENCE LIMITED	217,438	Inspection & eDNA collection
Integrated Catchment Management	NGATI HAUA IWI TRUST	60,000	Cultural monitoring plan
Integrated Catchment Management	NGATI HAUA MAHI TRUST	167,186	Native planting
Integrated Catchment Management	NZ NATIVE FLORA LTD	59,250	Grant Claim
Integrated Catchment Management	PAUL JARVIE DRAINAGE & LANDSCAPE LIMITED	104,310	Landscaping works
Integrated Catchment Management	*Name redacted – LGOIMA s7(2)(a)*	62,562	Grant Claim
Integrated Catchment Management	PLACE ENVIRONMENTAL PLANNING GROUP LIMITED	184,995	Corbicula project management, Section 17A review other projects (biosecurity)
Integrated Catchment Management	PREDATOR FREE HAURAKI COROMANDEL COMMUNITY TRUST	94,061	Coromandel Wilding Conifer Control
Integrated Catchment Management	PROPRIETORS OF PUKETAPU 3A BLOCK	90,554	Grant Claim
Integrated Catchment Management	QUALMONS LIMITED	315,226	RTC/RTI Pest Animal Monitoring Services
Integrated Catchment Management	R & L DRAINAGE LTD	56,601	Tractor, trailer, digger hire, excavator & mulcher, cart material for stop bank
Integrated Catchment Management	REGIONAL SOFTWARE HOLDINGS LIMITED	52,829	Weed Risk Assessment Tool (CPG Model)
Integrated Catchment Management	RENTOKIL INITIAL LTD	2,512,210	Animal pest control
Integrated Catchment Management	RESTORE NATIVE LIMITED	298,275	Plant supply and planting
Integrated Catchment Management	SABOR FARMS LIMITED	73,277	Grant Claim
Integrated Catchment Management	START POINT FARMS LP	57,518	Grant Claim
Integrated Catchment Management	T & K FAMILY TRUST	56,862	Grant Claim
Integrated Catchment Management	TE HANGA SOUTH LANDS TRUST	53,534	Grant Claim
Integrated Catchment Management	*Name redacted – LGOIMA s7(2)(a)*	71,704	Coastcare East Coast Coordinator
Integrated Catchment Management	TITOKI LANDCARE LTD	60,081	Pest plant services
Integrated Catchment Management	TREEMAN TRAV	62,964	Coromandel Wilding Conifer Control
Integrated Catchment Management	WEST WAIKATO WEEDS LIMITED	149,500	Regional Pest Plant Direct Control: Amphibious/Terrestrial
Integrated Catchment Management	WILDERLAB NZ LTD	195,570	Sample testing
Integrated Catchment Management Total		**8,763,103**	
Regional Hazards and Emergency Response	*Name redacted – LGOIMA s7(2)(a)*	162,760	Project management and support
Regional Hazards and Emergency Response	ASSET MANAGEMENT BUSINESS IMPROVEMENT (AMBI) LIMITED	124,598	Project management and directorship
Regional Hazards and Emergency Response Total		**287,358**	

Contracted Services spend by GOA / Vendor, > $50,000

Sum of Functional Amount Reporting GOA	Vendor Name	Total	Spending Description
Regional Transport Connections	BULLZEYE INTERNATIONAL LIMITED	77,920	Ruben website refresh
Regional Transport Connections	FITZWALTER JAIN CONSULTING LTD	105,638	Bus contract renewal programme management
Regional Transport Connections	GMD CONSULTANTS LTD	70,400	Contracting services
Regional Transport Connections	GO BUS TRANSPORT LIMITED	30,391,032	Public transport services
Regional Transport Connections	GREAT LAKE TAXIS	161,148	Total mobility services
Regional Transport Connections	HAMILTON CITY COUNCIL	737,592	Metro Spatial Plan
Regional Transport Connections	HEIGHT PROJECT MANAGEMENT	135,194	Regional transport connections efficiency and effectiveness review
Regional Transport Connections	JACOBS NEW ZEALAND LIMITED	97,092	ZEB technical implementation plan
Regional Transport Connections	KIWIRAIL LIMITED	7,622,520	Te Huia services
Regional Transport Connections	LEAPTHOUGHT NZ LIMITED	239,845	Translens portal support
Regional Transport Connections	LRT CONSULTING LTD	129,274	Te Huia single stage business case
Regional Transport Connections	LYNXX (NZ) LTD	155,000	Te Huia passenger rail demand model
Regional Transport Connections	MAIOR	80,760	Software as a service licence costs
Regional Transport Connections	OTAGO REGIONAL COUNCIL	575,932	Consortium shared cost of RITS Operations
Regional Transport Connections	REGIONAL SOFTWARE HOLDINGS LIMITED	564,940	Regional Integrated Ticketing Systems
Regional Transport Connections	SPARK DIGITAL NEW ZEALAND TRADING LIMITED	85,267	Te Huia Wifi
Regional Transport Connections	STRINGTM LIMITED	777,113	Total mobility operator
Regional Transport Connections	TAITH CONSULTING LIMITED	300,785	Te Huia Programme Manager
Regional Transport Connections	TAXICHARGE NZ LTD & COMPANY	1,994,310	Total mobility services
Regional Transport Connections	THAMES TAXIS LIMITED	153,969	Total mobility services
Regional Transport Connections	THE ORDER OF ST JOHN CENTRAL REGION TRUST BOARD	82,000	Community transport fund
Regional Transport Connections	THE ORDER OF ST JOHN NORTHERN REGION TRUST BOARD	80,000	Community transport fund
Regional Transport Connections	TRANZIT COACHLINES CENTRAL LIMITED	4,823,270	Public transport services
Regional Transport Connections	VIA MOBILITY AUSTRALIA PTY LTD	60,000	Hamilton On Demand study
Regional Transport Connections	WAIKATO LOCAL AUTHORITY SHARED SERVICES LIMITED T/A CO	586,955	WISE/WRTM integration
Regional Transport Connections Total		**50,087,956**	
Resource Use	BLOXAM BURNETT & OLLIVER	55,285	Technical advice on consent applications
Resource Use	BRYANT ENVIRONMENTAL SOLUTIONS LIMITED	208,448	Consent processing and consent monitoring advice
Resource Use	*Name redacted – LGOIMA s7(2)(a)*	51,987	Environmental education facilitator
Resource Use	*Name redacted – LGOIMA s7(2)(a)*	56,909	Environmental education facilitator
Resource Use	*Name redacted – LGOIMA s7(2)(a)*	56,092	Environmental education facilitator
Resource Use	EARTH CONSULT LTD	59,590	Consent Monitoring advice
Resource Use	*Name redacted – LGOIMA s7(2)(a)*	88,057	Environmental education facilitator
Resource Use	HARTLAND ENVIRONMENTAL LTD	133,560	Consenting advice
Resource Use	JACOBS NEW ZEALAND LIMITED	234,803	Consent processing technical advice
Resource Use	JC ENVIRONMENTAL LIMITED	58,270	Consent Monitoring advice
Resource Use	MITCHELL DAYSH LTD	50,104	Consenting advice
Resource Use	PARA KORE MARAE INC	57,850	Para Kore waste education programme
Resource Use	REGIONAL SOFTWARE HOLDINGS LIMITED	349,436	IRIS NextGen Programme costs
Resource Use	RILEY CONSULTANTS LTD	66,313	Technical advice for consents related to large dams
Resource Use	STREAMLINED ENVIRONMENTAL LIMITED	51,976	Technical advice for consents
Resource Use	STUDIO WAINUI LIMITED	336,453	Consent processing and consent monitoring advice
Resource Use	TE TOKI VOYAGING TRUST	212,250	Advancing environmental education in kura and schools.
Resource Use	TONKIN & TAYLOR LTD	332,876	Technical advice on the Waikato Waste Strategy and Infrastructure Programme; technical advice on consents related to large dams which is on-charged to applicants.
Resource Use	TROJAN MARINE SERVICES	94,944	Repairs and maintenance services for Maritime Services vessels; assistance in removing derelict vessels.
Resource Use	WAINUI CONSULTING LTD	143,308	Consenting advice
Resource Use Total		**2,698,511**	

