Horowhenua
DISTRICT COUNCIL



Annual Report

Te Pūrongo ā-Tau

2025–2026

Mihi

Ki ngā atua, ngā tūpuna me ngā Iwi o te rohe nei kei te mihi, kei te mihi, kei te mihi

Ko te rohe tēnei e hora ai te whenua mai i ngā pae maunga o Tararua ki Te Tai o Rehua.

He kanohi rau o ngā pae maunga o Tararua, arā, he hukarere, he kāpuapua, te whitinga o te rā me to rongo hoki i te kō a ngā manu.

Kei te take o ngā maunga te wāhi e nōho ai ngā patupaiarehe i te Riu o Makahika.

He maringa nui nō tātou kia whai wāhi ki te taha uru o Te Tai o Rehua, pēnā i te takutai o Waitārere, te wāhi takoto o Okatia, te taniwha.

Ko ngā moana te wāhi e kitea ai te rātō hei whakatau i te whatumanawa, ko ngā hua hoki o te moana hei whāngai i ngā whānau.

Toro atu ki ngā tauārai o te rohe, ki te awa o Ōhau, ki te awa o Manawatū, ki te wahapū o Manawatū anō, te kohanga o ngā tini manu.

Piua ngā mata ki te rangi, ki ngā whetū ārahi i a tātou, ki te wāhi i topa atu ai te Hōkioi ki ngā rangi.

Hoki mai ki te whenua haumako, ki ngā wai rērere, kei reira ngā kai hei oranga mō tātou.

Ko Mangaore te wāhi tākaro, te waioranga me te tūhonotanga ki te whenua me ngā awa.

Mai i Tokomaru ki Te Awahou, ki Taitoko, ki Manakau rā anō, e karapotitia ana tātou e ngā pae maunga o Tararua ki te rāwhiti, ko tēnei whenua, tōku kāinga.

I whakatipu ai tātou i te ahurea rangatira, te manaakitanga me te ngākau mahana o ngā tāngata o Horowhenua, koia nei tō tātou rohe.

Toitū te marae a Tāne
Toitū te marae a Tangaroa
Toitū te tangata

Tihei mauri ora!

To the gods, the ancestors and the people of the district

Thank you, thank you, thank you

Boasting the shortest distance from mountain to sea, the land flows all the way from the majestic Tararua Ranges to the Tasman Sea.

The Tararua Ranges show us many faces, from snow kissed, to cloud cloaked, to sun drenched, to filled with bird song.

In the foothills, the Patupaiarehe or fairy people were said to have inhabited the Makahika Valley.

We are blessed by the spacious sandy west coast of the Tasman Sea, such as Waitārere Beach where the mighty taniwha, Okatia is said to rest.

Beaches with stunning sunsets to soothe the soul, and plentiful kaimoana to feed the whānau.

Bordered by our treasured Ōhau and Manawatū rivers, the latter of which features the Manawatū estuary that beckons numerous species of birds home to its abundant shores.

Wide open spaces to see the stars that guide us, and where the powerful Hōkioi bird soared to the heavens.

Our unique rich fertile soil, along with our waterways, boasts a plethora of foods nourishing all.

Mangaore area bestows a range of outdoor recreational activities, strengthening our wellbeing, and connection to the whenua and awa.

From Tokomaru, to Foxton, to Levin, to Manakau, and surrounded by the Tararua Ranges to the east, ko tēnei whenua, tōku kaingā (this land my home).

Built on the rich culture and natural hospitality and warmth of the Horowhenua people, this is our beloved rohe.

If the land is well
And the sea is well
The people will thrive

I sneeze the breath of life

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Introduction from the Mayor and Chief Executive
Te kupu whakataki a ngā Kaikaunihera me te Tumu Whakarae



Bernie Wanden
MAYOR



Monique Davidson
CHIEF EXECUTIVE

The 2025/26 Annual Report reflects on the second year of our Long Term Plan 2024–2044 Challenging Times, Challenging Choices and our Annual Plan 2025/26. Throughout the year, our focus remained, delivering the basics well, maintaining financial discipline and sharing costs fairly, while continuing to invest in the infrastructure and services Horowhenua needs now and into the future.

It was also a year of significant change. Horowhenua continued to grow, construction of Te Pae o Tararua Ōtaki to North of Levin (Ō2NL) began, preparations for a new model of water service delivery accelerated, and local government faced an extensive programme of reform. Against that backdrop, our teams continued delivering the everyday services our community relies on, while preparing our organisation and district for changes that will shape Horowhenua for many years to come.

Delivering the basics and investing for the future

Much of Council's work happens quietly every day, treating and supplying drinking water, maintaining roads, collecting waste and recycling, managing wastewater and stormwater, maintaining parks and community facilities, processing consents and responding when our community needs us. Delivering these services well remained at the centre of our work.

We also continued investing in the infrastructure needed to maintain those services and support a growing district. Major projects included wastewater upgrades in Levin and Shannon, improvements to water treatment infrastructure and further progress on the districtwide water metering programme.

Across our transport network, we rebuilt 3.4 kilometres of road and resurfaced a further 22.8 kilometres. We also invested in footpaths, drainage, street lighting and safety improvements to help make our roads more reliable and resilient.

Reducing flooding remains a key focus. New groundwater monitors and detailed aerial mapping are helping us understand where flooding is most likely, while targeted projects are addressing known drainage and flooding issues across the district.

Preparing Horowhenua for growth and change

As mentioned, one of the most visible changes during the year was the start of construction on Te Pae o Tararua Ō2NL. Council continued working closely with NZTA Waka Kotahi and project partners to ensure local infrastructure, connectivity and community considerations are reflected as this transformational project moves through delivery.

At the same time, we continued advocating for outcomes that would maximise the long term benefits of Te Pae o Tararua Ō2NL for Horowhenua. This included progressing the future Tara-Ika East-West Arterial, working with NZTA Waka Kotahi on the eventual revocation of the existing State Highway network, and advocating for appropriate local connections and supporting infrastructure.

Work continued to prepare for future housing, business and community needs through Tara-Ika, the Tararua Road Master Plan, the Levin Town Centre Transformation and wider infrastructure planning.

Working with and for our communities

Some of the year's most meaningful achievements came through partnerships with iwi and hapū, community organisations, volunteers, businesses, sporting organisations and other agencies.

Our parks and sports grounds hosted local, regional and national events, with successful baseball and cricket tournaments helping strengthen the reputation of Horowhenua as a sporting destination. Environmental restoration also continued along our coastline and waterways, supported by community planting projects and volunteers.

Community programmes continued to connect people with opportunities and support. The Mayor's Taskforce for Jobs supported 31 employment placements, while Mana Kai, community grants, Age on the Go and a range of other initiatives supported wellbeing, participation and community capability across the district.

Our emergency management capability was tested by severe weather on 29 December 2025, and again on 16 February 2026. Both events brought strong winds, with the February event also bringing periods of heavy rain. Council Officers, emergency services, contractors, volunteers and community organisations worked together to support affected communities, restore access and address damage to roads, reserves and public spaces. The Mayoral Relief Fund was promptly established to provide financial assistance to affected households.

The 2025 local election was a significant opportunity for our community to help shape the district's future. Voter turnout reached 47%, almost two percentage points higher than in 2022, with 12,214 people casting their vote. Five new councillors joined seven returning councillors, bringing fresh perspectives alongside valuable experience to the Council table.

This election included a referendum on Māori representation. Voters chose to remove the Horowhenua Māori Ward with the referendum result taking effect from the 2028 Local Elections.

Following the election, the new Council considered the challenges and opportunities ahead and in December endorsed its Council Direction Setting 2025–2028. The three priorities: Going for Growth, Future-Fit Horowhenua District Council and Financial Discipline, build on work already underway while providing a clear focus for the new triennium.

Financial discipline and affordability

Financial discipline remained fundamental to our decision-making during 2025/26. We know households and businesses continue to face cost pressures, while Council must also respond to increasing construction, maintenance, insurance and regulatory costs and the infrastructure requirements of a growing district.

Despite another challenging year of rising costs and severe weather events, Council has continued to manage its finances carefully while investing in the services and infrastructure our communities rely on.

We finished the year with a $3.4 million operating surplus, compared with a budgeted deficit of $3 million. While much of this improvement reflects accounting adjustments rather than extra cash in the bank, it demonstrates a stronger financial result than originally forecast. Importantly, we set ourselves a $1 million savings target during the year and found further savings to help absorb unexpected costs, including storm damage and higher fuel prices. Our focus on affordability also saw the rates increase for 2025/26 set at 9.1%, below the 9.9% forecast in our Long Term Plan.

We invested $28.9 million in infrastructure and community assets during the year. While this was close to our revised forecast, it was below the $52.6 million originally planned, reflecting delays in getting some projects underway or completed. Around $16.2 million in funding has been carried forward into 2026/27, allowing this work to continue rather than being lost from future investment plans.

Council ended the year with net debt of $195.1 million, comfortably within our agreed borrowing limit. This means we continue to have room to manage future investment needs, although affordability and careful prioritisation remain important.

The overall picture is one of financial discipline in a challenging environment. We've delivered savings, managed unexpected pressures and continued investing in our district, while recognising there is more work to do to improve how quickly we deliver our capital programme

and ensure our spending remains affordable for our communities.

Our approach continues to be about more than simply reducing expenditure. It means challenging how services are delivered, identifying efficiencies, making deliberate choices about priorities, seeking external funding where possible, and ensuring costs are shared fairly between those who benefit today and those who will benefit in the future.

Navigating significant reform

The scale and pace of central government reform added another layer of complexity during the year. A wide range of reforms and proposals were signalled and/or progressed, including changes relating to resource management, infrastructure funding and development levies, emergency management, building regulation, the role and structure of local government, rates capping and the future delivery of water services.

We worked to understand what these changes and proposals could mean for Horowhenua, made submissions where our community's interests could be affected, and collaborated with neighbouring councils and regional and central government partners as the reforms progressed.

Establishing Central Districts Water alongside Palmerston North City Council and Rangitīkei District Council was a major focus during the year. Following Government approval of the joint Water Services Delivery Plan, significant progress was made during the year to establish the new organisation, including governance and organisational arrangements and the appointment of its founding Chief Executive. This work is preparing for the transfer of drinking water, wastewater and stormwater services from 1 July 2027.

Following the Government's Head Start - Backstop announcement in May, we broadened our Future Fit programme to consider what wider local government reform could mean for Horowhenua. We spoke with potential partners, sought expert advice and listened to community views to help Council make informed decisions within a tight timeframe. This work continued into the 2026/27 financial year.

Being open about the challenges

The year was not without its challenges. Some major capital projects took longer than anticipated as Council worked through procurement, consenting, design and coordination requirements. Changes to national transport funding affected planned investment in some areas, while severe weather caused damage across the district and created additional demands on our teams, contractors and budgets.

Responding to changes across local government required significant time and resources, while we continued to deliver essential services and planned projects. At the same time, population growth was increasing pressure on our infrastructure. This meant making careful decisions about what to invest in, and when, while remaining mindful of affordability for our community.

These challenges, together with areas where our performance did not meet our high expectations, are reported transparently throughout this Annual Report, alongside the work underway to respond and improve.

Looking ahead

Horowhenua will continue navigating this period of significant change and opportunity. Ō2NL construction will progress, the district will continue to grow, Central Districts Water will move further through its transition, and wider local government reforms will continue to evolve. During this time, we will be shaping the Long Term Plan 2027 and making important decisions about the infrastructure, services and investment the district will need for the future.

Navigating that change will require us to balance ambition with affordability. Our focus will remain on delivering the basics well, maintaining financial discipline and ensuring costs are shared fairly, while investing where it matters most and making decisions that position Horowhenua well for the future.

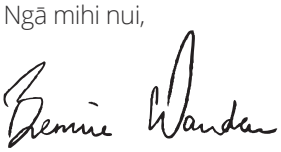
Thank you

None of this work happens in isolation. We would like to thank our elected members and Council staff for their commitment and hard work throughout a demanding year. We also acknowledge our iwi and hapū partners, contractors, volunteers, businesses, community organisations and regional and government partners whose contribution makes much of Council's work possible.

Most importantly, thank you to our community. Whether you shared your views with us, volunteered your time, worked alongside Council on a project, participated in an event or simply relied on the services we provide every day, your contribution helps shape Horowhenua.

There are significant decisions ahead, but there is also significant opportunity. We look forward to continuing to work together to enable what matters for Horowhenua.

Ngā mihi nui,



Mayor | Koromatua



Chief Executive | Tumu Whakarae



Statement of compliance and responsibility as at 30 June 2026
He Tuhinga Mō ngā Tūtohunga me ngā Haepapa i te 30 o Pipiri 2026

Statement of compliance

Horowhenua District Council confirms that all statutory requirements in relation to the Annual Report as outlined in the Local Government Act 2002, have been complied with.



Bernie Wanden
MAYOR



Monique Davidson
CHIEF EXECUTIVE

About this report
Mō tēnei pūrongo

The Annual Report 2025/26 tells the story of Horowhenua District Council's performance between 1 July 2025 and 30 June 2026. It reports on the Council's performance against the second year of the Long Term Plan (LTP) 2024–2044, including the amendments adopted through the Annual Plan 2025/26.

We are committed to being transparent and accountable to our community, and this Annual Report provides detailed information on the financial performance of the organisation as a whole, and for each individual activity. It also sets out how we are tracking our performance measures and fulfils our obligations under the Local Government Act 2002 to report on our past year's highlights, performance results and budget. A separate summary of the Annual Report 2025/26 is also available.

We produce an Organisation Performance Report (OPR) that is presented at each Council meeting throughout the year. These reports share our stories, our successes, our concerns and where we need to improve. Their material is drawn in to form the basis of our Annual Report.

We used AI to help compile this information more efficiently, with Officers reviewing the content throughout the drafting process to ensure it remained accurate.

You can find all our OPRs on our website:
https://www.horowhenua.govt.nz/Council/Documents/Organisation-Performance-Reports.

Our performance and position at a glance

He tirohanga ki ā tātou mahi me tō mātou tūnga

Financial Performance

OPERATING SURPLUS FOR THE YEAR

$3.405m

This surplus is $6.3m higher than budgeted and is mainly due to $7m of Found Assets and Vested Assets capital revenue. Also ($1m) of non-cash fair value changes including a gain on our derivative financial instruments $0.099m, and a decrease in our landfill provision $0.911m which represents the future cost of the best practicable option for remedying the old landfill site in Hokio.

This target excludes the impact of rates, interest, capital items and fair value adjustments.

The Council achieved its $1.0m operating savings target for the financial year and delivered additional savings that offset the impacts of storm events and higher fuels costs.

CAPITAL SPENDING FOR THE YEAR

$28.9m

We have completed $28.9m of the capital programme for the year as at 30 June 2026, against a forecast spend of $29.2m, comparing to the full year budget of $52.6m. Around $16.162m of capital carry forwards have been identified and were approved by Council to go into the 2026/27 financial year for projects that are committed to being delivered. The 28.9m capital programme spend includes cash purchases as well as accounting based adjustments.

$16.162m

Capital projects to be carried over to 2026/27, approved by Council.

REVENUE FOR THE YEAR

$103.9m

We have received $14m more income than planned.

This includes $2.9m vested assets that Council received during the year and $4.1m found assets that the Council identified during the financial year.

This position is partly contributed to by higher funding from NZTA Waka Kotahi, which is offset by higher spending agreed by Council which is a counteraction of the lower funding in the 2024/25 financial year. There was also a catch up in National Infrastructure Funding and Financing (NIFF) allocations from the 2024/25 financial year, reflecting revised timing for the associated capital projects. This is reflected in higher capital and operational grants and subsidies.

Council also received $2.2m in non-budgeted finance revenue from term deposits held until utilised to repay borrowings during the financial year. This finance revenue is offset by finance costs.

Other revenue includes revenue from partner Councils from reimbursement of costs in relation to Central District Waters. These costs are reflected in Other Expenses.

EXPENSE FOR THE YEAR

$100.6m

This is $7.6m above budget which is largely due to $7m loss on disposal of Plant, Property and Equipment (PPE).

Other expenses included $1.4m of non-budgeted expenditure in relation to Central Districts Water which is offset in other revenue by on charges to our partner Councils.

67%

67% of our total income is from rates, however rates make up 69% of our income to fund our operating costs.

9.1%

Council agreed to a rates increase of 9.1% for 2025/26, lower than the 9.9% rates increase forecasted in the Long Term Plan. Council members and Officers have looked hard for savings.

Financial position

$803.6m

Council's net value as at 30 June 2026.

$195.1m

Net debt at 30 June 2026.

NET DEBT IS

207%

of operating income

CREDIT RATING

A+

Credit rating from S & P Global, with negative outlook. This was maintained the same as the previous year.

COUNCIL'S ASSETS AS AT 30 JUNE 2026

$1,042m

Property, plant and equipment (PPE) of $992.6m made up 95 percent of the total asset value. PPE ended the year $61.9m lower than budget mainly due to the capitalisation program not being achieved to schedule by $23.7m and valuations not resulting at budgeted assumptions.