Contracted Services spend by GOA / Vendor, > $50,000

Sum of Functional Amount Reporting GOA	Vendor Name	Total	Spending Description
Science, Policy and Information	ACUMEN CONSULTING LIMITED	61,050	Data Catalogue-Design and Build
Science, Policy and Information	AGFIRST WAIKATO (2016) LTD	101,650	Economic Modelling for Freshwater Plan review
Science, Policy and Information	ASSET MANAGEMENT BUSINESS IMPROVEMENT (AMBI) LIMITED	125,075	Project management
Science, Policy and Information	AUCKLAND COUNCIL	75,399	Hauraki Gulf Forum Constituent Party contributions & Planning services re appeal
Science, Policy and Information	BECA LIMITED	610,029	Project management - FutureProof
Science, Policy and Information	BILL WASLEY CONSULTING LIMITED	103,450	Future Proof Independent Chair
Science, Policy and Information	*Name redacted – LGOIMA s7(2)(a)*	80,000	Biodiversity Inventory desktop work
Science, Policy and Information	CAWTHRON INSTITUTE	135,113	Re-survey of Fine-scale Shallow, Mainland Rocky Reef Si
Science, Policy and Information	CONCEPT CONSULTING GROUP LIMITED	67,898	Energy and emissions projections for the Waikato region
Science, Policy and Information	EAGLE TECHNOLOGY GROUP LIMITED	114,960	ArcGIS Enterprise Managed Service
Science, Policy and Information	FORMATIVE LIMITED	53,506	Hamilton to Tauranga Spatial Scope
Science, Policy and Information	GMD CONSULTANTS LTD	104,478	Senior planning services; Appeals and Policy advisory support services
Science, Policy and Information	GRAY MATTER LTD	152,743	Tangata whenua engagement
Science, Policy and Information	GREG HILL ENVIRONMENTAL MANAGEMENT	58,610	Chair of Hearings Panel
Science, Policy and Information	INCITE (CHCH) LIMITED	238,032	Expert planning services and advice
Science, Policy and Information	INPLACE CONSULTING LTD	106,310	Future Proof HBA Roadmap & WISE population updates
Science, Policy and Information	LANDCARE RESEARCH (NZ) LTD	518,863	Sustainable Peatlands Programme Mitigation Testing; S-Map for part West Coast Catchment Management Zone
Science, Policy and Information	LINCOLN AGRITECH LTD	140,093	Whakapipi monitoring of critical nutrient and flow pathways & co funding agreement
Science, Policy and Information	MARKET ECONOMICS LTD	81,500	Economic projections and economic impacts of new renewable energy sources
Science, Policy and Information	NEW ZEALAND INSTITUTE FOR EARTH SCIENCE LIMITED	987,273	Water quality monitoring, coastal marine project work and buoy servicing
Science, Policy and Information	NUWAY LIMITED	60,060	Fulcrum support and Esri migration
Science, Policy and Information	PAPAWERA GEOLOGICAL CONSULTING LTD	60,000	Technical advice relating to wetland and terrestrial ecology
Science, Policy and Information	PHIZACKLEA CONSULTING	143,472	Planning Services
Science, Policy and Information	PLACE ENVIRONMENTAL PLANNING GROUP LIMITED	89,385	Facilitation services, Expert evidence and Phase 2 and 3 of the Regional Biodiversity Strategy
Science, Policy and Information	REGIONAL SOFTWARE HOLDINGS LIMITED	63,798	WRC Phase 2 contribution towards Local Emissions Data Platform
Science, Policy and Information	SOUTHERN LAND AND WATER PLANNING LIMITED	83,409	Plan Drafting
Science, Policy and Information	SPATIAL ENVIRONMENTS LIMITED	94,620	Professional GIS and Spatial services
Science, Policy and Information	STUDIO MAJOR LIMITED	82,199	FutureProof Communications and Engagement Advisor
Science, Policy and Information	THE UNIVERSITY OF WAIKATO	141,816	2023 base demographic projections for the Waikato, Functional diversity of phytoplankton, Exploring factors influencing ecosystem health and peer review of technical reports
Science, Policy and Information	TITOKI LANDCARE LTD	95,000	Biodiversity Inventory validation/quality assurance
Science, Policy and Information	TONKIN & TAYLOR LTD	239,573	Review of Funding for Flood Management and Drainage Services project
Science, Policy and Information	TRAVERSE ENVIRONMENTAL LIMITED	66,530	Waikato River Scenario Builder Stage 2, Coastal Beach Gradings Report and report review
Science, Policy and Information	WATERCARE SERVICES LIMITED	149,955	Ambient air quality monitoring
Science, Policy and Information	*Name redacted – LGOIMA s7(2)(a)*	54,994	Biodiversity Inventory validation/quality assurance
Science, Policy and Information	WILDLAND CONSULTANTS LTD	85,606	Waikato terrestrial biodiversity non-forest tier one plots & Updating threatened Species status
Science, Policy and Information	WRC Future Proof	268,705	Partner Contributions
Science, Policy and Information Total		**5,695,152**	
Grand Total		**82,888,923**	

6.5 RATES INFORMATION AS AT 30 JUNE 2026

Rā | Date: **17 July 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 30 June 2026.

KŌRERO WHAKATAHI | EXECUTIVE SUMMARY

2. Total rates revenue assessed for the 2025/26 financial year was $152.599 million (excluding GST) across 226,548 rateable properties. This compares to the total rates revenue provided for in the Annual Plan of $152.584 million.
3. From 1 July 2025 to 30 June 2026, Council collected $146.324 million (excluding GST), representing 96 percent of current year rates. This is one percent less than 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 $6.888 million (4.5 percent) as at 30 June 2026 (2025: $5.533 million; 3 per cent.)

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the report *Rates Information as at 30 June 2026* (Finance and Performance Committee, 19 August 2026) be received.

HOROPAKI | BACKGROUND

Rates Collection

5. Total rates revenue assessed for the 2025/2026 financial year was $152.599 million (excluding GST) across 226,548 rateable properties. This compares to the total rates revenue provided for in the Annual Plan of $152.584 million.
6. Total rates collectible (excluding GST), after taking account of remissions granted ($824,400) and penalties applied to current year rates ($906,700) is $152.682 million.
7. From 1 July 2025 to 30 June 2026 Council collected $146.324 million (excluding GST) in payment of these rates, representing 96 per cent collection of current year rates. This is one per cent less than collection achieved in 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 at 30 June 2026 was $6.888 million (4.5 percent) (2025: $5.533 million; 3 per cent.)

9. The rates arrears balance at 30 June 2025 (being amounts outstanding in respect of rates and penalties) was $10.322 million. As at 30 June 2026, this balance has reduced to $5.404 million (excluding GST). This balance is made up of $4.397 million of unpaid rates and $1.58 million of penalties applied. The total arrears penalties applied (net of remissions) as at 30 June 2026 is $1.787 million.

Rates debtor management

10. 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.

11. Council currently has approximately 32,900 accounts being paid by way of direct debit and a further 3,500 accounts being paid by way of automatic payment meaning that $579,000 of the rates outstanding are covered by a payment arrangement. The arrangements include the recovery of prior year balances owing.

12. Debt management efforts are focused on those ratepayers who are not on a payment arrangement. This cohort is actively managed through follow-up processes, including reminder notices and direct contact. Where engagement is unsuccessful or debts become more aged, Council engages external debt management services.

13. At the time of reporting, there are 1,393 accounts under active management with an external collection agency. These relate to cases involving active management, mortgagee demand processes, abandoned land, or where legal recovery action is being pursued.

14. The table below outlines the number of ratepayers not on arrangements and the age profile of the outstanding rates.

Report of Balances >$100 as at 29 June 2026

Category / Age	5+	4	3	2	1	Current	Total
Amount owed by Rates debtors not on arrangement	228,256	354,872	686,085	1,510,020	2,991,185	7,504,775	13,275,194
Count of Rates debtors not on arrangement	673	263	651	1,314	2,310	5,492	10,703

Note – amounts are GST inclusive

15. The ageing profile shows that while a portion of rates debt remains historic, most balances are concentrated in the current and one-year categories.

16. Council continues to focus on 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.

Rates penalties

17. Rates penalty income for the year to date is $2.69 million, compared with an Annual Plan budget of $1.8 million.

18. The underlying drivers of the increase in rates penalty income were analysed and reported in the May 2026 report. As a result of that analysis, the 2026/27 Annual Plan budget for rates penalty income has been revised to $2.1 million to better reflect expected revenue levels.

Rates remissions

19. Rate remissions of $822,500 were processed against the 2025/26 rates assessed (2025: $516,000) against a budget provision of $775,000.

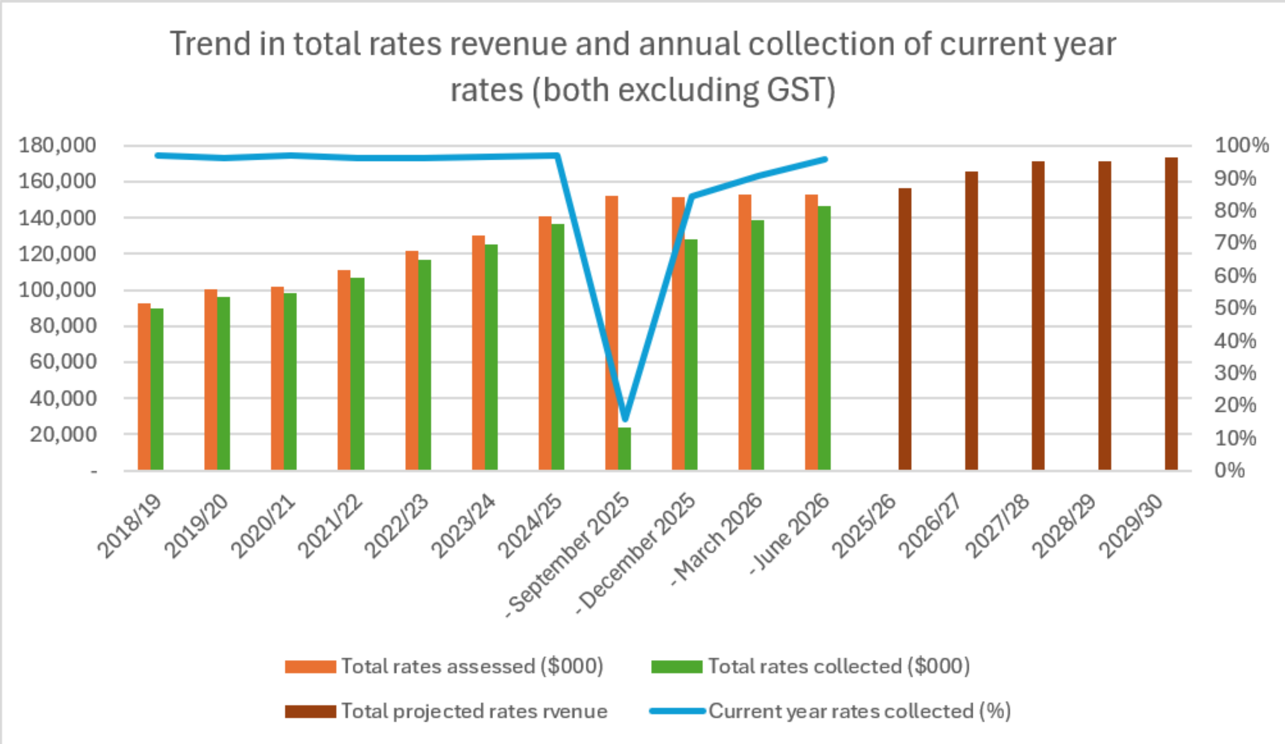
20. The table below provides a breakdown of remissions by type, with a comparison to the previous financial year. Two key shifts in values are noted:

    a. Hardship remissions for the year are 52 per cent higher than for the end of year 2024/25.

    b. 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)	83,876	60,430
Remission (General - includes Primary Industry Compliance and 1877 road agreement (TCDC))	39,123	4,720
Remission (Lakeshore Res)	7,514	7,008
Remission (MFL) % total	46,432	33,428
Remission (MFL) % value base	19,663	17,919
Remission (PT Indirect - rail)	96,995	70,091
Remission (PT Indirect)	0	25,396
Remission (Public Transport Direct)	0	111,748
Remission (QEII)	153,008	133,488
Remission (Sport/Rec)	49,492	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)	256,432	168,996
Remission (Significant Natural Area)	5,102	3,012
Remission (Natural disaster)	623	
Remission (uncollectable)	2,001	
Remission (Forestry Alleviator)	13,048	12,184
Total	**822,529**	**736,297**

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



WHAKAKAPINGA | CONCLUSION

22. Rates collection performance remains broadly consistent with previous years. The level of arrears is being actively monitored, and recovery actions undertaken during the year have helped maintain rates debt within expected levels.