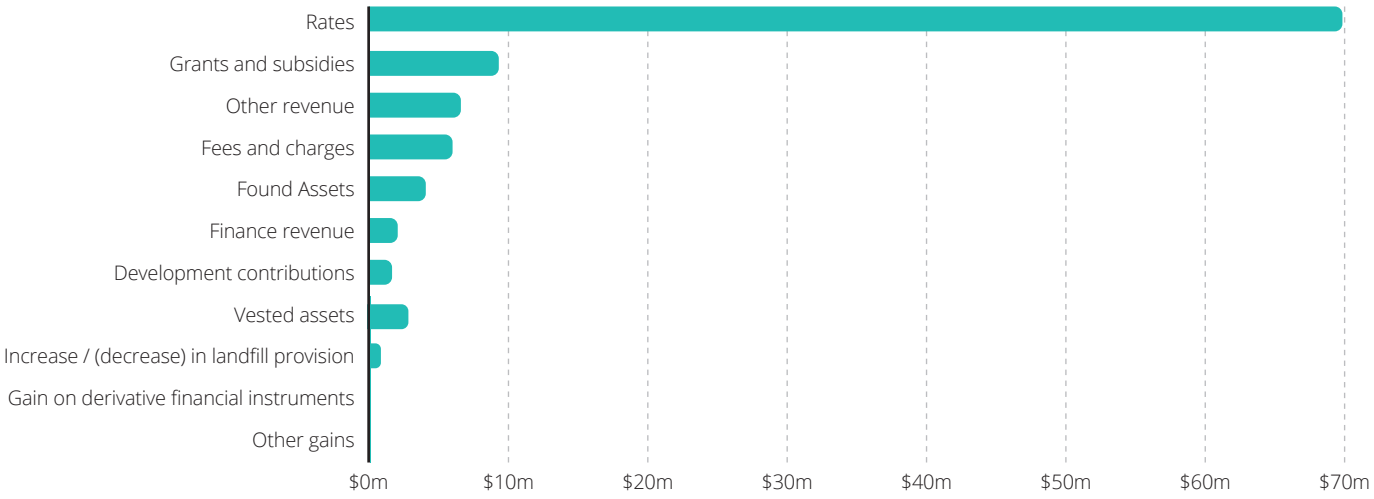
COUNCIL'S LIABILITIES AS AT 30 JUNE 2026

$238.5m

The majority of our liabilities is $206m of medium to long term borrowings from the Local Government Funding Agency, and the remainder mainly trade creditors and accruals.

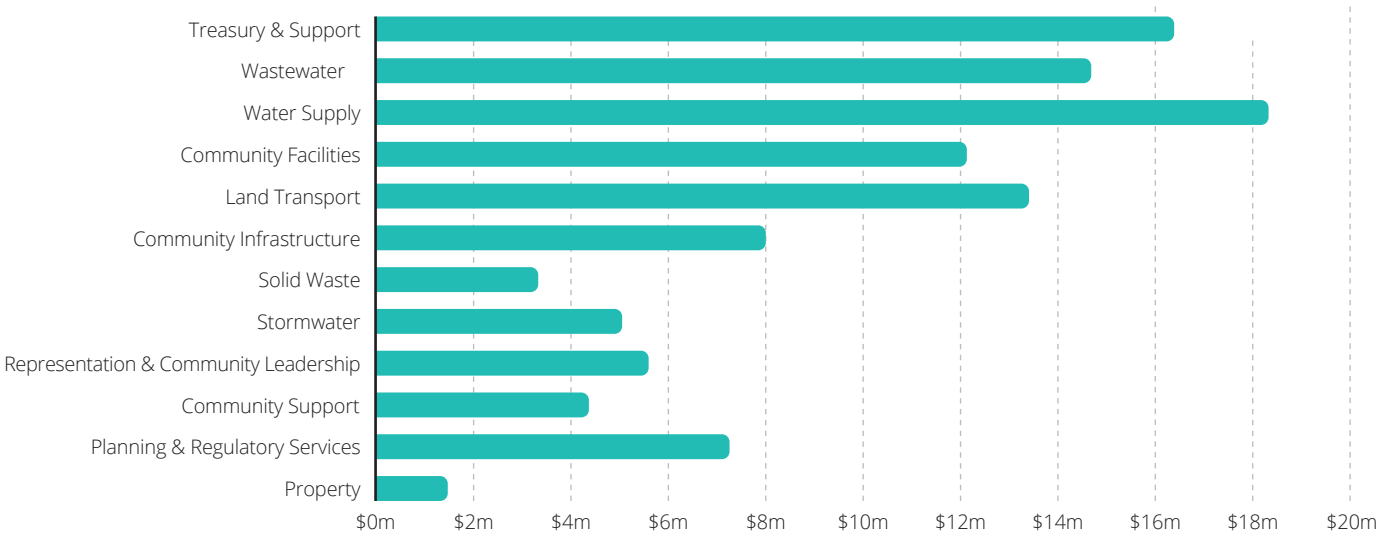
The graph below shows Council's revenue for the 2025/26 financial year:

Revenue



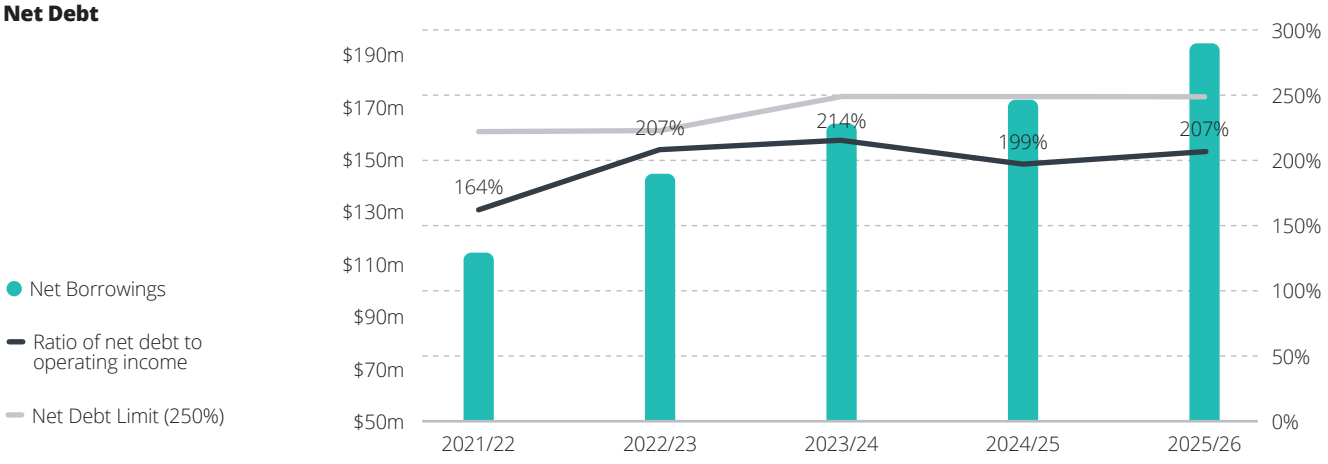
The graph below shows Council's operating expenditure by activity for the 2025/26 financial year:

Operating Expenditure



Net Debt (total borrowings less term deposits, borrower notes and cash) is below the limit of 250 percent set out in the Long Term Plan 2024-2044 (LTP). We budgeted to borrow an additional $10.6m as part of the LTP for the 2025/26 year. This additional borrowing was not required primarily due to less than budgeted capital program expenditure. It is forecasted this capital program related funding will be required in the financial year ended 2026/27.

Net Debt



Non-Financial Performance Measure Results

Activity	Achieved	Not Achieved	Not Applicable	Total
Water Supply	4 57%	3 43%	0 0%	7 100%
Wastewater	3 75%	1 25%	0 0%	4 100%
Stormwater	5 100%	0 0%	0 0%	5 100%
Land Transport	5 83%	1 17%	0 0%	6 100%
Solid Waste	1 50%	1 50%	0 0%	2 100%
Community Facilities	3 100%	0 0%	0 0%	3 100%
Community Infrastructure	4 80%	1 20%	0 0%	5 100%
Representation and Community Leadership	3 100%	0 0%	0 0%	3 100%
Community Support	2 40%	2 40%	1 20%	5 100%
Regulatory Services	2 29%	3 43%	2 29%	7 100%
TOTAL	32 68%	12 26%	3 6%	47 100%

There are no SSPs for the Property activity.

Where My Rates Are Spent
Ngā wāhi i whakapaua ai ngā rēti



Based on a residential property with a Capital Value of $700k and a Land Value of $350k.

$700k
Based on a Capital Value of residential property

$350k
Land Value

$88.67
General Rate

$29.42
Library and Community Facilities

$21.42
Aquatic Centres

$22.75
Land Transport

$18.58
Representation and Community Leadership

$82.17
Wastewater

$19.83
Stormwater

$23.67
Solid Waste

$55.50
Water Supply

Council Plan on a Page
Te Mahere Kaunihera i te Whārangi

Our direction during 2025/26

During the 2025/26 year, Council's strategic direction transitioned from the Plan on a Page, established during the previous Council term, to the new Council Direction Setting 2025–2028 after the local election in October 2025.

The Plan on a Page provided clear direction during the first part of the financial year. It set out Council's priorities in the context of growth, reform and change, helping us focus and prioritise our work. It also helped Council Officers understand how their role contributed to the bigger picture, the 'why' behind their work and where their efforts needed to be directed.

Following the October 2025 local elections, the newly elected Council considered the key issues, opportunities and challenges facing Horowhenua and established its direction for the new triennium. On 10 December 2025, Council endorsed the Council Direction Setting 2025–2028, centred on three priorities: Going for Growth, Future-Fit HDC, and Financial Discipline.

The refreshed direction builds on work already underway while sharpening Council's focus for the 2025–2028 triennium. It sits alongside Council's Long Term Plan and vision of enabling what matters, helping guide organisational planning, prioritisation and decision-making.

Council's Organisation Performance Report (OPR) is used to monitor and report progress against Council's priorities. During 2025/26, this included reporting against the Plan on a Page and, following its endorsement, reporting against the Council Direction Setting 2025–2028.

As both strategic frameworks applied during different parts of 2025/26, the following pages outline the Plan on a Page that guided Council during the earlier part of the reporting year, followed by the Council Direction Setting 2025–2028.

Council's Plan on a Page

Following the 2022 triennial election, Council has taken the time to discuss the key issues and opportunities facing Horowhenua District Council, confirming the general direction they wish to take Horowhenua.

With 18 months left to go of the current Council term, this update to the Plan on a Page reflects our priorities for the 2024 and 2025 years.

Council agreed that the platform built by Horowhenua 2040, and the Horowhenua Blueprint has provided building blocks for success. Our context of growth, reform and change, means that right now we want to focus our energy into the future through tackling the hard issues, lifting organisation performance and ultimately shifting the dial on how the communities we serve see value in Horowhenua District Council.

The Outcomes we want to achieve

Partnership with Tangata Whenua

We uphold Te Tiriti o Waitangi and its principles and recognise the role of Mana Whenua as kaitiaki of their rohe. We support them to maintain and enhance tikanga with their ancestral lands and waterways, wāhi tapu and other taonga, and build mutually respectful partnerships with tangata whenua, supporting whanau, marae, hapū and Iwi in achieving their aspirations.

Outstanding Environment

We contribute to improving our natural environment for current and future generations to enjoy, and protect the important natural features in our district.We ensure our built environment supports the wellbeing of our people and manage competing pressures on resources sustainably.

Fit for purpose Infrastructure

We provide efficient, reliable and affordable infrastructure, developing and maintaining facilities and infrastructure to meet the needs of current and future generations. Our community facilities and infrastructure are resilient, helping us to respond to climate change and natural hazards, working with partners to develop infrastructure that enables growth.

Vibrant Economy

We are business friendly, supporting diversity and resilience in our local economy and work with others to make our economy grow. We aspire for economic security for all of our people and seize growth opportunities for our district.

Strong Communities

We value the diversity of our people, and how our districts heritage shapes our communities sense of identity and pride. We provide infrastructure, services, facilities and places to build resilient and connected communities where people of all ages and backgrounds feel included and safe. We are building collaborative relationships with service providers to enable all people to live positive and healthy lifestyles, encouraging our people to participate in local decision making.

Our values – what we stand for

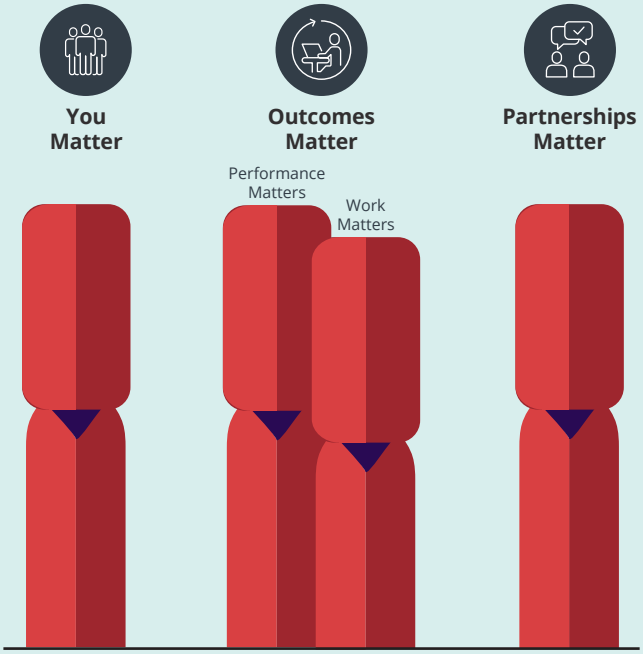
Mahi Tahi
We are one team, stronger together as we work with and for our community to deliver outcomes that matter.

#arohatōmahi
We love our work and know that our work matters. That is why we do what we say we will do and apply energy and enthusiasm across our mahi.

Manaakitanga
We put our people first by showing them that they matter, through a focus on whānau needs and aspirations.

Tiakitanga
We proudly and professionally contribute every day to the care of our community and whenua with courage, positivity and mana – leaving a legacy which future generations will embrace.

Our four pillars



He rau ringa e pakari ai nga taura whiri i o tātou hapori – mai i te pae maunga o Tararua ki te moana

With many hands the threads which weave our neighbourhood and communities together will be strengthened from the Tararua ranges to the sea. Growing neighbourhoods and building stronger communities together.

Top Priorities

Pursuing Organisation Excellence

Continuing the journey of organisational transformation by enabling a culture of service, excellence and continuous improvement.

KEY ACTIONS FOR 2024/2025

- Review the Organisation Roadmap and implement identified action.
- Further progress on getting the basics right and enhancing the customer experience through implementation of the Customer and Digital Action Plans.
- Preparation for the 2025 elections and potential referendum.
- Elected members bringing energy and commitment to progressing priorities and setting the next Council term up for success.

Supporting Lake Punahau/ Horowhenua Aspirations

Giving focus to advancing actions that speak to community and owners of Lake Punahau/ Horowhenua aspirations specific to the role of Horowhenua District Council.

KEY ACTIONS FOR 2024/2025

- Strengthen relationships with the Lake Trust to consider enabling community aspirations.
- Complete the Lake Domain development plan using Better off Funding.
- Support reactivation of the Lake Domain Board.
- Develop Best Practicable Options for Stormwater management in collaboration with the Lake Trust (as representative of the owners) and other key stakeholders and partners.
- Continue to be an active partner with the Arawhata Wetland Project led by Horizons.
- Support community led planting and clean up initiatives.

Activating the Levin Town Centre

Activating key strategic initiatives to act as a catalyst for change, stimulating collaborative and transformational revitalisation of Levin's hub.

KEY ACTIONS FOR 2024/2025

- Implement agreed Strategy initiatives.
- Pursue connections and relationships to build momentum outside of Council led initiatives.

Enhancing Māori Relationships

Ensuring a concerted focus on developing a partnership framework, to advance our relationships and set up both Council and our partners for shared success through well-defined partnership arrangements and clear engagement expectations.

KEY ACTIONS FOR 2024/2025

- Progress development of Māori relationships and the Engagement Framework.

Ensuring Financial Discipline and Management

Ensuring careful budget adherence through robust financial discipline, optimising resource allocation, and realising value for money, while fostering innovation where possible to support the community's long-term objectives.

KEY ACTIONS FOR 2024/2025

- Ensure financial discipline and compliance with our financial strategy and benchmarks.
- Implement organisation-wide stringent budget monitoring to ensure all departments adhere to allocated budgets, promoting a culture of financial accountability and transparency across all levels.
- Procure wisely and strategically, to prioritise spending on essential services and projects that deliver the highest value to the community.
- Monitor Treasury opportunities to take advantage of favourable interest rates, reduce debt servicing costs, and maintain the Council's credit rating.
- Provide transparent financial reporting and regular updates to the community on the Council's financial performance and initiatives.

Strategically Positioning Horowhenua

Ensuring targeted advocacy and proactive pursuit of third-party funding opportunities and strengthening of national and regional connections, to ensure our community's needs are clearly understood and prioritised, keeping us relevant and well-positioned to pursue or react to opportunities.

KEY ACTIONS FOR 2024/2025

- Pursue new look funding arrangements with CIP or others to advance growth infrastructure.
- Pursue funding opportunities to speed up plans or advance unfunded or under resourced priorities.
- Respond to regional deal opportunities.

Community Preparedness

Focusing on strengthened Council and community preparedness and resilience to enable our ability to plan for, respond to, adapt and recover from emergencies and district changes.

KEY ACTIONS FOR 2024/2025

- Emergency management planning and preparation.
- Progress priority business continuity and resilience initiatives.
- Continue tackling stormwater hotspots across our district.

Community Connections and Better Wellbeing

Focusing on priority wellbeing initiatives driven by the Horowhenua Blueprint, Wellbeing framework and the Housing Action Plan while strengthening place-based community relationships and engagement to foster authentic relationships and enhanced community connections.

KEY ACTIONS FOR 2024/2025

- Continue progressive implementation of Blueprint priorities.
- Implement the Housing Action Plan priorities.
- Activate the key priorities within the Community Wellbeing Strategy.
- Maintain a sustained focus on improving our communication and engagement across communities.
- Initiate community plans in Foxton and Shannon, and continue with place-based relationships.

Enabling balanced growth with fit for purpose infrastructure

Continuing with our integrated growth planning and strategic delivery approach to enable smart and sustainable development that delivers balanced growth and fit for purpose infrastructure.

KEY ACTIONS FOR 2024/2025

- Progress an initial omnibus District Plan change to effect quick wins and address immediate issues.
- Continue integrated growth planning to inform future capital investments.
- Retaining focus and energy on bringing to life the outstanding environment and thriving economy community outcomes through fit for purpose infrastructure.
- Development of Vested Assets Policy.
- Deliver the Capital Programme.
- Conduct appropriate investigations in key strategic focus areas-including aquatics, parks, property, and sports-preparing for informed decision making ahead of the next Long Term Plan.

Local Water Services Done Well

Navigating change towards inhouse provision of reliable three water services while strategically positioning ourselves to embrace and benefit from sector change.

KEY ACTIONS FOR 2024/2025

- Navigate inhousing of three water services.
- Position Council for future changes to Local Waters Done Well waters arrangements.

Enriching Our Environment

Focusing on targeted initiatives to enrich, preserve and enhance the Horowhenua natural environment through promoting sustainability, waste management practices and resilience to climate change for the benefit of current and future generations.

KEY ACTIONS FOR 2024/2025

- Establish the emission monitoring portal.
- Implement the Climate Action Plan within budget allocations.
- Continue workstreams to enable decision making on Council's role and focus in waste management and minimisation, including potential future uses of the Levin Landfill site.
- Support the protection and restoration of natural habitats, including wetlands, forests, and coastal areas.
- Continue partnerships with schools, local organisations, and community groups to promote environmental stewardship.

Ōtaki to North of Levin Readiness

Leveraging the Ōtaki to North of Levin Expressway Project to seize opportunities and ensure alignment with strategic Council priorities for long term community benefit.

KEY ACTIONS FOR 2024/2025

- Continued advocacy on Ō2NL revocation.
- Championing legacy outcomes.
- Exploring opportunities and planning for consequential Ō2NL impacts with a specific focus on revocation.

Council Priorities

Leading to get the best outcomes for Horowhenua shaped by community voices and partnerships

Our Values

#arohatōmahi
We love our work and know that our work matters. That is why we do what we say we will do and apply energy and enthusiasm across our mahi.

Mahi Tahi
We are one team, stronger together as we work with and for our community to deliver outcomes that matter.

Tiakitanga
We proudly and professionally contribute every day to the care of our community and whenua with courage, positivity and mana – leaving a legacy which future generations will embrace.

Manaakitanga
We put our people first by showing them that they matter, through a focus on whānau needs and aspirations.



Our Outcomes

- Strong Communities
- Vibrant Economy
- Fit for purpose Infrastructure
- Outstanding Environment
- Partnership with Tangata Whenua

Enabling what matters

Our Values

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Our Priorities

Going for Growth
PRIORITY 1

What this means:
We see the opportunities that come with growth and want to ensure a return on investment that contributes to Horowhenua's liveability and prosperity.

What good looks like:
- Integrated growth planning informs infrastructure investment and key moves
- Levin Town Centre transformation acts as a catalyst
- Using Growth to position the District as a place to be and invest in
- Ōtaki to North Levin Expressway anchors our leadership and advocacy as we secure a fair revocation deal
- Growth delivers essential services communities can rely on and afford

Future Fit HDC
PRIORITY 2

What this means:
We will foster an agile, high-performing Council readyto meet future challenges of government reform while delivering fit-for-purpose services to our community.

What good looks like:
- Adapt to legislative and structural changes that redefine Council's role, scope, and size across reforms (Local Water, Resource Management, Simpler Local Government, Rates Capping, System Improvement)
- Position HDC as a leader in reform opportunities for funding and collaboration
- Ensure governance and decision-making frameworks remain robust and future-proof to support community voice

Financial Discipline
PRIORITY 3

What this means:
We will manage rates and funding wisely to keep services affordable and investments sustainable.

What good looks like:
- Strict budget monitoring and compliance with financial strategy, and balanced budget goals
- Review funding policies and settings to consider if rates and user fees and charges could be shared differently
- Advocacy for fair funding models and external investment opportunities
- Chase external funding opportunities

Our Outcomes

Partnership with Tangata Whenua

We will uphold Te Tiriti o Waitangi/The Treaty of Waitangi and its principles and recognise the role of Mana Whenua as kaitiaki of their rohe. We support them to maintain and enhance tikanga with their ancestral lands and waterways, wāhi tapu and other taonga, and build mutually respectful partnerships with tangata whenua, supporting whānau, marae, hapū and iwi in achieving their aspirations.

Outstanding Environment

We contribute to improving our natural environment for current and future generations to enjoy, and protect the important natural features in our district. We ensure our built environment supports the wellbeing of our people and manage competing pressures on resources sustainably.

Fit for purpose Infrastructure

We provide efficient, reliable and affordable infrastructure, developing and maintaining facilities and infrastructure to meet the needs of current and future generations. Our community facilities and infrastructure are resilient, helping us to respond to climate change and natural hazards, working with partners to develop infrastructure that enables growth.

Vibrant Economy

We are business friendly, supporting diversity and resilience in our local economy and work with others to make our economy grow. We aspire for economic security for all of our people and seize growth opportunities for our district.

Strong Communities

We value the diversity of our people, and how our district's heritage shapes our community's sense of identity and pride.

We provide infrastructure, services, facilities and places to build resilient and connected communities where people of all ages and backgrounds feel included and safe. We are building collaborative relationships with service providers to enable all people to live positive, connected and healthy lifestyles, encouraging our people to participate in local decision making.



Working with Māori
Te Mahi tahi me te Iwi Māori

Building and sustaining meaningful partnerships with Tangata Whenua remains a key priority for Horowhenua District Council (Te Kaunihera ā rohe o Horowhenua). We acknowledge the unique status of Māori within our rohe and are committed to creating opportunities for effective participation in Council decision-making.



Our commitment goes beyond meeting statutory obligations, reflecting a genuine aspiration to work in partnership with iwi, hapū and the Māori hāpori to achieve shared outcomes for Horowhenua. Through ongoing engagement, collaboration and relationship-building, we continue to strengthen the foundations of our 'Partnership with Tangata Whenua' community outcome.

The Local Government Act 2002 acknowledges the Crown's obligations under Te Tiriti o Waitangi/The Treaty of Waitangi by requiring councils to facilitate Māori participation in decision-making. Key obligations include:

- Providing opportunities for Māori to contribute
- Establishing processes for Māori input
- Fostering Māori capacity to engage in decision-making
- Sharing relevant information
- Considering Māori relationships with land, water and other taonga

Council understands the impact of its decisions on Māori wellbeing, considering the unique challenges of both pre- and post-settlement Iwi. The goal is to ensure Māori are actively involved beyond environmental and cultural matters, becoming integral to decision-making.

Tiraki – Iwi/Hapū Relationships Framework

In August 2025 Council adopted Tiraki, a strategic document developed by Council in collaboration with local iwi and hapū, that sets the high-level direction for how Council will build, maintain, and strengthen enduring partnerships with tangata whenua across the district. Grounded in the principles of Te Tiriti o Waitangi/The Treaty of Waitangi, Tiraki provides a shared framework for strengthening relationships between Council and iwi and hapū, supporting meaningful participation, mutual understanding and more effective collaboration. The next steps focus on operationalising Tiraki, including facilitating training and reviewing current iwi partnership agreements to strengthen collaboration and engagement across the district.

Significant matters affecting Māori

LOCAL WATER DONE WELL

The Local Water Done Well reforms have had a significant impact on Māori, particularly through the changes to how water services are governed, funded and delivered. For iwi and hapū, water is not simply an infrastructure or service-delivery issue; it is intrinsically connected to whakapapa, mauri, whenua, kaitiakitanga and the health of wai. The reforms have therefore created both opportunities and uncertainty, particularly around how Māori interests, mātauranga Māori and iwi and hapū perspectives will be incorporated into future water services arrangements and decision-making. For Horowhenua, maintaining meaningful relationships with iwi and hapū throughout this transition is important to ensure that changes to water services recognise Māori interests and support outcomes for whānau, while also providing opportunities for iwi and hapū to contribute to the future management and protection of wai.

TE PAE O TARARUA (Ō2NL)

The Ōtaki to North Levin highway project has significant implications for Horowhenua, including for Māori communities, iwi and hapū. The proposed route passes through areas of cultural, environmental and historical significance, making meaningful engagement with tangata whenua an important part of the project. For Māori, the whenua is more than a physical corridor for infrastructure; it holds connections to whakapapa, wāhi tapu, mahinga kai and cultural identity. The project presents opportunities to improve connectivity, safety and economic outcomes for the wider community, while also highlighting the importance of protecting cultural values and ensuring iwi and hapū perspectives are recognised throughout planning and delivery. Continued engagement with tangata whenua will be important as the project progresses and decisions are made about the new route and surrounding communities.

RESOURCE MANAGEMENT REFORM AND MANA WHAKAHONO Ā ROHE

Mana Whakahono ā Rohe (MWāR) was introduced under the Resource Management Act 1991 to provide a formal mechanism for iwi authorities and local authorities to discuss, agree and record how tangata whenua would participate in resource management and decision-making. For Māori, MWāR was intended to provide greater certainty, consistency and influence in how iwi and hapū engage in resource management processes. The Government's reforms to replace the Resource Management Act with new planning and environmental legislation have created uncertainty around the future of MWāR and how iwi participation will be provided for under the new system. For Horowhenua, this reinforces the importance of maintaining strong, enduring relationships with iwi and hapū and ensuring that meaningful participation is retained through both existing partnership arrangements and any new legislative mechanisms.

During the year Council received requests to initiate Mana Whakahono ā Rohe arrangements and undertook work to understand the statutory, mandate and relationship considerations associated with those requests. Subsequent Government decisions to pause the existing Mana Whakahono ā Rohe framework and progress replacement resource management legislation have changed the statutory environment. Council has continued to maintain relationships and dialogue with iwi and hapū while monitoring these reforms and considering how meaningful participation can continue to be supported through Tiraki and Council's wider partnership arrangements.

HOROWHENUA MĀORI WARD REFERENDUM

The Horowhenua Māori Ward referendum determined the future of Māori representation within the district. Following the referendum result, the Māori Ward will be removed from the 2028 local elections, while the existing ward structure remains in place for the current term.

While the referendum determines the future of the Māori Ward, it does not change Council's broader responsibilities to provide opportunities for Māori to contribute to decision-making or its commitment to building strong and enduring relationships with iwi, hapū and the Māori hāpori. Council will continue to work through Tiraki and its wider partnership and engagement arrangements to support meaningful Māori participation in Council processes and decisions. As Council prepares for the 2028 representation arrangements, maintaining effective pathways for Māori voices and perspectives to contribute to local decision-making will remain important.

The following are examples of some of the more significant mahi requiring engagements with Māori in 2025/26.

WHAKAMANA MARAE

The Whakamana Marae programme was designed to help build the emergency preparedness resilience of marae in Horowhenua to respond in the event of a civil defence emergency. We have actively pursued external funding opportunities for the Whakamana Marae Community Resilience Project through the EECA Community Resilience Programme, which has provided funding for solar, battery storage and resilience upgrades at marae and community facilities across the district. Significant work has been undertaken to assess potential sites, engage with marae and community partners, and develop a programme that maximises community resilience outcomes. The programme will strengthen community resilience, support emergency response capability and improve the ability of key community facilities to remain operational during significant disruption events. Through the programme, CDEM foundational training has been delivered to eight marae, strengthening local capability and preparedness to respond effectively during an emergency. A further round of foundational training is planned for marae that were unable to participate in the initial training, alongside opportunities to progress to the intermediate level. This will support the continued development of marae-based emergency response capability and build a stronger network of prepared and resilient community facilities across Horowhenua.

WELCOMING COMMUNITIES

The Horowhenua Welcoming Communities Programme - Te Waharoa ki ngā Hapori received national recognition in June 2026, earning a Highly Commended award in the Beca Award for Excellence in Placemaking category at the 2026 Taituarā Local Government Excellence Awards. The programme

encompasses the Refugee Resettlement programme which is delivered in partnership with Muaūpoko and provides for the support and care of former refugees settling in Levin. The entry highlighted the sense of place and belonging experienced by former refugee whānau through the warm welcome and housing blessings conducted by Muaūpoko, upon their arrival in Levin, as well as the work of two former refugee community members in building trust and strengthening belonging within the refugee community, including supporting participation in voting for the first time in the local election.

WIKI O TE REO MĀORI

We partnered with Muaūpoko Tribal Authority to deliver Te Ahurei Kapahaka o Horowhenua Festival in September 2025, a vibrant celebration of kapa haka and Māori culture. The festival featured performances from 20 groups, including preschools, schools, colleges, and community organisations across the district. More than 500 performers took to the stage, entertaining an audience of around 1,000 spectators in a day filled with energy, pride and cultural celebration.

LEVIN TOWN CENTRE PROJECT

Iwi participation continues to be an important part of the Levin Town Centre Transformation programme, with Te Tūmatakahuki and Muaūpoko Tribal Authority members of the Levin Town Centre Transformation Community Steering Group. The group provides a valuable community perspective, helping to inform the programme's direction and contribute to the development of ideas for the future of the town centre.

MARAE HAERENGA PROGRAMME

The programme is designed to develop relationships between elected members and iwi and hapū, enabling more effective and harmonious collaboration at a governance level.

Building on the momentum of Tiraki, this programme supports shared outcomes for the benefit of iwi, hapū and the wider hapori (community). Engaging in a marae setting under the manaakitanga of the marae and led by the marae, provides a strong foundation for ongoing and meaningful partnerships with tangata whenua, setting up for collective success in achieving shared aspirations and outcomes.

Other engagements included:

- Community led planting and clean-up initiatives
- Urupā Fund
- Foxton War Memorial Hall sale
- Horowhenua Mana Kai Network
- Levinable Project

Looking Ahead

The mahi (work) outlined throughout this report reflects just some of the ways Council works alongside Māori and supports Māori aspirations across the district. This work continues to evolve as Council strengthens its cultural capability, builds confidence among kaimahi (staff), and deepens relationships with iwi, hapū and Māori communities.

Through ongoing cultural learning, including the Tūhono ki Te Ao Māori cultural induction programme, kaimahi continue to build their understanding and confidence in working effectively within a Māori context. At the same time, Council is continuing to strengthen opportunities for iwi and hapū to contribute meaningfully to Council processes, projects and decision-making.

Looking ahead, the focus remains on building enduring relationships and ensuring our mahi is grounded in Tiakitanga, Manaakitanga, Mahi Tahi and #Arohatōmahi – working together, with purpose, to achieve better outcomes for Māori and the wider Horowhenua community.



Our role
Ko ā mātou haepapa

He rau ringa e pakari ai ngā taura whiri i ō tātou kāinga noho me ō tātou hapori – mai te pae maunga o Tararua ki te moana.

With many hands, the threads which weave our neighbourhoods and communities together will be strengthened from the Tararua Ranges to the sea.

With many hands, the threads which weave our neighbourhoods and communities together will be strengthened from the Tararua Ranges to the sea.

Council's role includes enabling democratic local decision-making and delivering local infrastructure, services and regulatory functions that support the district now and into the future.

As discussed earlier, the legislative environment for local government in 2025/26 continued to change significantly. Reforms included proposed changes to the purpose and role of councils through the Local Government (System Improvements) Amendment Bill. These reforms signal a stronger focus on core services, affordability, performance, accountability and transparency.



- We will uphold Te Tiriti o Waitangi/The Treaty of Waitangi and its principles.
- We build mutually respectful partnerships with tangata whenua.
- We support Mana Whenua to maintain and enhance tikanga with their ancestral lands and waterways, wāhi tapu and other taonga.
- We support whānau, marae, hapū and iwi in achieving their aspirations.
- We recognise the role of Mana Whenua as kaitiaki of their rohe.



- We are business friendly.
- We will work with others to enable our economy to grow.
- We support diversity and resilience in our local economy.
- We aspire for economic security for all our people.
- We seize growth opportunities for our district.



- We contribute to improving our natural environment for current and future generations to enjoy.
- Our communities are able to access and enjoy natural areas and public places.
- We recognise and protect the important natural features in our district.
- We ensure our built environment supports the wellbeing of our people.
- We minimise waste.
- We manage competing pressures on resources sustainably.



- We develop and maintain facilities and infrastructure to meet the needs of current and future generations.
- We provide efficient, reliable and affordable infrastructure.
- We work with partners to develop infrastructure that enables growth.
- Our community facilities and infrastructure are resilient, helping us to respond to climate change and natural hazards.



- We value the diversity of our people.
- We recognise the value of our district's heritage and its contribution to our communities' sense of identity and pride.
- We take an inclusive approach and encourage our people to participate in local decision-making.
- We provide infrastructure and services as a foundation for resilient and connected communities.
- We build collaborative relationships with service providers to help enable all of our people to live positive, connected and healthy lifestyles.

While the legislative framework continues to evolve, Council's Community Outcomes remained unchanged. They continue to express the outcomes Council seeks for Horowhenua and provide an important foundation for its planning and decision-making.

Council's Community Outcomes were developed in consultation with the community through the Long Term Plan 2021–2041 then updated through the Long Term Plan 2024–2044.

Council is made up of the Mayor and 12 Councillors (elected members), who represent five wards, including the Māori Ward. Elected members are responsible for governance and setting Council's strategic direction. They represent their communities, make decisions on behalf of ratepayers and residents, and set the policies, plans and priorities that guide Council's work.

The Te Awahou Foxton Community Board represents the Foxton and Foxton Beach communities. It has five elected members and one Council-appointed member from the Kere Kere General Ward. The Board advocates for its communities and makes recommendations to Council on matters affecting its area.

Elected members also represent Council on a range of statutory bodies, community organisations and other groups, helping maintain connections between Council, its partners and the communities it serves.

The Chief Executive who employs Council staff are responsible for the day-to-day management of the organisation and delivery of Council's activities. Staff provide advice to elected members and implement Council decisions across services ranging from strategy and regulatory functions to infrastructure, community facilities and operational service delivery.

Council works with communities, iwi and hapū, central and regional government, neighbouring councils, businesses and other organisations to deliver services and respond to local needs. Council's roles include:

- providing and managing local infrastructure and community facilities, including roads, water services, waste services, libraries, parks and recreational facilities
- planning for the district's current and future needs
- preparing and adopting the Long Term Plan, Annual Plan and Annual Report
- setting rates and bylaws
- carrying out regulatory and non-regulatory decision-making
- developing strategies, policies and plans
- engaging with communities and considering the views of the Te Awahou Foxton Community Board on matters affecting its communities
- advocating for Horowhenua to central government and other agencies, and
- monitoring and reviewing organisational performance.

Resident Satisfaction Survey
Te Uiui Whakarata i te Hapori

One of the ways we measure the public perception of how we are performing is through our resident satisfaction survey.

The 2026 survey was undertaken between 22 April and 17 May 2026 and covered 10 service categories. A total of 5,729 ratepayers received the survey, with 2,270 completing at least one category. Respondents answered a combined total of 22,047 questions – 6,763 more than in 2025.

We're grateful to everyone who took the time to complete the survey and provide feedback on how we're performing. This feedback helps us understand what is working well and identify areas where our community would like to see improvement.

The symbols below show how satisfaction has changed since 2025: + indicates an increase in satisfaction, while – indicates a decrease.