23. Council continues to take a proactive approach to rates collection through customer engagement, payment arrangements, and targeted recovery action utilising the pathways available to it through the Local Government (Rating) Act 2002 where required. This approach supports the collection of rates revenue while balancing the needs of ratepayers experiencing financial hardship.

ĀPITIHANGA | ATTACHMENTS

Nil

6.6 TENDERS BOARD CONTRACTS AWARDED FROM 1 APRIL TO 30 JUNE 2026

Rā | Date: **20 July 2026**

Kaituhi | Author: **Fiona Hunter, Manager, Business Advisory Services**

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 April to 30 June 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 awarded from 1 April to 30 June 2026* 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, Customer and Corporate 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 15 recommendations were endorsed by the Tenders Board during the period 1 April to 30 June 2026. Procurement approaches used were as follows:

- 2 open tenders
- 2 closed tenders
- 2 variations to existing contracts
- 9 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.

ĀPITIHANGA | ATTACHMENTS

1. Schedule of Tenders Board Contract Considerations for the Period 1 April 2026 to 30 June 2026 (#37787035) ⇩

Appendix 1

Schedule of Tenders Board awarded contracts for the period 1 April – 30 June 2026

Procurement / Contract	Contractor	Term & Value (Excluding GST)	Commencement Date	Selection Method	Notes	Outcome	Relevant TB Meeting
Power Source Replacement for Flood Protection Pump Stations	Power Generation and Controls Limited	26/06/2026 – 28/02/2027 31/12/2028: $1,195,368	26/06/2026	Open Tender Advertised under United Nations Standard Products and Services Code (UNSPSC) Power Generation and Distribution Machinery and Accessories.	No conflicts	Endorsed	7-May-26
Project management services for Island Block	NDM Civil	Jan 2025 – 30/12/2027: $519,000	30 Jun 2026	Direct Appointment (Exemption) Continuity in incumbent supplier. Avoidance of cost of change and inconvenience	No conflicts Original contract Jan 2025 Jun 2026: $95,040 March 2025 varied $100,000 ($195,040 total) Jan 2026 varied $52,960 ($248,000 total)	Endorsed Requested rationale be strengthened by explaining reason for deferral and shift in design issues. Critical role at NDM be	7-May-26

						noted in the exemption.	
Technical services in Stormwater design	Wainui Consulting Limited	1 July 2026 - 30 June 2029: Maximum $460,000	1 July 2026	Direct appointment (exemption from open tender) Appointment on 'As Required' basis	No conflicts Prior contract: January 2021 – June 2026: $717,000	Endorsed	7-May-26
Mangatawhiri Compartment 3 inlet upgrade	Schick Civil Construction	May 2026: $1,543,573 Contract complete	27 Nov 2024	Mid-term incumbent contract variation	No conflicts Prior Contracts Nov 2024 – Apr 2025: $681,000 Oct 2025 – Apr 2026 : $1,260,000	Endorsed	07-May-26
Island Block Pump Station Upgrade Design	WSP New Zealand Ltd	01/06/26 – 30/04/27: $465,933		Mid-term incumbent contract variation	No conflicts Prior contract amounts Jun 2024 Oct 2024; $196,200	Endorsed	07-May-26

					Dec 2024 - Mar 2025: $239,800 Apr 2025 – Jun 2026: $369,900		
Coastal Monitoring buoy program infrastructure	Cawthorn Institute, Imbros, Nortek	15/06/2026 – 30/09 2026 $628,652		Direct appointment (exemption) Specific technical requirements. Avoidance of cost of change.	No conflicts	Endorsed	07-May-26
Printing and Photocopiers	Ricoh	15/07/2026 - 14/07/2028: $140,000	15/07/2026	Direct appointment - Contract extension (exemption) Extension of contract is able to be achieved at lower cost due to age of copiers. Continuity in incumbent supplier reduction in cost and reduction in e-waste	No conflicts Prior contract amounts: 15/04/2023 - 15/07/2026: $116,922	Endorsed	07-May-26

Leadership Development Programme	Deloitte	01/06/2026 – 31/05/2029 $432,000	01/06/2026	Open Tender	No conflicts	Endorsed	07-May-26
Building Act Dam Consenting Advice	Tonkin & Taylor	01/07/2024 – 30/06/2027 $600,000 – spend capped	1 July 2024	Direct appointment - Contract extension (exemption) Continuity in incumbent supplier	No conflicts Prior contract amounts: 01/07/2024 – 30/06/2027: spend capped $500,000 1/07/2021 – 30/06/2024: As Required	Endorsed	4-Jun-2026
Enviro schools Facilitator Panel	*Names redacted – LGOIMA s7(2)(a)*	01/07/2023 - 30/06/2028 *Name redacted – LGOIMA s7(2)(a)* – Advisor 1 - $426,225 *Name redacted – LGOIMA s7(2)(a)* – Advisor 2 - $271,000 *Name redacted – LGOIMA s7(2)(a)* – Advisor 3 - $279,000	01 July 2023	Direct appointment - Contract extension (exemption) Continuity in incumbent supplier. Avoidance of cost of change and inconvenience	No Conflicts Prior contract amounts 01/07/2023 – 30/06/2026 *Name redacted – LGOIMA s7(2)(a)* – Advisor 1 - $248,225 *Name redacted – LGOIMA s7(2)(a)* – Advisor 2 - $271,000 *Name redacted – LGOIMA s7(2)(a)* – Advisor 3 - $279,000	Endorsed	4-Jun-2026
Possum Maintenance control	Rentokil Initial Limited - EcoFX	1 July 2026 -30 June 2027 $1,539,512	1 July 2026	Closed tender Preapproved contractors	No Conflicts	Endorsed	4-Jun-2026

Rat and possum control – HALO programme	Rentokil Initial Limited – Eco FX	1 July 2026- 30 June 2029 $609,055	1 July 2026	Closed tender Preapproved contractors	No Conflicts	Endorsed	4-Jun-2026
Natural Hazard Resilience Framework project management	*Name redacted – LGOIMA s7(2)(a)*	1 July 2024 – 11 September 2026: $312,233	1 July 2024	Direct appointment - Contract extension (Exemption) Continuity in incumbent supplier. Avoidance of cost of change and inconvenience	No conflicts Prior contract: 1 July 2024 - 30 June 2026: $248,000	Endorsed	4-Jun-2026
Air Quality Monitoring	Watercare Services Limited	1 Sept 2026 – 31 Aug 2030 $678,218	1 Sept 2026	Direct Appointment Exemption Cost avoidance and potential data loss	No Conflicts Prior contracts 5 April 2022 $330,000 1 Sept 2022 – 31 Aug 2025: $433,143 3 April 2025 – 31 Aug 2026: $539,000	Endorsed Noted to review narrative and elaborate on reasons for seeking exemption	4-Jun-2026
Te Huia Programme Manager	Taith Consulting Ltd	25 Aug 2025 – 30 Oct 2026: $677,765	25 Aug 2025	Direct appointment - Contract extension (exemption) Continuity in incumbent supplier. Avoidance of cost of change and inconvenience	Conflict of Interest Director RTC declared a conflict related to Taith Consulting Prior Contracts 25 Aug 2025 – 26 June 2026: $612,965	Endorsed	23- Jun- 2026 EO

6.7 COUNCILLOR, CHIEF EXECUTIVE AND DIRECTOR EXPENSES FOR THE QUARTER ENDING 30 JUNE 2026

Rā | Date: **14 July 2026**

Kaituhi | Author: **Ashika Devi, Treasury and Reporting Accountant**

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 30 June 2026.

KŌRERO WHAKATAHI | EXECUTIVE SUMMARY

2. Payments made in accordance with the Elected Member Remuneration Determination including salary and travel time allowance totalled $319,110 for the quarter ended 30 June 2026, compared with a quarterly budget of $298,052. Full year expenditure of $1.147 million remains consistent with the annual budget of $1.192 million.
3. Other expenses incurred by elected members in undertaking their governance responsibilities totalled $50,993 for the quarter and $147,874 for the year.
4. The Chief Executive's expenses were $2,014 for the quarter and $15,192 for the year, which is $27,660 below the full year budget of $42,852.
5. Directors' expenses were $2,429 for the quarter and $19,837 for the full year, which is $46,108 below the full year budget of $65,945.

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the report *Councillor, Chief Executive and Director Expenses for the Quarter Ending 30 June 2026* (Finance and Performance Committee, 19 August 2026) be received.

HOROPAKI | BACKGROUND

6. Councillor, Chief Executive, and Director expenses are 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).

8. The following pages detail the summary of Elected Members, Chief Executive, and Directors expenses for the June 2026 quarter and the full year to 30 June 2026.

Payments in accordance with Elected Member remuneration determination

	Payments in accordance with elected member remuneration determination 4th quarter			Payments in accordance with elected member remuneration determination YTD		
Councillor	Salary	Travel Time Allowance	Total	Salary	Travel Time Allowance	Total
Current Elected Members:						
Maher	48,337	-	**48,337**	145,602	4,256	**149,857**
Downard	22,513	1,941	**24,454**	80,998	5,515	**86,512**
Cookson	21,612	244	**21,856**	77,443	1,306	**78,748**
Dunbar - Smith	20,712	-	**20,712**	71,565	461	**72,026**
Holmes	19,811	-	**19,811**	49,172	237	**49,410**
Hodge	20,712	795	**21,507**	74,661	1,020	**75,681**
Hughes	20,712	-	**20,712**	74,661	58	**74,719**
Mahuta	19,811	-	**19,811**	70,434	-	**70,434**
McGuire	18,911	1,650	**20,560**	47,422	3,087	**50,509**
Nickel	18,911	41	**18,952**	71,161	124	**71,285**
Reymer	18,911	124	**19,034**	47,422	237	**47,660**
Smith	21,612	62	**21,674**	75,378	95	**75,473**
Stolwyk	20,712	83	**20,794**	50,922	114	**51,035**
Strange	20,712	186	**20,898**	72,803	186	**72,989**
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	313,985	5,125	**319,110**	1,130,246	16,915	**1,147,161**
YTD Budget	290,552	7,500	**298,052**	1,162,209	30,000	**1,192,209**

Other Expenses allocated / claimed in the fourth quarter to June 2026

Councillor	Mileage	Accommodation & Meals	Travel	Meeting Expenses	Elected member training	Other Expenses	Telecommunica tions	Vehicle Running	Hearing	FBT	Total
Current Elected Members:											
Maher	-	4,902	1,118	229	-	-	425	-	-	2,174	8,848
Downard	5,719	-	-	-	-	-	283	-	-	-	6,002
Cookson	3,476	40	-	88	-	-	283	-	-	-	3,887
Dunbar - Smith	-	78	-	-	1,129	-	-	-	-	-	1,206
Hodge	980	-	-	-	-	-	500	-	-	-	1,480
Holmes	4,194	491	-	-	450	-	400	-	-	-	5,534
Hughes	419	-	-	-	-	-	517	-	-	-	936
Mahuta	-	-	-	-	-	-	71	-	-	-	71
McGuire	8,162	40	-	-	450	-	267	-	-	-	8,918
Nickel	2,263	-	-	-	-	-	267	-	-	-	2,529
Reymer	2,092	-	-	-	679	-	517	-	-	-	3,287
Smith	2,123	-	-	-	-	-	283	-	-	-	2,406
Stolwyk	1,876	-	-	-	-	-	267	-	-	-	2,143
Strange	1,167	30	-	34	2,249	-	267	-	-	-	3,746
Past Elected Members:			-								
Clarkson	-	-	-	-	-	-	-	-	-	-	-
Graf	-	-	-	-	-	-	-	-	-	-	-
Kneebone	-	-	-	-	-	-	-	-	-	-	-
Storey	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**32,469**	**5,580**	**1,118**	**351**	**4,956**	**-**	**4,345**	**-**	**-**	**2,174**	**50,993**
Budget	15,000	2,500	6,250	500	-	10,125	4,000	-	-	875	39,250

Other Expenses allocated / claimed for the year ended June 2026

Councillor	Mileage	Accommodation & Meals	Travel	Meeting Expenses	Elected member training	Other Expenses	Telecommunications	Vehicle Running	Hearing	FBT	Total
Current Elected Members:											
Maher	5,739	6,499	1,118	750	-	544	558	3,011	1,144	2,833	22,197
Downard	14,957	-	-	-	2,913	25	558	-	-	-	18,453
Cookson	10,646	475	-	99	2,913	29	764	-	-	-	14,926
Dunbar - Smith	145	539	-	-	4,042	-	-	-	-	-	4,725
Hodge	2,644	-	-	-	195	67	883	-	-	-	3,789
Holmes	6,648	491	-	11	4,003	350	933	-	-	-	12,436
Hughes	1,249	-	-	11	-	375	1,175	-	-	-	2,809
Mahuta	-	1,082	-	-	195	17	332	-	-	-	1,626
McGuire	12,731	486	-	-	4,803	-	533	-	-	-	18,554
Nickel	4,499	-	-	-	-	- 13	733	-	-	-	5,219
Reymer	3,495	-	-	11	1,319	125	908	-	-	-	5,857
Smith	5,183	-	-	11	-	25	825	-	-	-	6,043
Stolwyk	2,953	-	-	11	-	-	533	-	-	-	3,497
Strange	2,698	1,101	-	44	5,162	67	800	-	-	-	9,872
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	**76,816**	**11,821**	**1,118**	**946**	**25,544**	**1,648**	**10,137**	**8,302**	**6,649**	**4,893**	**147,874**
Budget	60,000	10,000	25,000	2,000	-	40,500	16,000	-	-	3,500	157,000

Chief Executive's expenses for the year to 30 June 2026

Chief Executive Expenses	4th Quarter to 30 June 2026 actual ($)	Full Year actual ($)	Prior Full Year Actual ($)	Full Year Budget* ($)
Training, Courses, Conference Fees		284	4,048	7,586
Meeting Expenses	220	2,125	3,616	6,866
Subscriptions		-	6,362	1,500
Travel - Flights	1,244	9,079	4,630	17,000
Accomodation & Meals	551	3,098	34	3,750
Travel P Card		49	1,426	
Other Expenses		556	1,738	6,150
Total	**2,014**	**15,192**	**21,854**	**42,852**

9. Expenses incurred by the Chief Executive during the fourth quarter include:
   - Travel and attendance at a series of Ministerial meetings with the Council Chair.
   - Travel and attendance at the Regional Sector meeting, hosted by LGNZ.

Approval process for Chief Executive travel and credit card expenses:

Travel

10. 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.

11. 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

12. The Chief Executive's PCard (Credit Card) statement plus receipts are approved by the Chair monthly.

13. In addition, all Chief Executive expenses are reported to the Finance and Performance Committee on a quarterly basis.

Directors' expenses for the fourth quarter to 30 June 2026

4th quarter to 30 June 2026 ($)								
Director	Training, Courses, Conference Fees	Meeting Expenses	Subscriptions	Travel - Flights	Accomodation & Meals	Travel - other	Other Expenses	Total
Customer and Corporate Services	-				130	39		**169**
Science, Policy and Information		-						**-**
Integrated Catchment Management		-		852	496	305		**1,654**
Resource Use		10			347	46		**403**
Regional Transport Connections	10	73		120		-		**204**
Total	**10**	**83**	**-**	**972**	**973**	**390**	**-**	**2,429**

14. Directors' management codes and travel bookings have been reviewed to collate the Director expenses shown above for the quarter to 30 June 2026. Costs associated with the full personal use vehicle costs for which the directors make a salary sacrifice are excluded.

15. The Director, **Customer and Corporate Services** expenses for the fourth quarter include:

    (a) Travel and attendance at the GovTech Conference in Wellington.

16. The Director, **Integrated Catchment Manageme**nt expenses for the fourth quarter include:

    (a) Travel and attendance at Developing a Connected Flood Risk Management Strategy Workshop, organised by Te Uru Kahika, in Wellington.

17. The Director, **Resource Use** expenses for the fourth quarter include:

    (a) Travel and attendance at the quarterly Resource Management Group meeting in Wellington.

18. The Director, **Regional Transport Connections** expenses for the fourth quarter include:

    (a) Travel and attendance at National Ticketing System governance committee meetings held in Auckland.

    (b) Travel and attendance at NZTA meeting with NZTA's CE in Auckland, organised by PTAANZ.

    (c) Travel and attendance at Update on Public Transport Network Meeting in Auckland, organised by Transport Planning Society NZ.

Directors' expenses for the year to 30 June 2026

Year to date to 30 June 2026 ($)								
Director	Training, Courses, Conference Fees	Meeting Expenses	Subscriptions	Travel - Flights	Accomodation & Meals	Travel - other	Other Expenses	Total
Customer and Corporate Services	-	530	552	2,438	1,077	179	-	**4,776**
Science, Policy and Information	-	330	-	-	-	-	65	**395**
Integrated Catchment Management	-	1,570	450	2,858	1,905	1,405	10	**8,199**
Resource Use	-	554	-	910	820	97	31	**2,412**
Regional Transport Connections	10	627	-	2,605	365	447	-	**4,055**
Total	**10**	**3,612**	**1,002**	**8,811**	**4,166**	**2,128**	**106**	**19,837**

WHAKAKAPINGA | CONCLUSION

19. This report provides transparency over expenditure incurred by elected members, the Chief Executive and Directors for the quarter ended 30 June 2026.

20. Elected member remuneration remains aligned with budget expectations for the year, with other governance-related expenses reflecting activities undertaken in support of Council's decision-making responsibilities.

21. Chief Executive and Directors' expenses remain below budget for the year. The reported expenditure is considered reasonable and consistent with the responsibilities undertaken during the reporting period.

ĀPITIHANGA | ATTACHMENTS

Nil

6.8 TREASURY MANAGEMENT AND MONITORING TO 30 JUNE 2026

Rā | Date: **16 July 2026**

Kaituhi | Author: **Ashika Devi, Treasury and Reporting Accountant**

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

TE ARONGA | PURPOSE

1. To provide the Finance and Performance Committee with an update on the performance of Council's investment fund, cash management activities, treasury risk management and external borrowing programme for the period ended 30 June 2026.

KŌRERO WHAKATAHI | EXECUTIVE SUMMARY

2. This report provides an update on Council's treasury activities for the year ended 30 June 2026, including investment fund performance, working capital management, external borrowing and treasury risk management. The investment fund delivered a strong year-to-date return of $18.102 million against a budget of $8.572 million, contributing to the recovery of the Investment Equalisation Reserve balance.

3. Council continues to maintain a strong liquidity position, with working capital investments managed within approved Treasury Risk Management Policy limits. Counterparty credit risk, liquidity risk and interest rate risk remain actively managed within Council's treasury framework.

4. Total borrowings at 30 June 2026 were $66 million. The increase in the borrowing programme includes short-term liquidity funding (taking advantage of borrowing rates lower than those available on funds held in term deposits). New borrowing has been undertaken on a short term basis to allow consideration of obtaining a formal credit rating.

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

1. That the report *Treasury Management and Monitoring to 30 June 2026* (Finance and Performance Committee, 19 August 2026) be received.

HOROPAKI | BACKGROUND

5. 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.

6. 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.

7. 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.

8. The fund's asset allocation is 60 per cent growth / 40 per cent income.

9. 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 $1.997 million.

10. 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

11. The investment fund delivered a year-to-date return of $18.102 million, significantly exceeding the budgeted return of $8.572 million. This strong result was driven primarily by the recovery in global equity markets during the last quarter of the financial year, with both developed and emerging market equities generating strong returns. Fixed income investments also contributed positively as bond yields eased, while active bond managers delivered returns above benchmark.

12. Growth assets represent 65.1 per cent of the portfolio, marginally above the strategic allocation target range (55–65 per cent). Considering this, a recommendation for the rebalancing of the fund is being prepared by Makao which will take account of the need to draw down working capital funds currently held as part of the investment fund balance.

Fund value

13. Overall, the value of the investment fund at 30 June 2026 is:

	June 2026 ($000)
Diversified Fund	122,495
Working Capital not withdrawn from fund	(2,055)
Total Investment Fund	**120,440**

Investment Equalisation Reserve

14. The investment equalisation reserve balance recovered from a deficit of $2.605 million at 1 July 2025 to a surplus of $8.152 million at 30 June 2026. The improvement was driven primarily by strong investment fund returns which exceeded the amounts required for inflation proofing, population growth adjustments and annual plan distributions.