Water Services / 3 Waters – Customer Satisfaction (CSAT)



72.20%

Drinking water

Difference from 2025 CSAT: -0.3%



57.50%

Drinking water – quality

Difference from 2025 CSAT: -3.2%



44.00%

Stormwater

Difference from 2025 CSAT: -7.6%



76.50%

Wastewater services

Difference from 2025 CSAT: -7.0%



67.80%

Water tanks Mandatory

Difference from 2025 CSAT: +2.0%

Roads



38.50%

District road maintenance

Difference from 2025 CSAT: -4.3%



35.40%

Footpath maintenance

Difference from 2025 CSAT: -3.6%



56.60%

Parking

Difference from 2025 CSAT: -10.6%



37.20%

Roading suitability – cyclists and walking

Difference from 2025 CSAT: +0.5%



40.50%

Roading suitability – traffic flow

Difference from 2025 CSAT: -14.7%



55.90%

Street Lighting

Difference from 2025 CSAT: -0.7%

Parks & Reserves



74.70%

Parks and reserves

Difference from 2025 CSAT: -4.6%

Community Centres & Libraries



96.70%

Library services

Difference from 2025 CSAT: +2.8%



91.70%

Shannon library

Difference from 2025 CSAT: -8.3%



100.00%

Te Awahou Nieuwe Stroom

Difference from 2025 CSAT: +7.0%



96.10%

Te Takeretanga o Kura hau pō

Difference from 2025 CSAT: +2.3%



100.00%

Non library services – Shannon library

Difference from 2025 CSAT: +46.7%



89.70%

Non library services – Te Awahou Nieuwe Stroom

Difference from 2025 CSAT: +0.5%



93.70%

Non library services – Te Takeretanga o Kura hau pō

Difference from 2025 CSAT: +1.1%



72.90%

Customer service

Difference from 2025 CSAT: -4.1%



62.70%

Halls

Difference from 2025 CSAT: +3.6%



87.10%

Cemeteries

Difference from 2025 CSAT: +4.1%



92.40%

Community Centres non-library services

Difference from 2025 CSAT: +2.5%

Rubbish & Recycling



87.80%

Kerbside recycling

Difference from 2025 CSAT: +1.3%



89.10%

Kerbside rubbish

Difference from 2025 CSAT: -2.9%



61.80%

Levin Transfer Station

Difference from 2025 CSAT: -5.2%



66.20%

Levin Transfer Station recycling

Difference from 2025 CSAT: -2.0%



83.30%

Mobile Recycling CSAT

Difference from 2025 CSAT: -3.2%



76.10%

Shannon and Foxton

Difference from 2025 CSAT: +2.2%

Customer Service (Civic Centre)



35.20%

Easy to do business with

Difference from 2025 CSAT: -6.5%



75.80%

Council Contact CSAT

Difference from 2025 CSAT: -11.8%



68.70%

Council Responsiveness

Difference from 2025 CSAT: -6.4%



65.00%

LGOIMA, LIM, PF requests

Difference from 2025 CSAT: -12.3%

Communications & Engagement



61.50%

Comms easy to understand

Difference from 2025 CSAT: -10.9%



51.40%

Well Informed

Difference from 2025 CSAT: -5.6%



55.90%

Feedback Process

Difference from 2025 CSAT: -17.9%



40.90%

Decision making – public involvement

Difference from 2025 CSAT: -13.8%



33.80%

Transparent

Difference from 2025 CSAT: -6.5%



75.80%

Council Contact

Difference from 2025 CSAT: -11.8%



68.70%

Council Responsiveness

Difference from 2025 CSAT: -6.4%

Quality of Life



41.30%

A safe place

Difference from 2025 CSAT: -6.5%



69.20%

Great place to live

Difference from 2025 CSAT: -10.1%



77.10%

Quality of life

Difference from 2025 CSAT: -3.3%



43.30%

Healthcare accessible

Difference from 2025 CSAT: -8.4%



28.90%

Enables affordable housing

Difference from 2025 CSAT: -6.7%



56.50%

Sense of community

Difference from 2025 CSAT: -10.0%



40.70%

Sense of pride

Difference from 2025 CSAT: -10.6%



41.30%

Supports newcomers

Difference from 2025 CSAT: -13.0%



34.60%

Economic development

Difference from 2025 CSAT: -13.0%

Leadership & Reputation



47.00%

Mayor & Councillors

Difference from 2025 CSAT: -6.2%



42.80%

Reputation

Difference from 2025 CSAT: -12.4%



33.80%

Transparent

Difference from 2025 CSAT: -6.5%



35.20%

Easy to do business with

Difference from 2025 CSAT: -6.5%



34.60%

Economic development

Difference from 2025 CSAT: -13%



35.30%

Prepared – population growth

Difference from 2025 CSAT: -11.9%



40.10%

Responsiveness

Difference from 2025 CSAT: -9.3%

Alongside customer satisfaction measurements, for the last four years, we've also measured the Net Promoter Score (NPS) – a customer loyalty and satisfaction metric. Net Promoter Score (NPS) measures the balance between positive and negative responses, based on respondents' scores from 0 to 10. Respondents are grouped as Promoters (9–10), Passives (7–8) or Detractors (0–6), with the NPS calculated by subtracting the percentage of Detractors from the percentage of Promoters. Scores can range from -100 to +100, with a higher score indicating a more positive result. Council's NPS moved to -6.8, compared with -7.1 in 2025.

METHOD USED

Survey data was collected through AskNicely, which distributed the Annual Resident Satisfaction Survey to ratepayers by email. Respondents completed surveys and could provide free-text comments. Data was exported, cleaned and organised into 10 service categories. Analysis combined quantitative scoring (average scores, score distribution and NPS categories) with manual review of comments to identify key themes, sentiment and recurring issues. AskNicely's AI-generated summaries were used as a supporting tool and manually reviewed. Statistical significance testing was undertaken at a 95% confidence level.

The survey delivery method changed in 2026. In 2025, approximately 8,200 ratepayers received nine separate emails over time, creating multiple opportunities to participate. In 2026, the survey was distributed through one consolidated email containing all 10 survey categories, providing a single engagement opportunity. As a result, response volumes and engagement between the two years are not directly comparable.

There were no changes to the survey questions from those asked in 2025. Responses from Council staff were also excluded from the 2026 results, consistent with previous years.

No demographic or other weighting was applied to the survey results. Results therefore reflect responses received and have not been adjusted to match the demographic profile of the district.

For SSP reporting, satisfaction percentages were calculated using a five-point scale, from 1 (Very Unsatisfied) to 5 (Very Satisfied). Responses of 4 (Satisfied) and 5 (Very Satisfied) were counted as satisfied when calculating the reported satisfaction percentage.



Who we are
Ko wai mātou

Elected Members



Bernie Wanden

MAYOR

Chair – Chief Executive Employment and Performance Committee
Community Funding and Recognition Committee
Note: Mayor Wanden is a member of each Committee (except District Licensing Committee unless appointed)



David Allan

DEPUTY MAYOR

KERE KERE WARD

Chief Executive Employment and Performance Committee
Community Funding and Recognition Committee
Hearings and Regulatory Committee
Te Awahou Foxton Community Board



Mike Barker

LEVIN WARD

Risk and Assurance Committee
Hearings and Regulatory Committee



Nola Fox

KERE KERE WARD

Risk and Assurance Committee



Morgan Gray

WAIOPEHU WARD

Chair – District Licensing Committee
Risk and Assurance Committee



Clint Grimstone

LEVIN WARD

Chief Executive Employment and Performance Committee
Chair – Hearings and Regulatory Committee



Nina Hori Te Pa

HOROWHENUA (MĀORI WARD)

Chair – Community Funding and Recognition Committee



Sam Jennings

WAIOPEHU WARD

Chair – Risk and Assurance Committee
Chief Executive Employment and Performance Committee
Hearings and Regulatory Committee
Procurement Review Group



Jo Mason

LEVIN WARD

Chair – Community Wellbeing Committee
Chief Executive Employment and Performance Committee
Community Funding and Recognition Committee



Katrina Mitchell-Kouttab

LEVIN WARD

Community Wellbeing Committee



Paul Olsen

MIRANUI WARD

Chief Executive Employment and Performance Committee
Procurement Review Group



Lani Te Raukura Ketu

HOROWHENUA (MĀORI WARD)

Hearings and Regulatory Committee



Alan Young

LEVIN WARD

Risk and Assurance Committee

Executive Leadership Team



Monique Davidson

CHIEF EXECUTIVE



Daniel Haigh

Group Manager
Community Infrastructure



Brent Harvey

Group Manager
Community Experience
and Services



David McCorkindale

Group Manager
Community Vision
and Delivery



Blair Spencer

Group Manager
Housing and Business
Development



Jacinta Straker

Group Manager
Organisation
Performance

Jacinta Straker was appointed to the Central District Waters Transition Team as the Finance Workstream Lead in November 2025, commencing an 18-month secondment.



Nicki Brady

Group Manager
Capability and
Transformation


Service Centre
Book a Librarian

Activity Updates
He pārongo mō ā mātou mahi



Activity Performance

This section provides an overview of what Council delivered during the 2025/26 financial year, how its activities performed and how they contributed to Council's Community Outcomes. It outlines key achievements, challenges and future priorities, financial performance, and results against Council's non-financial performance measures through the Activity Performance (Statement of Service Provision – SSPs).

The Activity Statements report against the activities, performance targets, costs and funding set out in the Long Term Plan 2024–2044, as detailed in the Annual Plan 2025/26.

Performance measures provide important information about Council's performance across the range of services it delivers. Council's SSP measures include measures developed through the Long Term Plan process, as well as mandatory measures prescribed by Government agencies for relevant activities, such as waters. These measures assess aspects of service delivery such as quality, quantity, timeliness and cost.

Council monitors and reports against its adopted performance measures and ensures that reported results are supported by appropriate and reliable evidence. Where appropriate, explanatory commentary provides further context for performance during the year.

Council also uses a range of internal processes and controls to support the quality and reliability of its planning, reporting and service delivery. These include:

- Published planning documents including the District Plan, asset management plans, the Long Term Plan and components such as Revenue and Financing Policy, Investment Policy, Liability Management Policy; Annual Plans and Annual Reports prepared in conjunction and consultation with the public and affected parties, internal peer review and in compliance with the requirements of relevant legislation.
- Internal reports are prepared by suitably qualified and experienced Officers and significant reports are subject to peer review.
- Capital works are constructed to design specifications and are inspected by suitably qualified and experienced Officers.
- Maintenance works are undertaken by employees or contractors under the supervision of suitably qualified and experienced engineers and are monitored in accordance with maintenance programmes.

A high-level summary of Council's performance can be found in the **Our performance and position at a glance** section of this Annual Report and in the Summary Annual Report.

**Please note the outcomes and associated bullet points in the outcomes are not intended to be read as a hierarchal list ordered by importance.*

Service performance judgements and assumptions

The Annual Report 2025/26 is Council's second report against the Long Term Plan 2024–2044 (LTP). The LTP introduced a revised performance measure framework designed to provide clearer and more meaningful information about Council's delivery of its levels of service and contribution to Community Outcomes.

In preparing the Activity Performance information, Council applies judgement to the measurement, aggregation and presentation of service performance information. Significant judgements and assumptions that are relevant to understanding Council's 2025/26 performance are outlined below or, where they relate to a specific measure, alongside the relevant Activity Performance results.

Council also reviewed the underlying data and application of reporting criteria for certain performance measures during the year. Where these reviews identified corrections to previously reported information or provided additional context relevant to interpreting performance results, explanatory information has been included alongside the affected measures.

Some performance measures rely on information provided by external organisations, contractors or regulatory bodies. Council uses the best available information at the time of reporting and applies appropriate review and verification processes before results are reported.

Performance results can be influenced by a range of internal and external factors, including operational or resourcing constraints, changes in government policy or legislation, external funding decisions, significant weather events, contractor availability and other circumstances affecting service delivery. Where factors have materially affected a performance result, explanatory commentary is provided alongside the relevant measure to help readers understand the result and the circumstances that contributed to it.

Some performance measures use results from Council's Annual Resident Satisfaction Survey. These results measure community perceptions of Council's services and should be considered alongside operational performance information and other available evidence. Further information on the survey methodology, participation and interpretation of results is provided in the **Resident Satisfaction Survey** section of this Annual Report.

Council's Activity areas are:

Water Supply

The Water Supply Activity aims to provide a safe and reliable supply of water to urban (residential, industrial and commercial) and agreed rural properties, which adjoin urban areas.

Wastewater

The Wastewater Activity aims to protect human health and the environment by treating wastewater from residential and industrial properties and discharging treated effluent back into the environment.

Stormwater

As part of the Stormwater Activity, Council provides and maintains a stormwater system that aims to remove water from the roading corridor, and in some cases residential and commercial properties, to reduce the occurrence of flooding during rainfall events.

Land Transport

Through the Land Transport Activity, Council provides and maintains roads, footpaths and cycle paths across our rohe (district) that meet the community's needs.

Solid Waste

Through the Solid Waste Activity Council provides refuse collection and disposal, transfer stations, kerbside recycling, rural mobile recycling stations, hazardous waste management, management of the district's closed landfills and funding of waste minimisation educational programmes.

Community Facilities

The Community Facilities Activity includes:

- Aquatic Centres and Recreation
  - providing public access to swimming pools, the splash pad, fitness, rehabilitation, and swimming programmes to enhance wellbeing through providing healthy recreational and social opportunities.
- Community Centres and Libraries
  - providing locations where people can visit, spend time, and positively engage in activities and opportunities, whether that is through social interaction, personal development or recreation and leisure.

Community Infrastructure

The Community Infrastructure Group of Activity is made up of a number of sub-activities, that aim to provide both passive and active amenities for our community's use, and also enhance community wellbeing and foster a sense of belonging through the effective management of community infrastructure.

This includes reserves, sports grounds, cemeteries, beautification, urban cleansing, public halls, and public toilets.

Property

Council owns a substantial number of properties throughout Horowhenua which support the delivery of Council's activities.

The Property Activity ensures that these assets are managed and maintained effectively.

Representation And Community Leadership

This Activity relates to how Council meets its responsibility to represent and provide leadership for our community including how Council will involve the community in strategic planning and decision-making.



Community Support

The Community Support Activity is made up of a number of sub-activities which provide for the community's social and economic wellbeing. It includes:

- Emergency Management
- Community Engagement
- Visitor Information
- Destination Management
- Economic Development
- Communications and Engagement

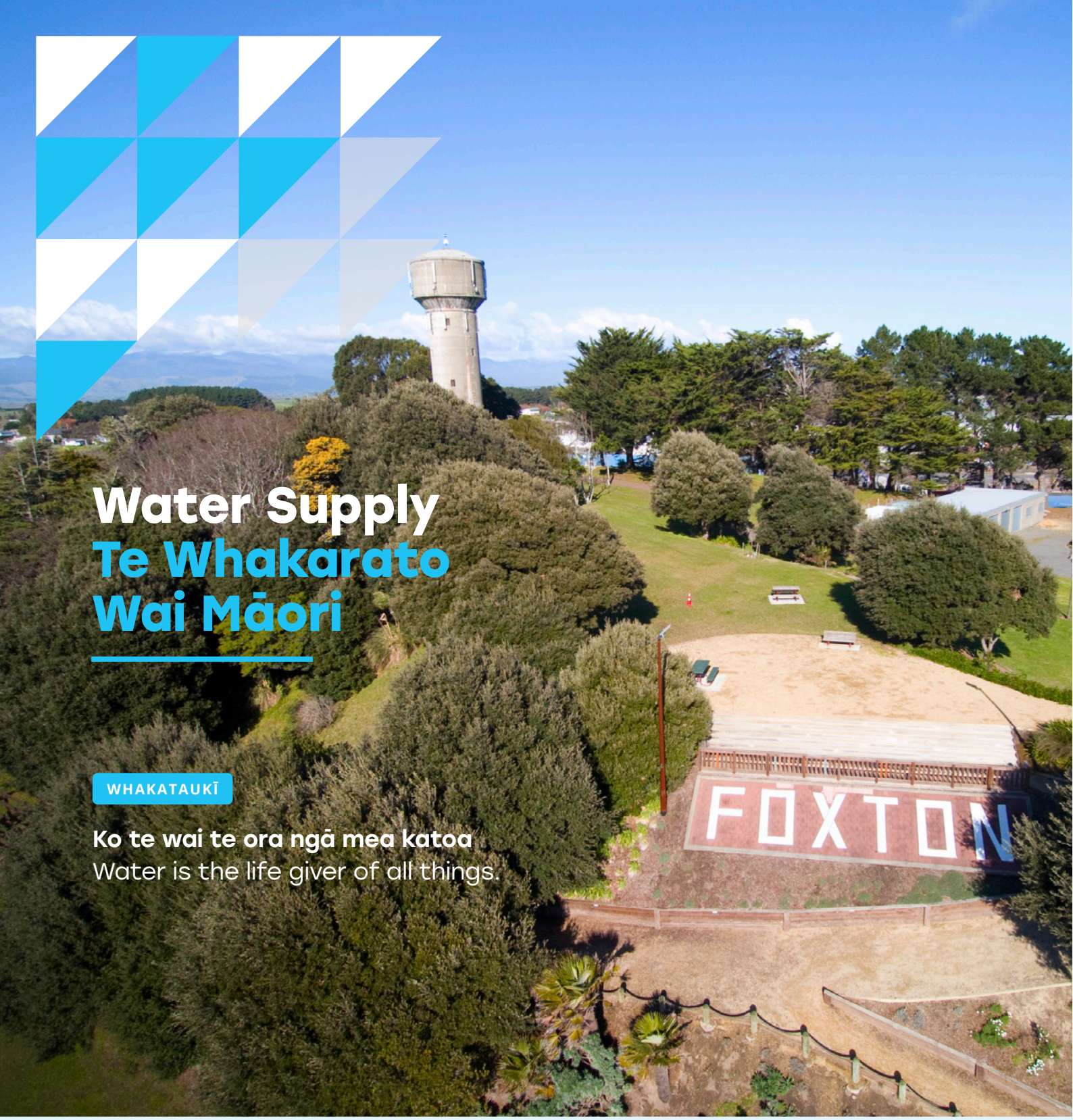
Regulatory Services

The Regulatory Services Activity provides advice, building and resource consenting services, assessment, education, compliance and enforcement. This Activity focuses on protecting the health and safety of our community and the environment they live within.