15. The movements for the year are summarised below:

	$000
Opening balance 1 July 2025	(2,605)
Add Investment fund return	18,102

Less inflation proofing	(4,211)
Less population adjustment	(1,087)
Balance after funds return	**10,199**
Less 2025/26 annual plan income (Rates subsidy)	(1,997)
Less YTD interest on annual plan income	(50)
Balance at 30 June 2026	**8,152**

16. CPI movement for the fourth quarter ending 30 June 2026 was 1.5 percent, bringing total inflation year to date to 4.1 per cent against a full year budgeted provision for inflation proofing of 2.6 per cent.

17. The current Statement of Investment Policy and Objectives (SIPO) was designed to support the long-term sustainability of the investment fund through a balance of capital preservation, intergenerational equity and stable annual distributions. The strategy increased the allocation to growth assets and introduced a more principles-based distribution framework, with the objective of rebuilding reserve balances while maintaining annual distributions.

18. Since implementation, the investment strategy and distribution settings have been effective in delivering to these objectives.

19. Given the improvement in reserve balances, positive fund performance and the upcoming development of the 2027–2037 Long Term Plan, it is timely to consider a review of the SIPO to confirm that the investment strategy, distribution policy and risk settings remain aligned with Council's long-term objectives. A separate agenda item is included for this meeting on this topic.

Working capital funds management

20. As at 30 June 2026, Council held $51.810 million in working capital funds across term deposits and call accounts. These funds are managed to ensure sufficient liquidity to meet operational and capital expenditure requirements while optimising investment returns within approved treasury risk parameters

	Term deposits ($000)	Call accounts ($000)
Working capital and reserves	40,000	8,849
Tui Mine funds	-	182
Bond accounts	-	2,779
Total at 30 June 2026	40,000	11,810

21. The $40 million held in term deposits is diversified across a range of maturities to align with forecast cash flow requirements. This approach supports liquidity management while enabling Council to secure investment returns over longer investment horizons where appropriate. Appendix 1 shows the maturity profiles of these deposits together with relevant interest rates.

22. As at 30 June 2026 all banks remained compliant with Counterparty Credit Risk limits. Exposure to individual banking counterparties continues to be actively managed within approved Treasury Risk Management Policy limits, with no counterparty exceeding the

maximum exposure limit of $40 million. Compliance with the counterparty risk policy at 30 June 2026 is presented in Appendix 1.

External borrowing programme

23. According to the Treasury Risk Management Policy, Council manages its borrowing programme within a series of prudential limits designed to maintain financial sustainability, preserve debt capacity and ensure compliance with LGFA lending covenant requirements. The key policy and covenant measures are summarised below, along with Council's actual position at 30 June 2026:

Ratio	Actual at 30 June 2026	WRC limit	Compliant	LGFA lending covenants	Compliant
Net external debt as a percentage of total revenue	2%	<100%	Yes	<175%	Yes
Net interest on external debt as a percentage of total revenue	0%	<10%	Yes	<20%	Yes
Net interest on external debt as a percentage of annual rates income (debt secured under debenture)	0%	<15%	Yes	<25%	Yes
Liquidity (liquid funds, term debt and committed facilities as a proportion of external debt)	144%	>110%	Yes	>110%	Yes

24. At 30 June 2026, Council's total borrowings were $66 million, representing an increase of $31 million during the quarter. The Annual Plan projected total borrowing is $58.083 million with this subsequently revised through quarterly forecasts to $58.587 million.

25. Total borrowing of $66 million is split between long-term borrowing ($52.5 million) and short term borrowing (Commercial Paper) of $13.5 million, reflecting an overall lower long-term borrowing programme than signalled by the Annual Plan. Key contributors to this include:

    (a) Delays with the IRIS NextGen programme delivery, reducing planned borrowing for the year by $3.269 million. Expenditure associated with the programme will be required in future financial years.

    (b) Infrastructure capital programme delivery – total capital spend of $13.62 million against an Annual Plan budget of $18.962 million resulting in lower borrowing requirements

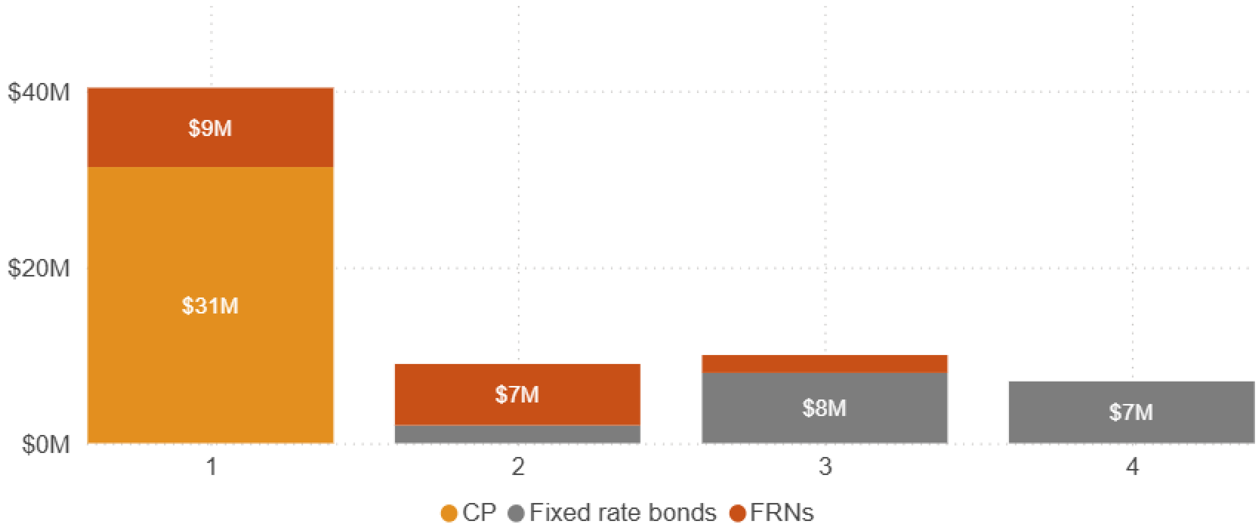
26. The short term borrowing position reflects:

    (a) The availability of short term borrowing at more favourable rates than interest payable on term deposits.

    (b) The deliberate maintenance of a short term borrowing programme to preserve flexibility and enable Council to realise the benefits of a formal credit rating, should Council decide to proceed with obtaining one.

27. The increased use of Commercial Paper has resulted in temporary non-compliance with Council's debt maturity profile, with a higher proportion of debt held in maturities of less than three years than contemplated by policy.

Funding and liquidity risk timeline



Funding summary

Bucket (years)	Maturing in period ($)	Policy	Actual
0 - 3	$59,351,889	15% - 60%	89%
3 - 5	$7,000,000	15% - 60%	11%
5 - 15	$0	0% - 60%	0%
Total	**$66,351,889**		**100%**

Interest rate risk management

28. Council manages interest rate risk through a combination of fixed-rate borrowings and interest rate swaps. These instruments are used to reduce exposure to movements in interest rates and provide greater certainty over future borrowing costs while maintaining an appropriate balance between fixed and floating rate debt within approved Treasury Risk Management Policy limits.

29. As at 30 June 2026, Council held interest rate swaps with a positive fair value of $267,927 (30 June 2025: $440,103). While the accounting value of interest rate swaps will fluctuate over time as market interest rates change, the swaps continue to achieve their primary purpose of managing interest rate risk by providing protection against future increases in borrowing costs. Council remains compliant with its interest rate risk limits in the short to medium term.

Projected borrowing and credit rating

30. With projected long-term borrowing forecast to exceed $60 million in the near term, staff have been progressing background work on the process and likely outcomes of a formal credit rating. A credit rating would deliver borrowing cost savings for new borrowing through improved margins on LGFA debt. These cost savings through the lower interest rates need to be balanced with the annual cost to maintain a credit rating. Based on previous advice, the

"breakeven" point for obtaining a credit rating has been borrowing of $60 million – noting that the reduced interest rates only apply to new borrowing.

31. A separate Public Excluded report has been prepared for the Committee's consideration of a formal credit rating assessment.

WHAKAKAPINGA | CONCLUSION

32. The investment fund delivered strong performance across the financial year, generating returns significantly above budget and contributing to the recovery of the Investment Equalisation Reserve to a surplus position.

33. Council maintained a strong liquidity position throughout the year, with working capital investments remaining within approved Treasury Risk Management Policy limits and sufficient liquidity available to meet operational and capital funding requirements. Treasury risk exposures, including counterparty credit risk and interest rate risk, continue to be actively managed within approved policy settings.

34. While total borrowings at 30 June 2026 were above Annual Plan forecasts, the increase reflects a deliberate funding strategy that utilised lower-cost Commercial Paper facilities to support liquidity and funding efficiency. covenants.