This includes:

- Resource Consenting
- Building Consenting
- Environmental and Alcohol Licensing
- Parking Enforcement
- Building Compliance
- Resource Management Compliance
- Animal Control
- General Regulatory Service

This part is prepared according to the requirements of the Local Government Act 2002, the Non-Financial Performance Measures Rules 2024 and the financial reporting standards issued by the External Reporting Board.



Water Supply
Te Whakarato Wai Māori

WHAKATAUKĪ

Ko te wai te ora ngā mea katoa
Water is the life giver of all things.

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES

- Strong Communities
- Vibrant Economy
- Outstanding Environment
- Fit for purpose Infrastructure

Description of activity

The Water Supply Activity aims to provide a safe and reliable supply of water to urban (residential, industrial and commercial) and agreed rural properties, which adjoin urban areas.

WHAT THE ACTIVITY INVOLVES

- The Council's water supply service treats and distributes water that we source from groundwater bores and rivers in the district. We plan, operate and maintain water treatment plants to meet water quality standards as well as maintaining 422km of water supply reticulation networks. Across the district, we provide fresh water to over 13,000 customers.
- Providing drinking water to defined urban and rural areas for Levin, Ōhau, Foxton Beach, Foxton, Shannon, Mangaore and Tokomaru.
- Management and maintenance of river intakes, groundwater bores, water treatment plants and treated water storage facilities, pump stations, underground pipe networks and associated infrastructure.
- Ensuring that water demand management kept current using tools such as the SCADA (Supervisory Control and Data Acquisition), i2O systems, PRVs (pressure reducing valves) and the new smart meters Council installed as part of the Council's districtwide water metering programme.
- Continuous improvements and extensions to Council's water supply pipe network that addresses leaky pipes through applying a good asset management process.
- Providing water for firefighting capability in areas where a Council reticulated water supply is provided and ensuring compliance with firefighting requirements in areas that are not reticulated.
- Ensuring compliance with relevant legislation:
  - Meeting resource consent requirements for water intakes and assets
  - Meeting the requirements of the Water Services Act 2021
  - Meeting the requirements of the Water Services (Drinking Water Standards for New Zealand) Regulations 2022
  - Meeting the requirements of the Drinking Water Quality Assurance Rules under the new regulator, Taumata Arowai 2022.
  - Respond to and resolve (if possible) complaints relating to the Water Supply Activity.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Providing safe, reliable and high-quality drinking water supports public health, wellbeing and quality of life for communities across the district.

ENVIRONMENTAL WELLBEING

Improving leak detection and reducing water loss helps minimise water abstraction from natural sources, reducing environmental impacts and improving the efficiency of Council's water supply network.

ECONOMIC WELLBEING

Reliable robust water infrastructure supports businesses, accommodates future growth and improves network resilience during storms, power outages and other disruptive events.

CULTURAL WELLBEING

Council continues strengthening relationships with iwi through ongoing consultation, communication and collaborative management of water resources and infrastructure.



LONG TERM PLAN/ ANNUAL PLAN ACTIVITY INSIGHTS

What we planned	What we did
RENEWALS	
WATER NETWORKS	
Districtwide Water Network	Replacement of laterals, fire hydrants and valves.
Districtwide Water Network Demand Management	Maintenance of zone meters and Pressure Reducing Valves (PRV).
Levin Water Network – MacArthur Street Water main renewal/upgrade	MacArthur Street renewal works commenced in mid-January 2025; the works were completed in March 2026, with approximately 977 metres of watermain installed.
WATER TREATMENT PLANTS	
Foxton Water Treatment Plant	The UV system and new reservoir, initiated last year, were physically completed, with commissioning and final operational testing of the UV system continuing at year end. Longer-term planning progressed for the Foxton and Foxton Beach water supply networks, including development of a Water Supply Master Plan. The Master Plan will assess future demand, asset condition, growth requirements and options to improve network resilience and inform future investment decisions.
Shannon Water Treatment Plant	Due to improved raw water quality, the membrane filters remain in good condition, and replacement was not required during 2025/26. The membrane replacement project, originally planned for 2023/24 and subsequently deferred is now planned for delivery in 2026/27. Regular maintenance continues to be undertaken in the interim.
Tokomaru Water Treatment Plant	Upgrades to the filters were undertaken. The Tokomaru Water Treatment Plant office upgrade project was completed to improve staff amenities and support safer day-to-day plant operations.
GROWTH	
WATER NETWORKS	
Districtwide Water Network – Metering	Significant progress was made on Council's districtwide water metering programme, with approximately 13,192 meters installed by early June 2026 since its start in the 2024/25 financial year. The remaining special and commercial bulk meters are planned to be completed during 2026/27.
Ōhau Water Network – Future	A feasibility study was undertaken during 2025/26 to assess the requirements and options for future delivery.
Tara-Ika - Tararua Roundabout – Watermain	This project was delivered in partnership with Te Pae o Tararua Ō2NL. Construction commenced in January 2025, with a new water main installed and tested and construction of the roundabout completed in October 2025. The project was supported by National Infrastructure Funding and Financing (NIFF), formerly Crown Infrastructure Partners.
Waitārere Beach Water Network – Future	A feasibility study was undertaken during 2025/26 to assess the requirements and options for future delivery.
WATER TREATMENT PLANTS	
Foxton Beach Water Treatment Plant – Renewal	The Green Sand Filter upgrade works were delivered, with commissioning completed in November 2025 as planned.

Levin Water Treatment Plant	• Refurbishment of filter 1 completed in early 2025/26. • Planning works continued in 2025/26 to improve the resilience of the Levin WTP with procurement for the refurbishment of filters 7, 8 & 10 and the standby UV and clarifier bypass works undertaken in 2025/26, with physical works planned for 2026/27 financial year. • Advanced with updates to the Levin WTP Masterplan.
Levin Water Source – Poad Road reservoir	Council continued to progress with the consent for the proposed Poads Road Water Supply Reservoir, including engagement with iwi partners, landowners, submitters and regulatory stakeholders.

Successes

DELIVERING SAFE AND RELIABLE DRINKING WATER

Council continued providing treated drinking water across the district while maintaining a strong focus on water quality, network reliability and proactive maintenance. Microbiological monitoring requirements were met across all water supply schemes, with no E. coli or coliform samples failing drinking water standards and no bacterial or protozoal unsafe-water notifications made to Taumata Arowai during the year. While full treatment compliance was not demonstrated on a small number of days at Shannon, Foxton, Foxton Beach and Tokomaru, these events were investigated and responded to, with corrective actions implemented where required.

Greater emphasis was also placed on planned and preventative maintenance, including regular inspections of critical valves, pump stations and pressure reducing valves, helping improve visibility of asset condition and strengthen network reliability. Improvements in fault prioritisation, coordination and network knowledge also supported faster response and resolution of water supply faults, with all response-time targets achieved during the year.

STRENGTHENING DRINKING WATER TREATMENT AND RESILIENCE

Significant upgrades were completed at the Foxton and Foxton Beach Water Treatment Plants to strengthen drinking water quality, capacity and resilience. At Foxton, a new UV disinfection system was installed, with commissioning underway. The third reservoir was brought into service, providing additional storage which is required over peak demand periods. At Foxton Beach, a third green sand filter was installed, with media in the two existing filters also replaced to increase treatment capacity and respond to growing demand.

Council also completed an inspection of the Foxton water tower, including an internal inspection using an underwater drone, providing improved condition information to support future asset management and helping protect an important source of water supply resilience during power outages.

RENEWING THE NETWORK AND SUPPORTING FUTURE GROWTH

Council continued renewing water infrastructure and supporting growth across the district. The MacArthur Street water renewal in Levin was completed during the year, while around 310 metres of watermain along Tiro Tiro Road was renewed as part of the Inlet pipe and bulkmain wastewater construction programme.

Significant renewals were also completed in Shannon. The Margaret Street project, completed in September 2025, renewed approximately 409 metres of rider main and 692 metres of watermain. A further 950 metres of watermain along Bryce Street, from Thompson Street to the Shannon Wastewater Treatment Plant, was replaced alongside installation of the new wastewater rising main.

Coordinating water renewals with other infrastructure work already underway in the road corridor helped improve network resilience while reducing the need for future excavation and disruption. The Reticulation Team also continued installing private service connections for new developments and supporting water renewals, metering and growth-related infrastructure projects.

IMPROVING HOW WE UNDERSTAND AND MANAGE WATER USE

Significant progress was made on Council's districtwide water metering programme, with residential installations, manifold maintenance and reinstatement works substantially complete by year end. By early June 2026, approximately 13,192 water meters had been installed, with final quality assurance and physical investigations underway. Planning also progressed for bulk and non-standard commercial meters for delivery in 2026/27. Once complete, the programme will provide better information about how water is used across the district, helping identify leaks, reduce water loss and support more efficient management of water resources.

Challenges

MANAGING DELIVERY TIMING WHILE PROGRESSING MAJOR WATER INFRASTRUCTURE

Delivery of several planned Water Supply capital projects extended beyond the end of the financial year due to procurement timing, consenting requirements and other programme constraints. At the Levin Water Treatment Plant, refurbishment of three steel filters and construction of the clarifier bypass and standby UV

system were committed but physical works moved into 2026/27. Elements of the districtwide water metering programme also carried forward, including bulk and non-standard commercial meters.

Looking Forward

CONTINUING TO STRENGTHEN THE DISTRICT'S WATER SUPPLY

Council will continue progressing major investments to strengthen drinking water resilience, treatment capacity and future supply. At the Levin Water Treatment Plant, work will continue on the refurbishment of three steel filters, the clarifier bypass and standby UV system, and planning for a new treated water reservoir. The Levin Water Treatment Plant Masterplan is also being updated to consider future treatment requirements and the implications of a potential dual-source supply, helping guide the timing of future renewals, capacity improvements and longer-term investment.

Longer-term planning will continue for Foxton and Foxton Beach, including development of a Water Supply Master Plan to assess future demand, asset condition, growth requirements and options to improve network resilience. Investigations will also continue into the declining yield of the Lady's Mile Bore and future water-source options for Foxton and Foxton Beach.

Work will continue to progress the consenting pathway for the proposed Poads Road Water Supply Reservoir, including engagement with iwi partners, landowners, submitters and regulatory stakeholders. The proposed off-river reservoir is intended to strengthen Levin's long term water supply resilience, support projected growth and reduce pressure on river abstraction during periods of low flow.

Further resilience improvements are also planned across the district, including standby generator upgrades at the Foxton Water Treatment Plant and Shannon water supply scheme.



SAFE WATER SUPPLY MEASURES

The Department of Internal Affairs updated the mandatory 'Safe Water Supply' measure in its Non-Financial Performance Rules 2024 after the council had published its Long Term Plan 2024-2044, which sets our statement of service. The updated measure came into effect on 21 August 2024 and still covers the bacterial and protozoal compliance of water supplies, but compliance is now directly referenced to the relevant rules in the Drinking Water Quality Assurance Rules 2022. Our reporting is, therefore, against those rules. In addition to reporting to Bacterial and Protozoal compliance, Council must now also report on (j) D3.29 Microbiological Monitoring, which is reported within Bacterial compliance measure. Compliance ratings are calculated in accordance with the DWQAR aggregate compliance rate methodology (released in June 2025).

MONITORING COMPLIANCE

Council monitors compliance through sampling and analysers. The data of which is stored on the historian server. These are reported weekly and monthly to Local Waters Managers. Additionally specified infrastructure data is provided to Taumata Arowai routinely.

In addition to Council monitoring compliance, results for audit are peer reviewed internally and WaiComply reviews our DWQAR compliance quarterly – creating independent reports to the compliance team. This allows more comprehensive compliance reporting and can outline if any risks have been missed.

HORIZONS REGIONAL COUNCIL'S (HRC) ONE PLAN

The HRC's One Plan, which is based on the Resource Management Act 1991, require us to report on all aspects of active consents annually. Annual site inspections by HRC and review of our annual monitoring reports allow HRC to review consent condition compliance to create independent annual monitoring reports. From this they are able to create a compliance matrix and assess risks. There is regular communication to the consents monitoring team as needed, allowing for timely remedial action as issues present.

Service/ Measure	Target	2024/25 Results	2025/26 Results
Service:		✖ NOT ACHIEVED	✖ NOT ACHIEVED
Safe water supply*			
Measure as per LTP:			
Council's drinking water supply complies with: (a) part 4 of the Drinking Water Standards (bacteria compliance criteria) in			
Levin	Achieve		
Shannon	Achieve		
Foxton	Achieve		
Foxton Beach	Achieve		
Tokomaru	Achieve		
The New DIA Non- Financial Performance measures 2024 commenced 21 August 2024.			
New DIA measure[1]:			
Council's drinking water supply complies with the following parts of the drinking water quality assurance rules			
(h) T3 Bacterial Rules.			
(j)[2] D3.29 Microbiological Monitoring Rule in			
Levin	Meet		
Shannon	Meet		
Foxton	Meet		
Foxton Beach	Meet		
Tokomaru	Meet		

2024/25 Results

Scheme & Serviced population	Section and Component	Outcome
* Serviced population is estimated as per 2023 census (Total: 30,175)		
Levin *20,849	T3 Bacterial rules	All met
	D3.29 Microbiological Monitoring Rule	Partially met
Shannon *1,819	T3 Bacterial rules	All met
	D3.29 Microbiological Monitoring Rule	Partially met
Foxton *3,234	T3 Bacterial rules	All met
	D3.29 Microbiological Monitoring Rule	Partially met
Foxton Beach *3,775	T3 Bacterial rules	All met
	D3.29 Microbiological Monitoring Rule	Partially met
Tokomaru *497	T3 Bacterial rules	All met
	D3.29 Microbiological Monitoring Rule	Partially met

2025/26 Results

Scheme & Serviced population	Section and Component	Outcome
* Serviced population is estimated as per 2023 census (Total: 36,693)		
Levin *24,350	T3 Bacterial rules	All met
	D3.29 Microbiological Monitoring Rule	All met
Shannon *2,175	T3 Bacterial rules	All met[1]
	D3.29 Microbiological Monitoring Rule	All met
Foxton *3,645	T3 Bacterial rules	Almost met[2]
	D3.29 Microbiological Monitoring Rule	All met
Foxton Beach *4,292	T3 Bacterial rules	Almost met[2]
	D3.29 Microbiological Monitoring Rule	All met
Tokomaru *557	T3 Bacterial rules	All met
	D3.29 Microbiological Monitoring Rule	All met

The population figure reported in the 2024/25 Annual Report (30,175) was incorrectly quoted and has been corrected in the 2025/26 Annual Report.

1 Department of Internal Affairs Non-Financial Performance Measures Rules 2024.

2 (j) monitors end point sampling frequency for Coliform and E. coli.

Service/ Measure	Target	2024/25 Results	2025/26 Results

Notes: Bacterial compliance

The supply is reporting against T3.1-6 chlorine and/or UV disinfection for bacterial treatment compliance. It reached full compliance with all targets met for the year, giving 100% compliance for these rules.

Notes: Microbiological Monitoring

Frequency Rules

The supply is reporting against D3.29 E. coli and coliforms monitoring and reporting for compliance. During this financial year, one sample set was missed. Samples due in the final week of December 2024 and carried out by HDC arrived on time, and in order at the lab, but was not processed. This breached reporting on one occasion for one week due at the end of December 2024. Taumata Arowai and the service provider were both notified of this breach at this time. Process steps at the lab will ensure this does not happen again.

DWQAR rules for missed samples are however measured as a monthly target. As a result, the missed sample transcribes to one month's noncompliance. Compliance for eleven months comes to 11/12=91.67% of compliance across all water plants.

Positive result (NZ drinking water standards breach)

Foxton Beach:

- Coliform detected at Foxton Beach in Oct 2024, cross contamination at Boat club from high winds when sampling.
- Low FACe at end points Foxton Beach. Noncompliant in distribution end points. The dead-end at Marine Parade North has been looped to allow more flow and a fresher supply. Regular flushing is undertaken. This has improved the result, but further ongoing flushing is required.
- Foxton Beach chlorination was compliant for July 2024 and marked not compliant in the last reporting end of Aug 2024, low FACe means it was not compliant for distribution rules D3, this error has been fixed 15 October 2024.

Notes: Bacterial compliance

The supply is reporting against T3.1-6 chlorine and/or UV disinfection for bacterial treatment compliance. For Levin, Shannon and Tokomaru, we met 100% compliance.

1. 1A data outage caused by high winds and power cuts on 12 December 2025 interrupted continuous chlorine monitoring for approximately 90 minutes. Chlorine levels were confirmed as adequate before and after the outage. The outage period was excluded from the calculation.
2. 2A low chlorine residual (FAC) event occurred at the Foxton Water Treatment Plant on 25 February 2026 due to an incorrect treatment system setting, which caused temporary plant shutdowns. The issue was promptly corrected, reservoirs were disinfected, and additional water quality testing and network flushing were undertaken. Follow-up chlorine and microbiological test results confirmed the water met drinking water standards the following day. Wai Comply assesses Foxton and Foxton Beach results together for compliance purposes, with and overall compliance result of 99.99%.

Notes: Microbiological Monitoring

Frequency Rules

The supply is reporting against D3.29 E. coli and coliforms monitoring frequency, this has been met and there have been no detected results in the period.

Bacterial Notifications to Taumata Arowai (unsafe supply of water)		**Total number of E-coli and coliform samples taken that did not meet drinking water standards and the response thereto.**
Area	**No. of Notifications**	**E. coli and Coliform Samples not meeting standards**
Levin	0	0
Shannon	0	0
Mangaore	0	0
Foxton	0	0
Foxton Beach	0	0
Tokomaru	0	0
TOTAL	**0**	**0**

Bacterial Notifications: 0
Response E. coli and coliform samples: 0

Service/ Measure	Target	2024/25 Results	2025/26 Results

Bacterial Notifications to Taumata Arowai (unsafe supply of water)		Total number of E-coli and coliform samples taken that did not meet drinking water standards and the response thereto.
Area	**No. of Notifications**	**E. coli and Coliform Samples not meeting standards**
Levin	0	0
Shannon Mangaore	0	0
Foxton	0	0
Foxton Beach	1	1
Tokomaru	0	0
TOTAL	**1**	**1**

Notes Bacterial Notifications: 1
Coliform and E. coli recorded at Foxton Beach Distribution network. One sample at the fountain was unverified but assumed as a positive. The other was the boat club.