Appendix 1:

Investments managed by staff

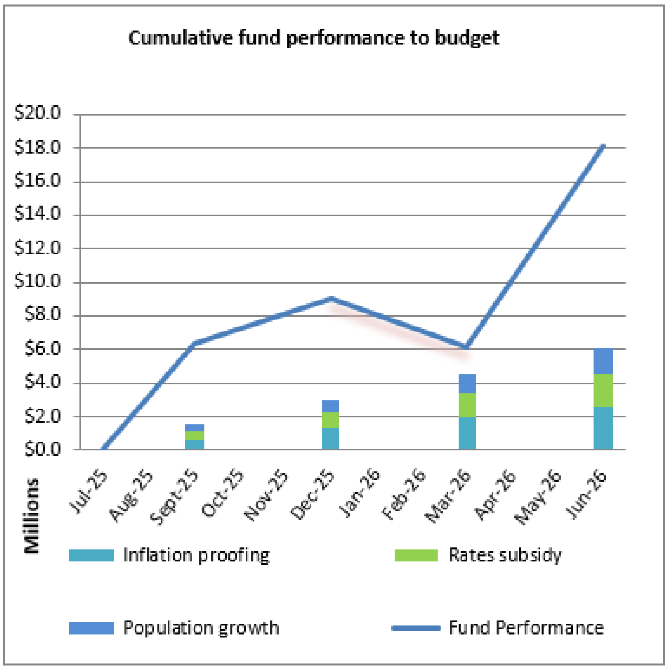
Working capital and reserves	Term		Interest rate	Maturity	Interest
On call:					
ANZ		8,849,025	0.10%	n/a	n/a
Total on call		**8,849,025**			
Term deposits:	**Term**		**Interest rate**	**Maturity**	**Interest**
Rabobank	241	5,000,000	3.55%	08/07/26	113,308
BNZ	241	5,000,000	3.50%	09/07/26	111,713
KiwiBank	241	10,000,000	3.40%	06/07/26	219,836
Rabobank	272	10,000,000	3.55%	07/08/26	226,616
Rabobank	364	10,000,000	3.55%	09/11/26	226,616
Total working capital related		***40,000,000***			***1,023,325***

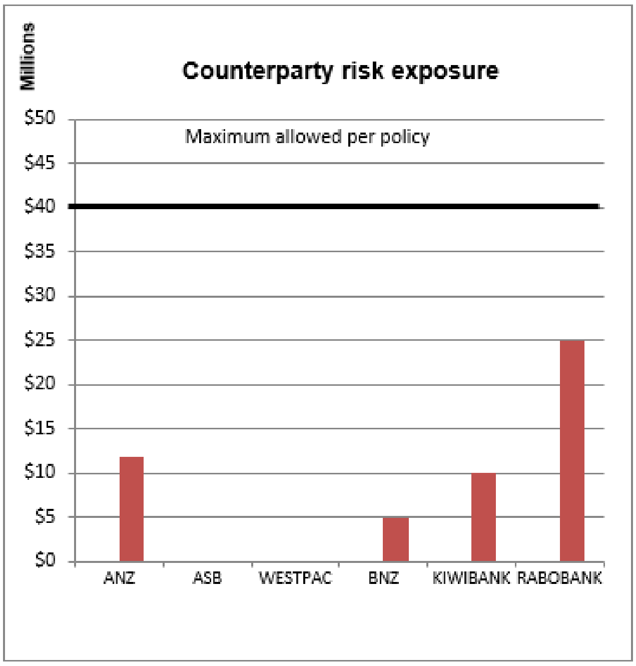
	Term		Interest rate	Maturity	Interest
Total term deposits		**40,000,000**			
Funds managed on behalf					
On call:					
ANZ - Tui Mine funds - 04	n/a	181,613	0.10%	n/a	n/a
ANZ - Bedford Road Bond - 05	n/a	162,727	0.10%	n/a	n/a
ANZ - BT Mining Limited - 06	n/a	12,900			
ANZ - Auckland Transport Hop Cards - 011	n/a	396,840	0.10%	n/a	n/a
ANZ - Coromandel Mussels Ltd Bond - 028	n/a	48,618	0.10%	n/a	n/a
ANZ - Ridge Road Bond - 029	n/a	674,143	0.10%	n/a	n/a
ANZ - CMFA Bond - 032	n/a	45,179	0.10%	n/a	n/a
ANZ - ASL Application 1 -033	n/a	16,918	0.10%	n/a	n/a
ANZ - ASL Application 2 - 034	n/a	15,076	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	54,100	0.10%	n/a	n/a
ANZ - Ecomussel Ltd Auth 122928 - 037	n/a	14,193	0.10%	n/a	n/a
ANZ - Te Kopu A Kanapanapa - 038	n/a	447,119	0.10%	n/a	n/a
ANZ - Tikapa Moana Enterprises Ltd - A - 039	n/a	95,962	0.10%	n/a	n/a
ANZ - Retentions account - 040	n/a	794,959	0.10%	n/a	n/a
		2,960,354			
Total on call, bonds and term deposits		**51,809,379**			

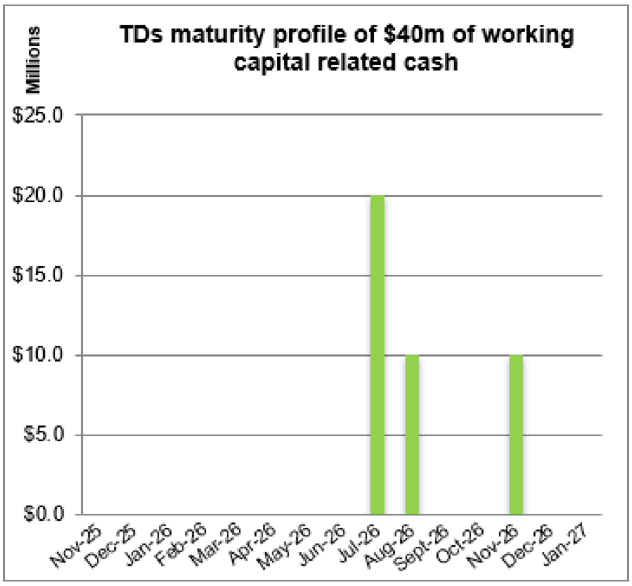
Counterparty risk exposure as at 30 June 2026

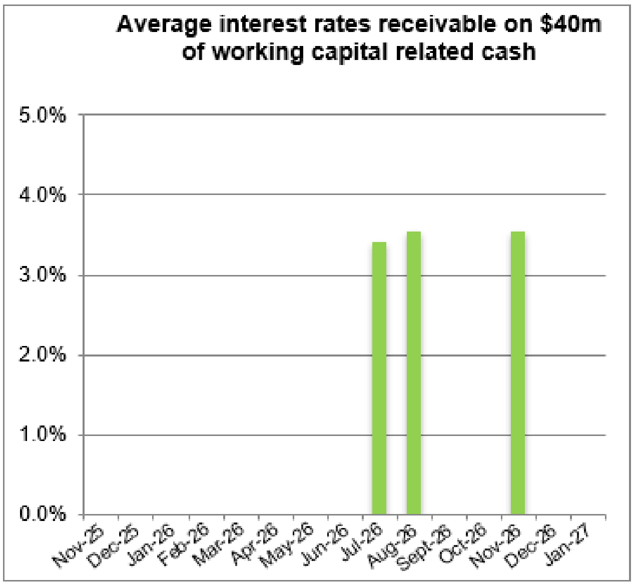
Bank	Total $ per bank		Check if compliant with policy
ANZ	11,809,379	11,809,379	✔
ASB	-	-	✔
WESTPAC	5,000,000	5,000,000	✔
BNZ	-	-	✔
KIWIBANK	10,000,000	10,000,000	✔
RABOBANK	25,000,000	25,000,000	✔
Total on call and term deposits	51,809,379	51,809,379	✔

Appendix 2:


Cumulative fund performance to budget
$20.0
$18.0
$16.0
$14.0
$12.0
$10.0
$8.0
$6.0
$4.0
$2.0
$0.0
Millions
Jul-25
Aug-25
Sept-25
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
May-26
Jun-26
Inflation proofing
Rates subsidy
Population growth
Fund Performance


Millions
Counterparty risk exposure
Maximum allowed per policy
$50
$45
$40
$35
$30
$25
$20
$15
$10
$5
$0
ANZ
ASB
WESTPAC
BNZ
KIWIBANK
RABOBANK


Millions
TDs maturity profile of $40m of working capital related cash
$25.0
$20.0
$15.0
$10.0
$5.0
$0.0
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
May-26
Jun-26
Jul-26
Aug-26
Sept-26
Oct-26
Nov-26
Dec-26
Jan-27


Average interest rates receivable on $40m of working capital related cash
5.0%
4.0%
3.0%
2.0%
1.0%
0.0%
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
May-26
Jun-26
Jul-26
Aug-26
Sept-26
Oct-26
Nov-26
Dec-26
Jan-27

Appendix 3:

List of borrowing instruments from the LGFA as at 30 June 2026:

(Base currency NZD)

Fixed / Floating	Amount	Rate	Counterparty	Deal Number	Maturity Date
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	2,000,000	5.41%	LGFA	903272	15-May-28
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	3,000,000	3.51%	LGFA	208142	15-Apr-27
Floating rate	2,000,000	3.30%	LGFA	582255	20-Apr-29
Floating rate	2,000,000	3.52%	LGFA	753773	15-May-28
Floating rate	2,000,000	3.51%	LGFA	903269	15-May-28
Commercial Paper	14,000,000	2.84%	LGFA	1094238	20-Aug-26
Commercial Paper	4,000,000	2.94%	LGFA	1085527	12-Oct-26
Commercial Paper	13,000,000	3.00%	LGFA	1094241	25-Nov-26
	66,000,000				

List of live interest rate instruments entered by Council as at 30 June 2026:

Base currency	Notional Amount	Coupon rate	Deal Number	Maturity Date	Counterparty
NZD	3,000,000	2.56%	208124	15-Jul-26	ANZ
NZD	3,000,000	2.56%	208123	15-Jul-28	ANZ
NZD	3,000,000	2.56%	208125	15-Jul-30	ANZ
NZD	5,000,000	2.72%	956182	30-Sept-30	ANZ
NZD	5,000,000	2.72%	956183	30-Sept-31	ANZ
NZD	2,000,000	2.68%	582250	15-Dec-31	ANZ
NZD	1,000,000	2.68%	582251	15-Dec-31	ANZ
NZD	2,000,000	2.68%	582252	15-Dec-31	ANZ
NZD	5,000,000	3.76%	956184	31-Oct-31	ANZ
	29,000,000				

ĀPITIHANGA | ATTACHMENTS

Nil

6.9 MAKAO INVESTMENT PERFORMANCE REPORT TO 30 JUNE 2026

Rā | Date: **12 August 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 30 June 2026.

KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

2. The quarterly Makao Investment Performance Report to 30 June 2026 has been received. Ot shows the overall net return for the investment fund for the quarter was 10.82 per cent – 0.62 per cent above its benchmark. Over the last 12 months, net performance was 17.28 per cent, compared to a benchmark of 16.77 per cent, and a target return of 7.56 per cent.

3. The quarter delivered a string turnaround for global investors following a challenging quarter prior. The portfolio increased in value to $122.5 million, well above the inflation and population adjusted value.

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the report *Makao investment performance report to 30 June 2026* (Finance and Performance Committee, 19 August 2026) be received.

WHAKAKAPINGA | CONCLUSION

4. Performance of the Council's investment fund has been strong over the last quarter, resulting in a return for the year ahead of its target return and benchmark.

ĀPITIHANGA | ATTACHMENTS

1. Waikato Regional Council - Performance Report to 30 June 2026 ⇩

Waikato Regional Council

Performance report

Q2 2026

Makao Investments

Performance reporting - Waikato Regional Council Page 1 **30 June 2026**

Strategy

Target

Return	
Inflation plus	3.5%

Outcome vs. expectations

Since 28 Feb 2025

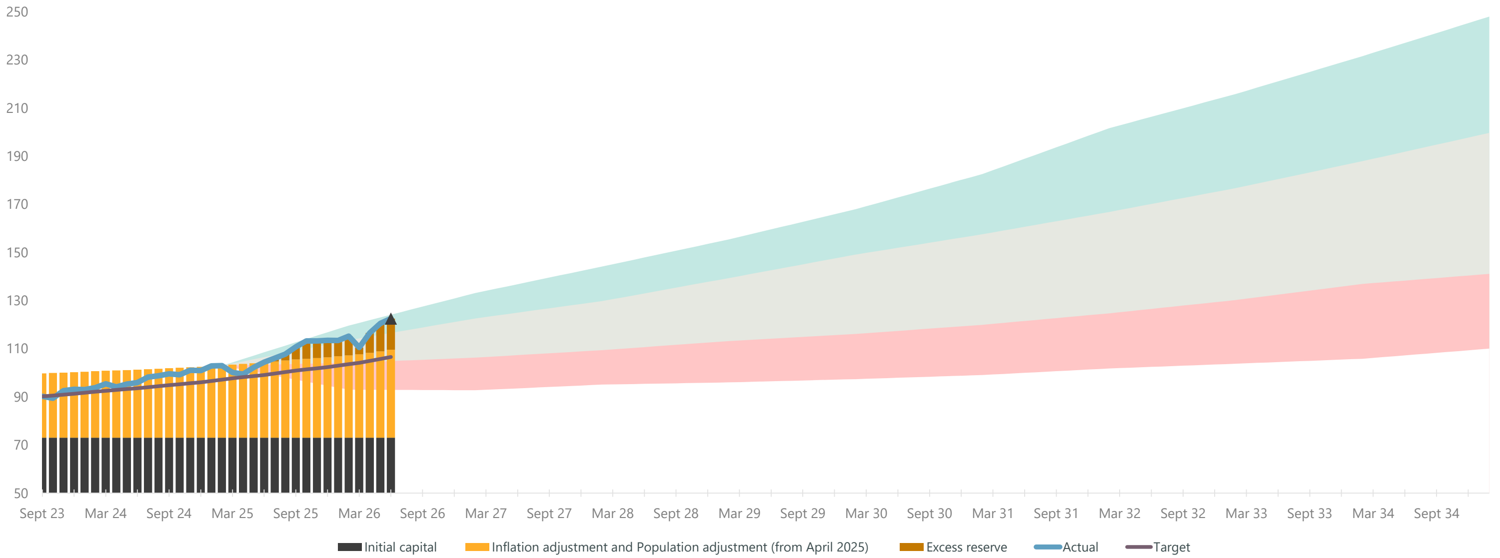
Highest 5%	well above
Higher 20%	above ▲
Middle 50%	in line
Lower 20%	below
Lowest 5%	well below

Observations

The second quarter delivered a strong turnaround for global investors following the challenges of Q1. Global developed equity markets rallied significantly over the period, as easing geopolitical tensions and falling oil prices supported a broad recovery across sectors. Global listed infrastructure lagged the broader rally, as the inflation-linked cash flows that had buoyed the asset class last quarter reversed course alongside the sharp fall in the oil price. Corporate earnings remained resilient, and this supported emerging market shares, which was the highest performing asset class during the period. Fixed income also delivered positive absolute returns as yields eased. The portfolio increased in value, ending the quarter at $122.5 million, well above the inflation and population growth adjusted value. We have applied a 1% annualised population growth adjustment (based on the Stats NZ June 2025 estimate for the Waikato region) to the Population Growth Reserve Value from 1 April 2025, shown combined with the Preservation Reserve Value in the graph below.

Strategy journey

in $ million



Confidential Makao Investments

Performance reporting - Waikato Regional Council Page 2 **30 June 2026**

Assets

Change in assets

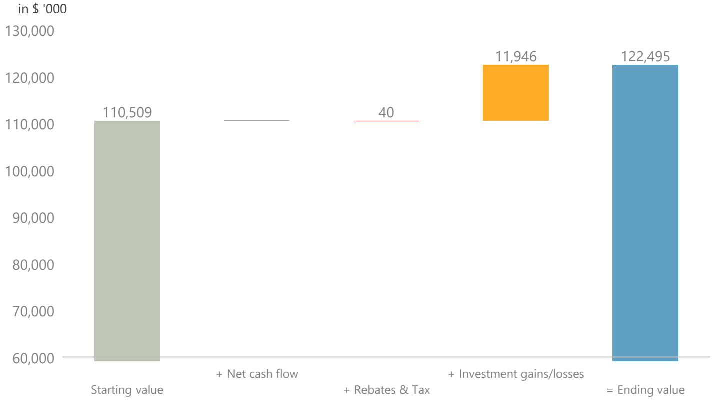
in $'000

	Quarter	1 Year	3 Years	5 Years	Since 30/09/2023
Starting value	**110,509**	**104,393**	**NA**	**NA**	**90,191**
+ Net cash flow		-40	NA	NA	-1,040
+ Rebates & Tax	40	156	NA	NA	363
+ Investment gains/losses	11,946	17,986	NA	NA	32,981
= Ending value	**122,495**	**122,495**	**NA**	**NA**	**122,495**

Comments

The portfolio recorded strong investment gains of just under $12 million during the quarter, reflecting the broad-based recovery across equity markets alongside a smaller positive contribution from fixed income. Investment gains now stand at $18m over the past 12 months, and $33m since the start of our advisory relationship.

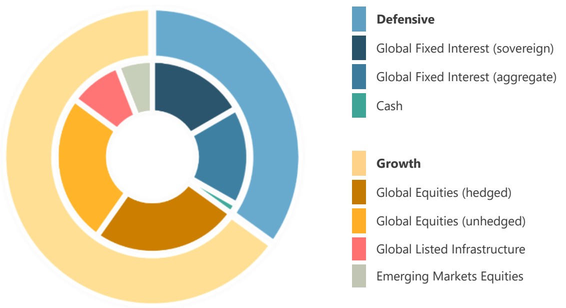
Quarterly change in assets



Assets class breakdown

	Value ($'000)	Current	SAA	Difference	Range (+/-)
Global Fixed Interest (sovereign)	20,388	16.6%	19.0%	-2.4%	3.0%
Global Fixed Interest (aggregate)	20,301	16.6%	19.0%	-2.4%	3.0%
Cash	2,112	1.7%	2.0%	-0.3%	3.0%
Total Defensive	**42,801**	**34.9%**	**40.0%**	**-5.1%**	**5.0%**
Global Equities (hedged)	30,384	24.8%	23.25%	1.6%	4.0%
Global Equities (unhedged)	31,054	25.4%	23.25%	2.1%	4.0%
Global Listed Infrastructure	10,944	8.9%	9.0%	-0.1%	2.0%
Emerging Markets Equities	7,312	6.0%	4.5%	1.5%	1.0%
Total Growth	**79,694**	**65.1%**	**60.0%**	**5.1%**	**5.0%**
Total Portfolio	**122,495**				

Current asset allocation



Comments

Following strong market movements, the portfolio ended the quarter underweight defensive assets and overweight growth assets, slightly outside the 5% rebalancing range. A recommendation to rebalance the portfolio has been made.

Confidential Makao Investments

Performance reporting - Waikato Regional Council Page 3 **30 June 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	10.89%	17.58%	10.57%	5.99%	6.78%	7.62%
Net return	**10.82%**	**17.28%**	**10.21%**	**5.61%**	**6.37%**	**NA**
Benchmark	10.21%	16.77%	10.37%	5.96%	6.22%	6.94%
Net excess over benchmark	**0.62%**	**0.51%**	**-0.16%**	**-0.35%**	**0.16%**	**NA**
Target	2.32%	7.56%	6.59%	7.81%	6.86%	6.30%
Net excess over target	**8.50%**	**9.72%**	**3.62%**	**-2.20%**	**-0.49%**	**NA**

Comments

The portfolio delivered a strong net return of 10.8% for the quarter, with both emerging markets and global equity allocations being the primary contributors. Performance was ahead of both the benchmark and the target over the quarter and the last 12 months. Infrastructure performance lagged, as the defensive appeal that had supported the sector last quarter diminished amid the broader market recovery. Fixed income also supported absolute and relative returns, with global bonds benefiting from a more favourable yield environment.

Portfolio return comparison

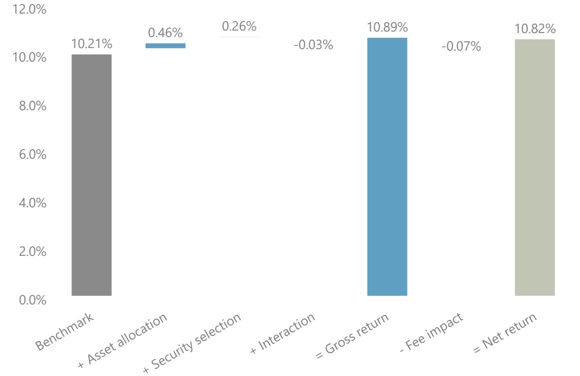
Attribution analysis

	Quarter	1 Year	3 Years	5 Years
Benchmark	**10.21%**	**16.77%**	**NA**	**NA**
+ Asset allocation	0.46%	0.48%	NA	NA
+ Security selection	0.26%	0.34%	NA	NA
+ Interaction	-0.03%	-0.01%	NA	NA
= Gross return	**10.89%**	**17.58%**	**NA**	**NA**
- Fee impact	-0.07%	-0.30%	NA	NA
= Net return	**10.82%**	**17.28%**	**NA**	**NA**

Comments

The portfolio's outperformance against benchmark this quarter was driven by both asset allocation and security selection, each contributing positively. Asset allocation added the larger share, reflecting the portfolio's overweight to growth assets during a time of strong equity market performance, while security selection also contributed positively, with strong relative gains from PIMCO and Colchester within fixed income more than offsetting weaker manager performance elsewhere.