Response E. coli and coliform samples: 1
Investigations and notifications, all cross contamination events no risk to supplies – extensive investigations are always carried out at first notice of breach, there were no further positive samples, and this result was put down to high equinox winds contaminating the sample.

Service:
Safe water supply*

Measure as per LTP:
Council's drinking water supply complies with: (b) part 5 of the Drinking Water Standards (protozoal compliance criteria) in

Levin	Achieve
Shannon	Achieve
Foxton	Achieve
Foxton Beach	Achieve
Tokomaru	Achieve

New DIA measure[3]:
Council's drinking water supply complies with the following parts of the drinking water quality assurance rules

(i) T3 Protozoal Rules.

Levin	Meet
Shannon	Meet
Foxton	Meet
Foxton Beach	Meet
Tokomaru	Meet

✖ **NOT ACHIEVED**

Scheme & Serviced population	Section and Component	Outcome
*Serviced population is estimated as per 2023 census (Total: 30,175)		
Levin *20,849	T3 Protozoal rules	All met
Shannon *1,819	T3 Protozoal rules	All met
Foxton *3,234	T3 Protozoal rules	Almost met
Foxton Beach *3,775	T3 Protozoal rules	Almost met
Tokomaru *497	T3 Protozoal rules	All met

Note: There was a surge in turbidity above the quality assurance rules on 6 September 2024. A wi-fi comms drop off and filter 1 not triggering a routine backwash that normally happens every 7 hours, meant turbidity rose above 0.3NTU for more than 5min. This created a few failures during the day when filter 1's turbidity ran over 0.3NTU for more than 5% of the day (7.98%). As Foxton and Foxton Beach are part of the same water network due to the connection for top up flows, both WTPs should show protozoa T3 compliance of 98.98%.

Protozoal Notifications to Taumata Arowai (unsafe supply of water)

Area	Notifications	Comments
Levin	0	Compliance
Shannon & Mangaore	0	Compliance
Foxton	0	Compliance
Foxton Beach	0	Compliance
Tokomaru	0	Compliance
TOTAL	**0**	**Compliance**

Notes Protozoal Notifications: 0
There were no protozoal notifications sent to Taumata Arowai for unsafe water supply.

✖ **NOT ACHIEVED**

Scheme & Serviced population	Section and Component	Outcome
*Serviced population is estimated as per 2023 census (Total: 36,693)		
Levin *24,350	T3 Protozoal rules	All met
Shannon *2,175	T3 Protozoal rules	Almost met[1]
Foxton *3,645	T3 Protozoal rules	Almost met[2]
Foxton Beach *4,292	T3 Protozoal rules	Almost met[2]
Tokomaru *557	T3 Protozoal rules	Almost met[3]

The population figure reported in the 2024/25 Annual Report (30,175) was incorrectly quoted and has been corrected in the 2025/26 Annual Report.

Notes:

[1] Shannon Water Treatment Plant achieved 99.9% compliance (361 of 365 days) with the required treatment standard during 2025/26.

On four days during the year, the plant experienced brief increases in turbidity above the required limit, generally following membrane cleaning or when switching between membrane filter racks. These events lasted approximately 8–10 seconds.

As the membrane filtration system provides the full treatment credits required for compliance, the plant could not demonstrate that the required treatment level was continuously achieved during these brief periods. A conservative approach was therefore taken, and the four affected days were recorded as non-compliant.

[2] On 11 September 2025, elevated turbidity was recorded for more than 15 minutes due to a valve fault in Filter 2 at the Foxton Water Treatment Plant. Readings returned to normal once the fault was corrected. On 5 and 25 March 2026 air entering monitoring lines affected turbidity readings associated with the plant's second-stage filtration at the Foxton

3 Department of Internal Affairs Non-Financial Performance Measures Rules 2024.

Service/ Measure	Target	2024/25 Results	2025/26 Results
			Beach Water Treatment Plant. While the treatment systems continued to operate, reliable monitoring data was not available to demonstrate that the full required treatment level had been achieved for several short periods on these days. The UV treatment system recorded compliant results; however, as related monitoring was affected by the same issue, a conservative approach was taken, and the two days were recorded as non-compliant. The issue was investigated and resolved through the installation of new air seals. Wai Comply assess Foxton and Foxton Beach together for compliance purposes, with an overall compliance result of 99.9% for the year. [3] On 29 October 2025, a Programmable Logic Controller (PLC) power failure caused a 30-minute communications outage at the Tokomaru Water Treatment Plant. As UV compliance could not be demonstrated during this period, the result was recorded as non-compliant. Compliance for the year was 99.8%.

Protozoal Notifications to Taumata Arowai (unsafe supply of water)

Area	Notifications
Levin	0
Shannon	0
Mangaore	0
Foxton	0
Foxton Beach	0
Tokomaru	0
TOTAL	**0**

Protozoal Notifications: 0

Service: / Measure as per LTP:	Target	2024/25 Results	2025/26 Results
Service: Drinking water that tastes and looks satisfactory*. **Measure as per LTP:** The total number of complaints received about any of the following (expressed per 1,000 connections): Drinking water clarity; Drinking water taste; Drinking water odour; Drinking water pressure or flow; Continuity of supply; and Council's response to any of these issues. Total:	1 1 1 1 1 1 ≤ 6	✖ NOT ACHIEVED	✖ NOT ACHIEVED

Description	Per 1,000 Connections	No. of Complaints
Clarity	1.44	20
Taste	0.14	2
Odour	0.07	1
Pressure or flow	3.16	44
Continuity of supply	6.25	87
Council's response	0.07	1
TOTAL	**11.14**	**155**

Number of residential connections in the drinking water network as at 1 July 2024: 12,950.

Number of non-residential connections in the drinking water network as at 1 July 2024: 967.

Total number of rated connections as of 1 July 2024 = 13,917.

Note: Continuity of Supply and Pressure of flow complaints increased during this financial year due to a mixture of issues, including issues with restrictors, contractors assisting with installing water meters, leaving toby's off and manifold issues (in broken taps).

Description	Per 1,000 Connections	No. of Complaints
Clarity	0.92	13
Taste	0.28	4
Odour	0.35	5
Pressure or flow	2.76	39
Continuity of supply	5.02	71
Council's response	0.00	0
TOTAL	**9.33**	**132**

Number of residential connections in the drinking water network as at 1 July 2025: 13,172.

Number of non-residential connections in the drinking water network as at 1 July 2025: 972.

Total number of rated connections as of 1 July 2025 = 14,144.

Notes:

Continued improvements in proactive network management, timely responses to customer concerns, network renewals and maintenance activities contributed to a decrease in the overall number of customer complaints compared with the previous financial year. Water supply issues are generally responded to within two working days, helping to resolve concerns promptly and reduce repeat complaints.

Service/ Measure	Target	2024/25 Results	2025/26 Results
			Renewal of older sections of the network, including MacArthur Street and Tararua Road, and network flushing have also contributed to improved reliability and water quality. Improved communication with customers during planned shutdowns has helped keep affected communities informed. Complaint numbers can fluctuate due to unplanned events such as water main bursts and network failures. Some taste and odour complaints at Foxton Beach may also have resulted from an increase in chlorine levels in the treated water reservoir from 1.5 mg/L to 2 mg/L. This adjustment was necessary to maintain sufficient chlorine levels throughout the network and reduce water quality risks, while remaining within the applicable drinking water standard.
Service: Response to faults*. **Measure:** The median time from the time that Council received notification, to the time that service personnel: Reach the site for urgent call-outs[4];	< 1 hour	✔ ACHIEVED	✔ ACHIEVED
Confirm resolution of the fault or interruption of urgent call-outs;	< 8 hours		
Reach the site for non-urgent call-outs; and	< 3 days (72hrs)		
Confirm resolution of the fault or interruption of non-urgent call-outs.	< 3 days (72hrs)		

Description	Median Result	Comment
Reach the site for urgent call-outs	34 minutes	Achieved
Resolution of the fault or interruption of urgent call-outs	1 hour 59 minutes	Achieved
Reach the site for non-urgent call-outs	18 hours 12 minutes	Achieved
Resolution of the fault or interruption of non-urgent call-outs	21 hours 6 minutes	Achieved

Note:

With the Local Waters team moving in-house in November 2024 and having to learn new processes, results may not be 100% accurate. From November to mid-December, the team reported time responded to a request instead of time on site. Training was provided to the team to reduce this risk. An impact analysis, showing where the affected requests' times sat in relation to the median time, revealed that:

- Times recorded for urgent call-outs did not sit close to the median time and does therefore not impact the result.
- Times recorded for non-urgent call-outs had one time recorded near the median time, which may have a chance of affecting the result, but the effect (if any) is immaterial.

Description	Median Result	Comment
Reach the site for urgent call-outs	22 minutes	Achieved
Resolution of the fault or interruption of urgent call-outs	1 hour 27 minutes	Achieved
Reach the site for non-urgent call-outs	18 hours 3 minutes	Achieved
Resolution of the fault or interruption of non-urgent call-outs	21 hours 14 minutes	Achieved

Note:

Response and resolution times for urgent water supply faults improved during the year, supported by improvements in how faults are prioritised, dispatched and managed. Stronger coordination between administration staff and field crews, improved tracking of reported faults, and more efficient allocation of resources have enabled crews to respond to urgent issues more quickly.

Improved knowledge of the water supply network and better sharing of information between teams have also supported faster identification and repair of faults, helping to reduce disruption to customers.

Service: Water supply is sustainable*. **Measure:** Average consumption of drinking water per person per day (lpcd) within the water supply areas (target based on Horizons One Plan - Section 5.4.3.1). lpcd – litres per capita per day.	≤ 300 lpcd	✔ ACHIEVED	✔ ACHIEVED

Description	Median Result
Calculated average consumption for 2024/25	263L/person/day
The below information is provided in line with DIA guidance. Note this is additional information and not a correlation with the information above.	
Water supplied to the drinking water network (m^3/year)	4,857,372m^3
Non-residential (business) water use (m^3/year)	436,494m^3
Total population served by the drinking water network	Estimated 30,617 people (calculated at 2.2 X connections)

Note: The LTP has these as two measures that are combined here as the target is the same.

Description	Median Result
Calculated average consumption for 2025/26	267L/person/day
The below information is provided in line with DIA guidance. Note this is additional information and not a correlation with the information above.	
Water supplied to the drinking water network (m^3/year)	4,442,130m^3
Total population served by the drinking water network	Estimated 36,693 people (calculated at 2.2 X connections)

Note: The LTP has these as two measures that are combined here as the target is the same.

4 Urgent call-out is defined as a complete loss of service to the water supply.

Service/ Measure	Target	2024/25 Results	2025/26 Results

Service:
Minimal water losses*

Measure:
Real water loss performance of the network as measured by the Standard World Bank Institute Band for Leakage.

Band B

Standard World Bank Institute Band for Leakage

Developed Countries ILI range	Band	General description of Real Loss Management Performance Categories
<2	A	Further loss reduction may be uneconomic unless there are shortages: careful analysis needed to identify cost-effective improvement.
2 to <4	B	Potential for marked improvements; consider pressure management, better active leakage control practices, and better network maintenance.
4 to <8	C	Poor leakage record; tolerable only if water is plentiful and cheap, even then, analyze level and nature of leakage and intensify leakage reduction efforts
≥8	D	Very inefficient use of resources; leakage reduction programs imperative and high priority.

Note: (US Spelling)

Band 'B' – The Infrastructure Leakage Index (ILI) is a performance indicator of real (physical) water loss from the supply network of the water distribution systems. The ILI was developed by the International Water Association (IWA) Water Loss Task Force (WLTF) and first published in 1999.

✖ **NOT ACHIEVED**

Supply	'Snapshot' Infrastructure Leakage Index	Outcome
Levin	C (4.25)	Not Achieved
Shannon & Mangaore	A (0.57) A (0.1)	Achieved Achieved
Foxton	B (2.40)	Achieved
Foxton Beach	A (0.38)	Achieved
Tokomaru	A (0.09)	Achieved

Note: Council reached our target if the Band for a plant falls on either band A or B. Leakage is a major area of focus, and improvements have been made with recent improvements of both the water main and wastewater main in areas that had older pipework and that showed high rates of ingress and infiltration.

In terms of leakage, Levin was one of the last towns in the district's area to start installing water meters, this program is still ongoing. It has the most length of pipe. Levin's water leakage was and is heavily influenced by private side leaks. As water meters are progressively installed, this will identify and reduce leaks over time.

Additionally, there are trickle feeds (e.g. Ōhau and Hokio) in Levin's area supply network and header tanks are used in rural supplies. These ends of the retic have lower pressures of 150kpa. Because of the design of these trickle feeds, tanks refill each night and show higher midnight low flow values as they refill, which can shift the data higher than it should be when calculating leakage.

I2o flow and pressure meters record data showing areas / zones that might have leakage – staff will be using data to pressure test and leak detect with GPR units in future.

Note: For Horizons consent compliance ILI needs to be less than 3.31 for less than 284L water loss per connection per day.

✔ **ACHIEVED**

Supply	'Snapshot' Infrastructure Leakage Index	Outcome
Levin	B (3.64)	Achieved
Shannon & Mangaore	A (1.83) B (2.32)	Achieved Achieved
Foxton	A (1.52)	Achieved
Foxton Beach	A (0.54)	Achieved
Tokomaru	A (0.95)	Achieved

Notes:

- Council reached our target if the Band for a plant falls on either band A or B. Shannon and Mangaore are assessed separately and therefore have separate results.
- For Horizons consent compliance for Levin, ILI needs to be less than 3.31 or less than 284L water loss per connection per day.
- The progressive rollout of water meters across the district has supported improvements in water use and leakage management. Metering began in Shannon in 2024, followed by Foxton and Tokomaru, with the larger Levin zone due for completion in August 2026. As meters have been introduced, some areas have recorded reductions in water consumption, with the identification and repair of leaks on private properties contributing to this improvement.
- Leakage calculations are estimated and can be affected by seasonal variations, changes in demand, the reliability of network flow meter data and the assessment of minimum night flows. These factors contributed to the variance between the 2024/25 and 2025/26 results for Shannon, Mangaore and Tokomaru. The 2025/26 results were reviewed by an experienced internal assessor and are considered to provide a more accurate representation of leakage. The ongoing water-meter rollout is also expected to improve the accuracy of future leakage data and assessments.

Service:
Sustainable water supply management.

Measure:
The number of:

Abatement Notices; 0
Infringement Notices; 0
Enforcement Orders; 0
and Convictions 0

received by Council in relation to Horizons Regional Council resource consents* for discharge from its water supply system.

✔ **ACHIEVED**

	2024/2025
Abatement Notices	0
Infringement Notices	0
Enforcement Orders	0
Convictions	0

✔ **ACHIEVED**

	2025/2026
Abatement Notices	0
Infringement Notices	0
Enforcement Orders	0
Convictions	0

* These performance measurements are provided by the Department of Internal Affairs, and they are mandatory.



Water Supply Funding Impact Statement

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000)	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		–	–	–	–
Targeted rates		8,043	7,772	10,053	10,754
Subsidies and grants for operating purposes		105	400	–	28
Fees and charges		44	94	46	46
Local authorities fuel tax, fines, infringement fees, and other receipts		6	–	8	4
Internal charges and overheads recovered		–	–	–	–
Total Operating Funding (A)		**8,198**	**8,265**	**10,106**	**10,831**
Applications of Operating Funding					
Payments to staff and suppliers	1	2,671	3,637	2,090	2,000
Finance costs		919	1,041	1,047	1,829
Internal charges and overheads applied		1,969	983	3,015	2,941
Other operating funding applications	1	–	–	–	–
Total applications of operating funding (B)		**5,560**	**5,661**	**6,152**	**6,770**
Surplus (deficit) of operating funding (A–B)		**2,638**	**2,604**	**3,955**	**4,062**
Sources of capital funding					
Subsidies and grants for capital expenditure	2	1,062	–	–	200
Development and financial contributions		582	436	447	497
Increase (decrease) in debt	3	6,886	4,015	671	52
Gross proceeds from sale of assets		–	–	–	–
Lump sum contributions		–	–	–	–
Other dedicated capital funding		–	–	–	–
Total sources of capital funding (C)		**8,530**	**4,451**	**1,118**	**749**

	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	2	3,337	2,950	3,211	2,510
- to improve the level of service		3,507	1,637	1,011	908
- to replace existing assets		2,539	2,788	1,891	1,487
Increase (decrease) in reserves	4	1,785	(320)	(1,040)	(94)
Increase (decrease) of investments		–	–	–	–
Total applications of capital funding (D)		**11,168**	**7,055**	**5,073**	**4,811**
Surplus (deficit) of capital funding (C–D)		**(2,638)**	**(2,604)**	**(3,955)**	**(4,062)**
Funding balance ((A–B)+(C–D))		**–**	**–**	**–**	**–**
Depreciation		4,379	4,998	4,998	4,500

Notes:

1. Higher operating expenditure mainly relates to higher finance costs.
2. Capital expenditure was lower than budget due to timing delays and projects being carried forward to 2026/27, including work at the Levin Water Treatment Plant and across the water network.
3. Less debt was required due to the lower level of capital expenditure.
4. Depreciation was lower than budget due to the delayed completion and commissioning of capital projects.

Loans	**Internal $000**
Loans as at 01/07/2025	26,408
Raised during year	4,866
Repaid during year	(4,918)
Loans as at 30/06/2026	**26,356**
Interest expense	3,641

Wastewater
Te Wai Para



WHAKATAUKĪ

Tiakina te Wai para, kia Ora ai te Wai me te Whenua.
Look after the wastewater so the water and the land is healthy.

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES

Vibrant Economy

Outstanding Environment

Fit for purpose Infrastructure

Description of activity

The Wastewater Treatment Activity aims to protect human health and the environment by treating wastewater from residential and industrial properties and discharging treated effluent back into the environment.

WHAT THE ACTIVITY INVOLVES

- Council's Wastewater (sewage) reticulation network and pump stations collect sewage from households, businesses and industrial customers. It is then transported to wastewater treatment plants (Levin, Foxton, Foxton Beach, Shannon, Tokomaru and Waitārere Beach) where it is biologically treated and the treated effluent is then applied to land (except from Tokomaru).
- Our activities include operating and maintaining Levin Wastewater treatment plant (advance wastewater treatment plant), five oxidation pond type WWTPs, 78 pump stations, 342 kilometres of sewer network and over 12,000 service connections. We also monitor the flow of trade waste into the sewer reticulation network in Levin and Foxton.
- Meeting resource consent conditions for the discharge of treated effluent wastewater or for the construction or upgrade of assets. Responding to and resolving (if possible) customer complaints relating to the Wastewater Treatment Activity.
- Incorporate new environmental requirements (national regulatory driver) in our new infrastructure plans.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Reliable wastewater collection and treatment protect public health by ensuring wastewater is safely collected, treated and disposed of while reducing the risk of service disruptions.

ENVIRONMENTAL WELLBEING

Land-based irrigation of treated wastewater supports sustainable environmental outcomes by reusing nutrients, reducing greenhouse gas emissions and minimising impacts on receiving environments.

ECONOMIC WELLBEING

Reliable wastewater infrastructure supports existing businesses, enables future development and provides the capacity required to accommodate population growth.

CULTURAL WELLBEING

Council continues strengthening relationships with iwi through ongoing consultation, collaboration and the incorporation of cultural values into wastewater planning and environmental management.



LONG TERM PLAN/ ANNUAL PLAN ACTIVITY INSIGHTS

What we planned	What we did
RENEWALS	
WASTEWATER NETWORKS	
Districtwide Wastewater Network	• Mangaore Village Wastewater Main Renewals: Renewal works commenced during 2025/26, with the remaining works to be completed in 2026/27. • Bryce Street Rising Main and Pump Station: Renewal works were completed, including the replacement of the rising main and completion of the pump station works.
Districtwide Wastewater Treatment property renewals	In the 2025/2026 financial year, we completed maintenance on wind damaged shelter for biofilter at the Levin Wastewater Treatment Plant (LWWTP), replaced faulty heat pump and wired new washer and dryer at the LWWTP. A new connection point for a mobile standby generator was installed at the LWWTP.
Levin WW Network – MacArthur Street Wastewater main renewal/upgrade	The wastewater main upgrade commenced early 2025 and involved replacing approximately 1 km of aging, 71-year-old earthenware pipe. The works were completed in March 2026.
WATER TREATMENT PLANTS	
Foxton Wastewater Treatment Plant	Reviewed costs and scope to stabilise the banks of two maturation ponds and repair the facultative pond waveband. Physical works are scheduled for 2026/27.
Levin Wastewater Treatment – Irrigation	No further work progressed on the bioreactor and expansion area wetland. Planting of ~11,000 plants on MLT land completed. Focus in 2025/26 on the wider Levin Wastewater Treatment Plant (LWWTP) expansion and upgrade programme. The outcomes of the bioreactor trial and additional wetlands planning will be considered as part of the wider treatment plant planning and future development.
Tokomaru Wastewater Treatment Plant	Reinstated netting and completed maintenance of the bark filter.
Tokomaru Wastewater Treatment – Resource Consent	High-level concept design and technical investigations were progressed during 2025/26 to identify the preferred upgrade and wastewater treatment approach. The work included assessing site conditions, wastewater treatment requirements and potential environmental effects. The findings will inform the next stages of consenting, detailed design and project development.
Waitārere Beach Wastewater Treatment Plant	Irrigation pipes in Field 1 had to be removed for forest harvesting by the Landowners. Pipes were reinstated with some replacements in late December 2025 and early January 2026. Other works included replacement of minor equipment. CR automation has also upgraded the site on Scada to show irrigation volumes at each valve and lateral site in the field to upgrade visibility regarding irrigation flows to each irrigator sprinkler to provide more detail as to compliance assurance.
LEVELS OF SERVICE	
WASTEWATER TREATMENT PLANTS	
Levin Wastewater Treatment Plant (Pot) – Planting	No planting was required in 2025/26 at the Pot.
Shannon Wastewater Treatment – Effluent Discharge	Funds were used to replace soft starters for aerators in oxidation pond at the wastewater plant.

What we planned	What we did
GROWTH	
WASTEWATER NETWORKS	
Levin Wastewater Network – Inlet Pipe	Stage 1 of the Levin Wastewater Upgrade was completed between August and December 2025. Stage 2 then commenced, with approximately 683 metres of the 840-metre bulk wastewater main installed by June 2026. Additional watermain and wastewater works were also delivered alongside the project to improve network resilience and support future connections. The remaining Stage 2 works are scheduled for completion in 2026/27.
Ōhau Wastewater Network – Future	A feasibility study was undertaken during 2025/26 to assess the requirements and options for future delivery.
Tara-Ika Wastewater Network – Queen - North South	Construction of the new wastewater main through the Ō2NL corridor progressed during 2025/26 to service the central Tara-Ika catchment, including the future school site and surrounding growth areas. The project includes approximately 650 metres of wastewater pipeline and five new manholes, with construction expected to be completed early in 2026/27.
WASTEWATER TREATMENT PLANTS	
Levin Wastewater Treatment Plant (LWWTP)	**Operations:** In 2025/2026 work undertaken and completed include the purchase of a replacement rotary press channel to replace the old unit that is no longer supported by the supplier. The new unit matches the currently operating unit at the Levin WWTP which then standardise spares and maintenance routines. The installation of the rotary press unit is scheduled for 2026/2027. The majority of the reactive budget was spent on pump replacements and piping components with a new portable gas analyser. **Masterplan:** Progress continued across the priority workstreams identified in the Levin Wastewater Treatment Plant Master Plan. Development of the long term investment delivery plan is progressing, alongside the Inlet Pipe and Bulkmain project, Headworks project, future sludge treatment system and irrigation expansion planning. Several projects are progressing towards construction or procurement in 2026/27. **Headworks:** Procurement for the Levin Wastewater Treatment Plant Headworks Upgrade progressed during 2025/26, with the tender process completed and submissions evaluated. The project is progressing towards contract award, with construction planned to commence in 2026/27. The upgrade will improve the reliability, resilience and operational efficiency of the treatment plant and support future growth.
Levin Wastewater Treatment – Effluent Discharge	During 2025/26, planning progressed for the Levin Wastewater Treatment Plant irrigation scheme expansion, including technical investigations, engagement with iwi partners, preliminary design and consenting assessments. Work focused on confirming land requirements, staging and alignment with planned treatment plant upgrades to support future delivery.



Successes

DELIVERING RELIABLE WASTEWATER SERVICES FOR THE COMMUNITY

Council continued operating and maintaining wastewater networks and treatment plants across the district, with a greater focus on planned and preventative maintenance to improve reliability and reduce unplanned failures. Following the transition to an in-house Local Waters service model, improved visibility of asset condition and performance supported more proactive management of wastewater infrastructure. The Local Waters team also achieved response-time targets for reactive maintenance, helping ensure faults and customer requests were addressed promptly.

RENEWING CRITICAL WASTEWATER INFRASTRUCTURE AND SUPPORTING GROWTH

Council made significant progress renewing critical wastewater infrastructure and increasing network capacity to support future growth. Stage 1 of the Levin Wastewater Treatment Plant inlet pipe and sewer bulk main renewal was completed ahead of schedule, replacing vulnerable ageing infrastructure forming part of Levin's highest-priority wastewater renewal. Stage 2 also progressed substantially during the year, with approximately 683 metres of the planned 840 metres of new wastewater main installed by the end of June 2026. Additional wastewater infrastructure, including new manholes and pipeline sections, was incorporated while the corridor was open to support future network connections and operational flexibility.

In Shannon, the Bryce Street wastewater renewal and new pump station were completed, strengthening the reliability of the local network. Council also progressed the Queen Street North–South wastewater connection for Tara-Ika, with construction underway on approximately 650 metres of wastewater pipeline and five new manholes through the Ō2NL corridor. The connection will service the central Tara-Ika catchment, including the future school site and surrounding growth areas, and is a key piece of infrastructure enabling future development.

IMPROVING ENVIRONMENTAL OUTCOMES THROUGH PARTNERSHIP

Council continued working with iwi, community groups and other partners to improve environmental outcomes associated with wastewater infrastructure. The Ōtauru Stream Riparian Planting Project, delivered in partnership with local hapū, aims to establish more than 7,500 native plants along a 1.7 kilometre stretch of the stream over three years. During 2025/26, one community planting day was held at the Shannon Wastewater Treatment Plant, with approximately 2,000 native plants established, continuing the work started in 2024/25, with participation from Ngāti Whakatere, the Shannon community, local kura (schools), Westpac and Council Officers. The final stages of planting will be completed in 2026/27, bringing the project to its target of more than 7,500 native plants. The project supports improved stream health and biodiversity while strengthening community stewardship of the local environment.

IMPROVING WASTEWATER OPERATIONS AND ASSET MANAGEMENT

Operational improvements continued across Council's wastewater treatment facilities. A new septage receiving facility at the Levin Wastewater Treatment Plant was commissioned in February 2026, enabling tanker volumes to be accurately captured through SCADA and increasing septage revenue by about 100%, compared with the previous manual volume entries. Following the adoption of the Local Waters Bylaw 2025, Council also progressed the implementation of an improved trade waste management programme, starting with expanding the customer database to include all businesses and organisations that are connected to the wastewater system and are discharging trade waste, which will improve oversight of commercial and industrial discharges to the wastewater network. By the end of June 2026, 629 businesses and organisations had registered for trade waste, with engagement continuing to identify those requiring formal discharge consent.

Challenges

MANAGING THE TIMING AND COMPLEXITY OF MAJOR WASTEWATER UPGRADES AND REGULATORY COMPLIANCE

Delivery of some planned wastewater infrastructure extended beyond the end of the financial year as Council worked through procurement, detailed design, consenting and coordination requirements. In particular, physical construction of the Levin Wastewater Treatment Plant Headworks Upgrade did not commence during 2025/26 as originally planned and has moved into 2026/27. This was the primary contributor to the Three Waters capital programme underspend.

Stage 2 of the Levin inlet pipe and sewer bulk main renewal also extended beyond its original June completion date following additional scope, variation works and supply-chain constraints affecting pipe procurement. Completion was forecast for August 2026, allowing additional wastewater and water infrastructure to be delivered while the corridor was already open and reducing the need for future excavation.

Council also received an abatement notice and an infringement notice from Horizons Regional Council relating to the Levin Wastewater Treatment Plant during 2025/26. Remedial actions were undertaken in response, with further detail provided in the Activity Performance results below.

Looking Forward

STRENGTHENING WASTEWATER INFRASTRUCTURE AND ENVIRONMENTAL PERFORMANCE

Council will continue progressing the wider upgrade of the Levin Wastewater Treatment Plant, including construction of the new headworks and completion of the remaining inlet pipe and sewer bulk main works. The updated Levin Wastewater Treatment Plant Delivery Plan will guide future investment, treatment improvements and staged infrastructure upgrades, helping the plant respond to population growth, changing environmental requirements and future national wastewater standards.

Work will also continue on the proposed expansion of the Levin wastewater irrigation scheme, including technical and environmental investigations, preliminary design and consenting, and ongoing engagement with iwi partners to inform future environmental improvements and Cultural Health Monitoring. The project is investigating increased land-based irrigation capacity and how this can align with future treatment improvements, including opportunities to reduce nitrogen loading and improve the long term management of treated wastewater.

At Tokomaru, investigations will continue into longer-term wastewater treatment and disposal options, including land requirements, treatment performance, environmental assessments and consenting. Mangaore Village wastewater renewals, which commenced in April 2026, will also be completed to replace and rehabilitate ageing wastewater infrastructure and reduce stormwater infiltration into the wastewater network.

Wastewater Activity Performance

<table>
<tr><th>Service/ Measure</th><th>Target</th><th>2024/25 Results</th><th>2025/26 Results</th></tr>
<tr>
<td>Service:
Reliable wastewater collection and disposal*.

Measure:
The number of dry weather wastewater overflows from the wastewater system per 1,000 connections.</td>
<td>≤ 2</td>
<td>✔ ACHIEVED
<table><tr><th>Target per 1,000 connections</th><th>Result per 1,000 connections</th><th>No. of overflows</th></tr><tr><td>Number of dry weather overflows</td><td>1.25</td><td>16</td></tr><tr><td colspan="3">Number of connections as at 1 July 2024 = 12,817.</td></tr></table>Note: Overflows occur for a number of reasons, for example: fat bergs, wipes blocking a pump, or a faulty pump resulting in the backing up of wastewater. All of these occurred during this financial year.</td>
<td>✔ ACHIEVED
<table><tr><th>Target per 1,000 connections</th><th>Result per 1,000 connections</th><th>No. of overflows</th></tr><tr><td>Number of dry weather overflows</td><td>1.08</td><td>14</td></tr><tr><td colspan="3">Number of connections as at 1 July 2025 = 12,985.</td></tr></table>Notes:
Since bringing the Three Waters Reticulation team in-house, improved visibility of network performance, regular pump station inspections and more proactive maintenance have enabled potential issues to be identified and addressed before resulting in failures or overflows.
Council's ongoing wastewater renewals programme, including the replacement of ageing mains, pumps and associated infrastructure, has also supported improved network reliability and resilience. Proactive inspection and cleaning, targeted upgrades and improved operational practices have further contributed to network performance.
While favourable weather conditions may also have influenced the result, the reduction in overflows indicates improved network performance and a lower likelihood of dry weather overflows affecting connected customers.</td>
</tr>
<tr>
<td>Service:
Council provides a good response to wastewater system faults reported*.

Measure:
The median time (hrs) from the time that Council receives a notification, to the time that services personnel reach the site in responding to an overflow resulting from a wastewater blockage or other fault.

The median time (hrs) from the time that Council receives a notification, to the time that services personnel confirm a resolution of a blockage or other fault within the wastewater system causing the overflow.</td>
<td>< 1 hour

< 12 hours</td>
<td>✔ ACHIEVED
<table><tr><th>Target Response Time</th><th>2024/2025</th></tr><tr><td>< 1 hour</td><td>15 minutes</td></tr></table><table><tr><th>Target Response Time</th><th>2024/2025</th></tr><tr><td>< 12 hours</td><td>3 hours, 25 minutes</td></tr></table></td>
<td>✔ ACHIEVED
<table><tr><th>Target Response Time</th><th>2025/2026</th></tr><tr><td>< 1 hour</td><td>29 minutes</td></tr></table><table><tr><th>Target Response Time</th><th>2025/2026</th></tr><tr><td>< 12 hours</td><td>2 hours, 25 minutes</td></tr></table>Notes:
Resolution times for wastewater faults improved during 2025/26, supported by operational and process improvements within the Local Waters team. Since bringing the Three Waters Reticulation team in-house, Council has improved visibility of network performance, strengthened coordination between administration staff and field crews, and adopted a more proactive approach to network and pump station maintenance.
Improved fault tracking and prioritisation, more efficient allocation of field crews, and better sharing of network information have enabled issues to be identified and resolved more quickly. Regular inspections and proactive monitoring have also helped identify potential issues before they result in failures or overflows.
These operational improvements, alongside Council's ongoing programme to renew ageing wastewater mains, pumps and associated infrastructure, have supported improved network reliability, faster resolution of faults and reduced disruption to customers.</td>
</tr>
</table>

Service/ Measure	Target	2024/25 Results	2025/26 Results
Service: The service is satisfactory*. **Measure:** The total number of complaints received (expressed per 1,000 connections to the wastewater system) regarding: Wastewater odour; Wastewater systems faults; Wastewater system blockages; and Council's response to issues with its wastewater system. Total number of complaints received about any of the above.	< 4 < 6 < 8 < 4 < 22	✖ **NOT ACHIEVED** **Per 1,000 Connections** / **Total No of complaints** Odour 2.65 / 34 Faults 1.64 / 21 Blockages 10.30 / 132 Council's response 0.08 / 1 **TOTAL 14.67 / 188** Number of connections as at 1 July 2024 = 12,817. Note: There was an increase in sewer blockages across the Horowhenua region this year. A key contributing factor has been the infiltration of stormwater into the wastewater network, which has placed additional pressure on the system and contributed to more frequent blockages. In addition, a significant number of blockages were caused by inappropriate materials being flushed into the network, particularly rags, wet wipes, and fats. These types of blockages were especially prevalent around commercial areas. Odour complaints also increased. Warmer weather conditions can accelerate the breakdown of organic material in the wastewater system, intensifying odour generation, particularly in areas with low flow or partial blockages. In some instances, routine maintenance schedules were impacted, contributing to odour build-up, particularly around pump stations and manholes in high-risk areas. In other instances, odour complaints have been made but upon investigation, shown not to be the Wastewater Treatment Plant and as appropriate, these findings have been reported to Horizons Regional Council.	✔ **ACHIEVED** **Per 1,000 Connections** / **Total No of complaints** Odour 2.23 / 29 Faults 1.08 / 14 Blockages 7.62 / 99 Council's response 0.08 / 1 **TOTAL 11.01 / 143** Number of connections as at 1 July 2025 = 12,985. Notes: Operational improvements following the transition of Three Waters maintenance to an in-house service model in November 2024 are considered to have contributed to this reduction. The in-house model has improved visibility of network performance and coordination between teams, alongside more proactive maintenance, improved response times and strengthened communication and decision-making. Investment in staff training and increased in-house technical and administrative capability has also supported the timely identification and resolution of network issues. Odour-related complaints remained similar to the previous year. Of the 29 complaints investigated, 15 were found to relate to sources other than the Wastewater Treatment Plant. Where appropriate, investigation findings were reported to Horizons Regional Council. Council received one infringement notice in March 2026 relating to an odour discharge from the Wastewater Treatment Plant.
Service: Safe disposal of wastewater*. **Measure:** The number of: Abatement Notices; Infringement Notices; Enforcement Orders; and Convictions received by Council in relation to Horizons Regional Council resource consents* for discharge from its wastewater system.	0 0 0 0	✖ **NOT ACHIEVED** **2024/2025** Abatement Notices 1 Infringement Notices 0 Enforcement Orders 0 Convictions 0 Note: One Abatement notice, triggered by a complaint to Horizons Regional Council (HRC) from the Tokomaru WWTP Working Party, was received end July 2024 for the Tokomaru WWTP (TWWTP). This notice was for non-technical requirements as follows: • Physical delivery – Trees Planted and Bark filter. This was already constructed at the time of the notice; however, the working party and Horizons Regional Council was not informed of this at the time. • There were no meetings arranged for a period of nine months. In response to the notice, a new schedule for meetings was arranged to meet the goals of the consent, and meetings occurred quarterly in September 2024, December 2024 and May 2025 (the April meeting was delayed due to a whether event). Meeting dates are included in meeting minutes, and the Working Party is also kept up to date via newsletters, which include upcoming meeting dates.	✖ **NOT ACHIEVED** **2025/2026** Abatement Notices 1 Infringement Notices 1 Enforcement Orders 0 Convictions 0 Notes: **Abatement Notice No. 1566** We received an abatement notice from the Horizons Regional Council at the end of October 2025 for the Levin Wastewater Discharge Site ('the Pot'). This was regarding failure to deliver the Annual Plan from the start of the consent ~2020. In addition, an Emerging Contaminants Strategy (PFAS) was never completed or created from the same outset time. Both are due annually and a schedule of delivery has been crafted to complete tasks within 6 months from the notice, this has been completed with the only outstanding document remaining to be delivered with Iwi regarding the Waiwiri Enhancement strategy. **Infringement Notice No. 1359** We received and infringement notice from HRC in March 2026 for the Levin Wastewater Treatment Plant. There was a series of odour compliant CRM's triggering an internal compliance investigation, additionally a Horizons investigation regarding discharge to air. The clarifier inverted after an influx of fats causing the sludge in the clarifier to go septic and float rather than sink. This clarifier was drained and cleaned, and additional measures to separate the sludge for disposal had an immediate remedial effect.