Quarterly attribution analysis



Makao Investments

Confidential

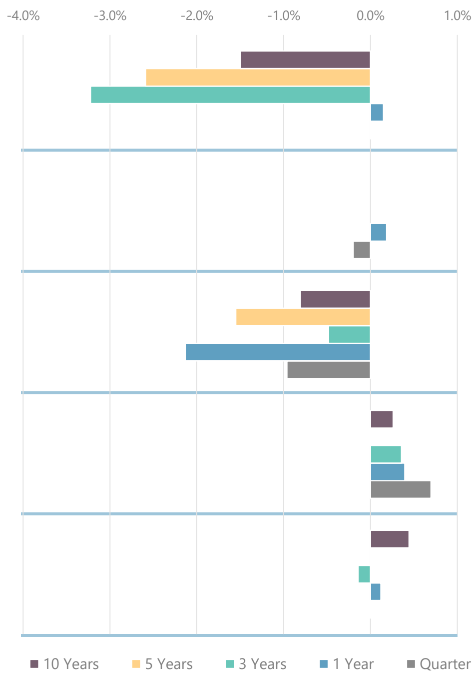
Asset classes

Asset class returns

Annualised for periods exceeding 1 year *

	Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception
Global Equities	**19.00%**	**28.57%**	**18.13%**	**11.36%**	**13.26%**	**9.51%**
net of fees	18.97%	28.44%	17.72%	10.85%	12.65%	NA
Benchmark	18.96%	28.29%	20.94%	13.44%	14.15%	9.80%
Excess return net of fees	0.01%	0.15%	-3.22%	-2.59%	-1.50%	NA
Emerging Market Equities	**24.21%**	**53.35%**	**NA**	**NA**	**NA**	**36.83%**
net of fees	24.13%	52.97%	NA	NA	NA	36.49%
Benchmark	24.33%	52.78%	NA	NA	NA	36.59%
Excess return net of fees	-0.20%	0.19%	NA	NA	NA	-0.10%
Real Assets	**1.25%**	**13.52%**	**7.69%**	**5.54%**	**6.58%**	**8.58%**
net of fees	1.15%	13.07%	7.19%	5.01%	5.97%	NA
Benchmark	2.11%	15.20%	7.67%	6.57%	6.78%	9.68%
Excess return net of fees	-0.96%	-2.13%	-0.48%	-1.55%	-0.81%	NA
Global Bonds	**1.62%**	**1.80%**	**4.23%**	**0.55%**	**2.34%**	**6.86%**
net of fees	1.51%	1.36%	3.75%	0.09%	1.89%	NA
Benchmark	0.81%	0.96%	3.39%	0.10%	1.63%	NA
Excess return net of fees	0.70%	0.40%	0.36%	0.00%	0.26%	NA
Cash	**0.65%**	**4.98%**	**4.76%**	**3.97%**	**3.23%**	**3.51%**
net of fees	0.60%	4.78%	4.64%	3.86%	3.12%	3.40%
Benchmark	0.62%	4.66%	4.78%	3.84%	2.68%	2.81%
Excess return net of fees	-0.01%	0.12%	-0.14%	0.01%	0.44%	0.59%

Excess returns



Comments

Global equities advanced strongly during the quarter, with the passive Vanguard funds tracking their benchmarks closely. Emerging market equities also delivered strong absolute returns, broadly in line with the benchmark. Real assets lagged the broader rally, with First Sentier's underperformance leading to the asset class's shortfall against benchmark. Global bonds had a modest positive contribution to absolute returns although with a strong relative outperformance, with both PIMCO and Colchester adding value as yields eased over the period.

Confidential Makao Investments

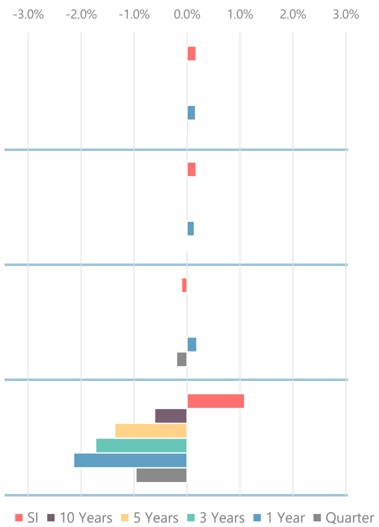
Managers

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	31,054	**19.39%**	**32.84%**	**NA**	**NA**	**NA**	**20.57%**
net of fees		19.36%	32.71%	NA	NA	NA	20.45%
Benchmark		19.33%	32.55%	NA	NA	NA	20.28%
Excess return net of fees		0.03%	0.16%	NA	NA	NA	0.17%
Vanguard Eth.Cons. Int. Shares Fund – NZD Hedged	30,384	**18.64%**	**24.66%**	**NA**	**NA**	**NA**	**19.02%**
net of fees		18.62%	24.54%	NA	NA	NA	18.90%
Benchmark		18.62%	24.40%	NA	NA	NA	18.73%
Excess return net of fees		-0.01%	0.14%	NA	NA	NA	0.17%
Vanguard Emerging Markets Shares Index Fund	7,312	**24.28%**	**53.72%**	**NA**	**NA**	**NA**	**40.51%**
net of fees		24.20%	53.33%	NA	NA	NA	40.16%
Benchmark		24.40%	53.14%	NA	NA	NA	40.26%
Excess return net of fees		-0.20%	0.19%	NA	NA	NA	-0.10%
First Sentier Global Listed Infrastructure Fund	10,944	**1.42%**	**13.95%**	**8.12%**	**4.95%**	**6.51%**	**9.36%**
net of fees		1.32%	13.50%	7.70%	4.53%	6.07%	8.84%
Benchmark		2.28%	15.64%	9.42%	5.89%	6.68%	7.75%
Excess return net of fees		-0.96%	-2.14%	-1.73%	-1.36%	-0.61%	1.09%

Excess returns



Comments

The three Vanguard index funds delivered strong positive returns broadly in line with their respective benchmarks, consistent with their passive investment approach, as global and emerging market equities rallied sharply following the de-escalation of the Iran conflict. First Sentier Global Listed Infrastructure advanced modestly over the quarter, but it lagged the broader recovery in equities and underperformed its benchmark by close to a full percentage point after fees. The fund's overweight position in airports, a sector that struggled following the outbreak of hostilities between the US and Iran, was a headwind, although First Sentier believes the market's pricing of the earnings impact is overdone. Mobile towers also detracted amid concerns over competition from satellites, while overweight positions in North American freight rail and toll roads provided a partial offset, both benefiting from resilient volumes and cost discipline.

Confidential Makao Investments

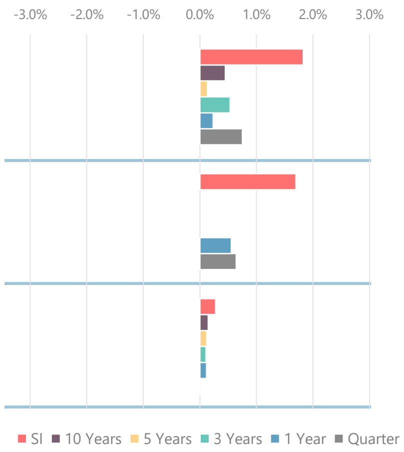
Managers

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	20,301	**1.83%**	**2.30%**	**4.58%**	**0.76%**	**2.54%**	**7.10%**
net of fees		1.73%	1.91%	4.19%	0.38%	2.15%	6.74%
Benchmark		0.98%	1.68%	3.65%	0.25%	1.70%	4.91%
Excess return net of fees		0.75%	0.24%	0.54%	0.14%	0.45%	1.83%
Colchester Global Government Bond PIE Fund	20,388	**1.56%**	**1.99%**	**NA**	**NA**	**NA**	**4.07%**
net of fees		1.44%	1.48%	NA	NA	NA	3.55%
Benchmark		0.79%	0.92%	NA	NA	NA	1.85%
Excess return net of fees		0.64%	0.56%	NA	NA	NA	1.70%
Mercer Macquarie NZ Cash Fund	2,112	**0.67%**	**3.11%**	**4.69%**	**3.93%**	**2.91%**	**3.20%**
net of fees		0.62%	2.91%	4.49%	3.73%	2.71%	3.00%
Benchmark		0.64%	2.80%	4.39%	3.61%	2.56%	2.72%
Excess return net of fees		-0.01%	0.12%	0.11%	0.12%	0.15%	0.28%

Excess returns



Comments

PIMCO outperformed its benchmark over the quarter, with overweight positions in UK and European duration and an overweight to securitised assets the main contributors, partly offset by an overweight to Japanese duration and inflation-linked securities. The Colchester Global Government Bond Fund also outperformed, with bond selection (particularly overweight positions in Mexican, New Zealand and Colombian bonds) the primary driver, though currency positioning in the Japanese Yen, Norwegian Krone and Euro detracted modestly. Both managers have added meaningful value net of fees since inception. The Mercer Macquarie NZ Cash Fund tracked its benchmark closely.

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.

Makao Investments

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7 PUBLIC EXCLUDED ITEMS

RESOLUTION TO EXCLUDE THE PUBLIC

HE TŪTOHUNGA | RECOMMENDATION:

1. 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 - Investment fund strategy	s7(2)(b)(ii) of the Act - To avoid unreasonable prejudice the commercial position of the person who supplied or who is the subject of the information	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
7.2 - Formal Credit Rating Assessment	s7(2)(b)(ii) of the Act - To avoid unreasonable prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(i) of the Act - To enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	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
7.3 - Non Rates Debtors as at 30 June 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
7.4 - Non-rates Debtors - Write Offs as at 30.06.2026	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

	s7(2)(b)(ii) of the Act - To avoid unreasonable prejudice the commercial position of the person who supplied or who is the subject of the information	to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

2. That Luke Longdill (Makao Investments Ltd) remains in this meeting for Item 7.1 after the public has been excluded because of their knowledge of the items to be discussed. This knowledge, which will be of assistance in relation to the matters to be discussed, is relevant to those matters because of its specialised nature and the benefit to be gained from expert advice.

8 KARAKIA WHAKAMUTUNGA

Unuhia, unuhia	**Draw on, draw on,**
Unuhia mai te uru tapu nui	**Draw on to the supreme sacredness**
kia wātea, kia māmā,	**To clear, to free**
te ngākau, te tinana, te hinengaro,	**our heart, body and soul**
i te ara takatū	**Our pathway prepared**
Koia rā e Rongo	**Lo, there is peace**
e whakairia ake ki runga	**suspended high above**
kia tina! TINA!	**manifest!**
Haumi ē, hui ē, TĀIKI ē!	**draw together!**
	Affirm!