* These performance measurements are provided by the Department of Internal Affairs, and they are mandatory.

Wastewater Funding Impact Statement

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000)	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		–	–	–	–
Targeted rates		8,831	8,812	12,201	12,240
Subsidies and grants for operating purposes		39	–	–	–
Fees and charges		1,576	1,485	1,525	1,672
Local authorities fuel tax, fines, infringement fees, and other receipts		84	90	92	95
Internal charges and overheads recovered		–	–	–	–
Total operating funding (A)		**10,529**	**10,386**	**13,818**	**14,007**
Applications of operating funding					
Payments to staff and suppliers	1	3,789	4,040	3,242	3,239
Finance costs		2,152	1,945	2,149	3,188
Internal charges and overheads applied		2,402	1,168	3,765	3,679
Other operating funding applications		–	–	–	–
Total applications of operating funding (B)		**8,343**	**7,153**	**9,156**	**10,106**
Surplus (deficit) of operating funding (A–B)		**2,186**	**3,233**	**4,662**	**3,901**
Sources of capital funding					
Subsidies and grants for capital expenditure	2	630	2,402	1,648	1,482
Development and financial contributions		601	1,048	1,075	534
Increase (decrease) in debt	3	333	3,236	9,345	(2,451)
Gross proceeds from sale of assets		–	–	–	–
Lump sum contributions		–	–	–	–
Other dedicated capital funding		–	–	–	–
Total sources of capital funding (C)		**1,564**	**6,686**	**12,068**	**(436)**

	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000)	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Applications of capital funding					
Capital expenditure					
– to meet additional demand	2	1,973	5,839	9,876	6,157
– to improve the level of service		364	140	127	670
– to replace existing assets		3,865	3,973	7,922	2,677
Increase (decrease) in reserves	4	(2,451)	(33)	(1,195)	(6,038)
Increase (decrease) of investments					–
Total applications of capital funding (D)		**3,751**	**9,919**	**16,730**	**3,465**
Surplus (deficit) of capital funding (C–D)		**(2,186)**	**(3,233)**	**(4,662)**	**(3,901)**
Funding balance ((A–B)+(C–D))		**–**	**–**	**–**	**–**
Depreciation		6,245	6,260	6,261	6,311

Notes:

1. Operating expenditure was higher than budgeted, mainly due to higher finance and operating costs.
2. Capital funding and development contributions were lower than budget due to the timing of the capital programme.
3. Capital expenditure was lower than budget due to delays across the headworks, renewals and upgrade programmes. Headworks construction is now expected to commence in 2026/27, and some renewal projects will be carried forward.
4. Less debt was required due to the lower level of capital expenditure.

Loans	**Internal $000**
Loans as at 01/07/2025	46,030
Raised during year	9,503
Repaid during year	(7,052)
Loans as at 30/06/2026	**48,481**
Interest expense	1,375

Stormwater
Te Wai Ua



WHAKATAUKĪ

Matariki tāpuapua
The pooling waters of Matariki.
(Relating to Waipunarangi the star that associates with rain.)

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES

Vibrant Economy

Outstanding Environment

Fit for purpose Infrastructure

Description of activity

As part of the Stormwater Activity, Council provides and maintains a stormwater system that aims to remove water from the roading corridor, and in some cases residential and commercial properties, to reduce the occurrence of flooding during rainfall events.

WHAT THE ACTIVITY INVOLVES

- Providing and maintaining drainage systems (including reticulation pipes, open culverts, pump stations, soak pits, discharge outlets and detention areas) in settlements across the district to remove stormwater from the road corridor and some residential and commercial properties.
- Continuous improvements and extensions to the stormwater network utilising stormwater catchment management plans.
- Meeting resource consent requirements for stormwater discharges and drainage systems.
- Responding to and resolving (if possible) customer complaints relating to the Stormwater Activity.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Maintaining and improving the stormwater network helps reduce flood risk, protecting homes, businesses and community infrastructure during significant rainfall events.

ENVIRONMENTAL WELLBEING

Council's stormwater improvements help protect waterways and receiving environments by improving stormwater quality and supporting sustainable environmental management.

ECONOMIC WELLBEING

Reliable stormwater infrastructure supports business continuity, protects infrastructure investment and enables sustainable growth across the district.

CULTURAL WELLBEING

Council continues working with iwi and regulatory partners to meet consent requirements while recognising cultural values associated with waterways and minimising impacts on the natural environment.



LONG TERM PLAN/ ANNUAL PLAN ACTIVITY INSIGHTS

What we planned	What we did
REPLACEMENT OF EXISTING ASSETS/RENEWALS	
Districtwide Stormwater Improvement Reactive Renewals	• The Stormwater Reactive Renewals budget was used for unplanned replacement and renewal of stormwater pumps and electrical components at stormwater pump stations. • A portion of the budget was also used to replace smaller stormwater network assets, including culverts, screens and grates.
Freshwater Improvement Fund Project 2 – Lake Horowhenua Trust Project	• A new stormwater treatment device was installed near Kowhai Park to remove gross pollutants and sediment from stormwater before it is discharged into the lake. • Other deliverables under this programme included implementing the monitoring plan, which involved sampling stormwater at various locations, and preparing and submitting a monitoring report to Ministry for the Environment (MfE) and Muaūpoko Tribal Authority (MTA).
LEVELS OF SERVICE	
Districtwide Stormwater Improvement	The following projects were delivered under this budget: • Waitārere Beach Stormwater Outlets – investigation and concept design work completed. • Stansell Street Shannon, improvements in the stormwater network – design and commencement of construction work. • Installation of groundwater monitoring wells with logger and stormwater flowmeter. • Completion of districtwide LiDAR project. • Foxton Flood Resilience – procurement of two tractor pumps.
Foxton Beach Stormwater – Consenting	• Work on the Stormwater Improvement Plan and proposed consent conditions has been completed. • Engagement with local iwi groups has continued. • Feedback on the Stormwater Improvement Plan has been received from two of the three iwi groups. • HDC is currently reviewing the feedback and preparing responses, including consideration of how the recommendations may be incorporated into the Stormwater Improvement Plan and proposed consent conditions. • The amended stormwater monitoring programme has continued, including ongoing stormwater sampling.
Levin Stormwater – Consent	• Progressed the consent application by updating the Assessment of Environmental Effects and Stormwater Improvement Plan with new technical information and monitoring data. • Technical information requested by Horizons was provided in March 2026. • Iwi engagement is continuing to inform and progress the application.
Levin Stormwater improvement	Levin Stormwater improvements included: • Vincent Drive Levin, improvement in the stormwater network – design and installation of new pipe. • Groundwater monitoring wells with loggers. • Three new stormwater flowmeters within Levin Stormwater network.
GROWTH	
Levin Stormwater – North-East	The budget for Levin Stormwater – North-East was identified for further planning and development, this was not required during 2025/26. Construction commenced during 2025/26 under the Okarito Stormwater project budget.
Okarito Stormwater – new stormwater mains to connect new and existing	Construction commenced in April 2026 with approximately 295 meters of pipe installed by June 2026. The remaining works will be delivered in the first quarter of 2026/27.
Tara-Ika Stormwater	Further work to determine the ultimate capacity in line with the overall site Integrated Stormwater Design was not required during 2025/26. As a result, the budget allocated for this work was not spent.

Successes

STRENGTHENING FLOOD RESILIENCE ACROSS THE DISTRICT

Targeted infrastructure improvements, monitoring and investment in flood-response capability continued to strengthen stormwater resilience across the district. Two tractor pumps were delivered through the Foxton Climate Change Resilience Project to support rapid response during significant storm events and help alleviate ponding and flooding. Investigation and design were also completed and construction commenced for stormwater improvements at Stansell Street in Shannon and Vincent Drive in Levin to address long-standing flooding and improve the reliability of the existing discharge arrangement.

IMPROVING STORMWATER QUALITY AND PROTECTING OUR WATERWAYS

A key environmental milestone during the year was the completion of the Queen Street Stormwater Intervention Device in Levin in April 2026, strengthening efforts to improve the quality of stormwater entering the local environment. The project was delivered through the Freshwater Improvement Fund Governance Group, involving the Lake Horowhenua Trust, Muaūpoko Tribal Authority and Council, and forms part of the wider programme of improvements associated with the Levin Stormwater Discharge Consent.

BUILDING KNOWLEDGE TO IMPROVE LONG TERM STORMWATER MANAGEMENT

Better monitoring and data collection strengthened understanding of flood risk and catchment behaviour during the year. A districtwide LiDAR aerial survey was completed, providing highly accurate ground elevation data to identify low-lying areas, overland flow paths and potential ponding locations, and to improve future flood modelling and infrastructure design.

A new districtwide groundwater monitoring network was also established, with five monitoring wells installed across Levin, Foxton, Foxton Beach and Waitārere Beach. The wells and associated level loggers will improve understanding of how groundwater interacts with flooding and drainage, while additional stormwater flow monitoring was progressed at key discharge locations to support future catchment assessments, infrastructure planning and investment decisions.

Challenges

PROGRESSING COMPLEX STORMWATER CONSENTING AND IMPROVEMENT PROGRAMMES

Progressing long term stormwater discharge consents for Levin and Foxton Beach remained a complex programme requiring technical investigations, environmental monitoring and meaningful engagement with iwi and hapū. For Levin, technical work including the Assessment of Environmental Effects was completed with further technical information provided to Horizons; however, the stormwater discharge consent application remained overdue while further cultural input and iwi engagement was progressed. Council continued working with the Lake Horowhenua Trust and other iwi and hapū to support an appropriate long term approach to stormwater quality and environmental outcomes.

Coastal conditions also continued affecting stormwater performance at Waitārere Beach, where accretion and dune growth have contributed to existing stormwater outlets becoming blocked or buried by sand and driftwood. Further extension of the outlets requires technical investigation, stakeholder engagement and resource consent before construction can proceed.

A draft Catchment Management Plan Work Plan was commenced but was not adopted during 2025/26. However, a number of identified improvement actions continued to progress independently of the formal work plan.

Looking Forward

CONTINUING TO IMPROVE STORMWATER RESILIENCE AND WATER QUALITY

Council will continue delivering targeted stormwater improvements to address known flooding and drainage issues across the district. This includes completing works at Vincent Drive in Levin and Stansell Street in Shannon, progressing investigations and design for Waikawa Beach Road, completing the Okarito–Magnolia connection in North-East Levin, and progressing investigations and consenting for improvements to the Waitārere Beach stormwater outlets. The Okarito–Magnolia project will complete key stormwater infrastructure for North-East Levin, improving network capacity and supporting future growth.

Work will also continue to secure long term stormwater discharge consents for Levin and Foxton Beach and identify practical water-quality improvements across these catchments. For Levin, Council will continue working with the Lake Horowhenua Trust, iwi and hapū to incorporate cultural values and environmental priorities into future stormwater management and support improved outcomes for Lake Horowhenua and the Hōkio Stream. At Foxton Beach, the draft Stormwater Improvement Plan will continue informing a whole-of-system approach to future stormwater management and incorporation of feedback received from iwi groups.

The expanded network of groundwater monitoring wells and stormwater flowmeters, together with the completed districtwide LiDAR survey, will continue to provide better information for flood modelling, catchment planning and future investment decisions, helping Council target infrastructure improvements where they will provide the greatest benefit.

Stormwater Activity Performance

<table>
<tr><th>Service/ Measure</th><th>Target</th><th>2024/25 Results</th><th>2025/26 Results</th></tr>
<tr><td>Service:
An adequate stormwater system*

Measure:
Number of flooding events that occur in the District.</td><td>< 5 per year</td><td>✔ ACHIEVED
There were no flooding events that met the definition of a flooding event set by Department of Internal Affairs for this measure.</td><td>✔ ACHIEVED
There were no flooding events that met the definition of a flooding event set by Department of Internal Affairs for this measure.</td></tr>
<tr><td>Service:
An adequate stormwater system*.

Measure:
For each flooding event the number of habitable floors affected per 1,000 connections to Council's stormwater networks.</td><td>2 or less</td><td>✔ ACHIEVED
<table><tr><th>Target</th><th>Result</th><th>Per 1,000 Connections</th><th>Habitable Floors Affected</th></tr><tr><td>2 or less</td><td>0</td><td>0</td><td>0</td></tr></table>Number of connections as at 1 July 2024 = 13,623.</td><td>✔ ACHIEVED
<table><tr><th>Target</th><th>Result</th><th>Per 1,000 Connections</th><th>Habitable Floors Affected</th></tr><tr><td>2 or less</td><td>0</td><td>0</td><td>0</td></tr></table>Number of connections as at 1 July 2025 = 13,793.</td></tr>
<tr><td>Service:
Response to faults*

Measure:
The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.</td><td>< 1 hour</td><td>✔ ACHIEVED
<table><tr><th>Target</th><th>Result</th><th>Comment</th></tr><tr><td>< 1 hour</td><td>0</td><td>No flooding events</td></tr></table></td><td>✔ ACHIEVED
<table><tr><th>Target</th><th>Result</th><th>Comment</th></tr><tr><td>< 1 hour</td><td>0</td><td>No flooding events</td></tr></table></td></tr>
<tr><td>Service:
Customer satisfaction*.

Measure:
The number of complaints received by Council about the performance of its stormwater system expressed per 1,000 properties connected to the system.</td><td>< 10 per year</td><td>✔ ACHIEVED
<table><tr><th>Target (per 1,000 connections)</th><th>Per 1,000 Connections</th><th>No. of Complaints</th></tr><tr><td>< 10 per year</td><td>2.5</td><td>34</td></tr></table>Number of connections as at 1 July 2024 = 13,623.
Note: Reasons for the increased number of complaints relate to:
Maintenance and blockage issues - blocked drains, gutters, catch-pits due to leaves, debris, etc., especially after storms or in certain seasons, can make things worse.
Rainfall Patterns - Horowhenua has seen more intense frequent rainfall events. Groundwater levels are higher than usual because soils are saturated from earlier rain, which means new rain doesn't drain well.
Infrastructure under stress & capacity being reached - Stormwater networks (pipes, pumps, drains) are aging or not sized large enough in certain areas. Some upgrades are overdue. Some areas, especially low-lying or coastal communities, are particularly vulnerable.</td><td>✔ ACHIEVED
<table><tr><th>Target (per 1,000 connections)</th><th>Per 1,000 Connections</th><th>No. of Complaints</th></tr><tr><td>< 10 per year</td><td>2.47</td><td>34</td></tr></table>Number of connections as at 1 July 2024 = 13,793.</td></tr>
</table>

Service/ Measure	Target	2024/25 Results	2025/26 Results
Service: A sustainable stormwater service*. **Measure:** The number of:		✔ ACHIEVED	✔ ACHIEVED
Abatement Notices;	0	Abatement Notices: 0	Abatement Notices: 0
Infringement Notices;	0	Infringement Notices: 0	Infringement Notices: 0
Enforcement Orders;	0	Enforcement Orders: 0	Enforcement Orders: 0
and Convictions.	0	Convictions: 0	Convictions: 0
received by Council in relation to Horizons Regional Council resource consents* for discharge from its stormwater system**.			

* These performance measurements are provided by the Department of Internal Affairs, and they are mandatory.

- Council does not report on DIA Performance Measure 1 – Sub-part 4: Flood Protection and Control Works as this is applicable to Regional Council activities, not our district council. Council manages our district's urban stormwater networks (pipes, open drains, and pump stations). Outside urban areas, the roading team generally maintains roadside drains where they are not covered by Horizons Regional Council's drainage schemes.
- All stopbanks, floodgates, and major river or regional flood protection schemes are managed by Horizons Regional Council.

**Currently there is no discharge consent for Levin's stormwater.

Stormwater Funding Impact Statement

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000)	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		–	–	–	–
Targeted rates		2,476	2,471	2,486	2,493
Subsidies and grants for operating purposes		–	–	–	–
Fees and charges	1	192	–	595	253
Local authorities fuel tax, fines, infringement fees, and other receipts	1	113	–	–	16
Internal charges and overheads recovered		–	–	–	–
Total Operating Funding (A)		**2,781**	**2,471**	**3,081**	**2,763**
Applications of operating funding					
Payments to staff and suppliers	2	1,108	774	1,267	1,363
Finance costs		909	743	787	1,303
Internal charges and overheads applied		523	281	825	783
Other operating funding applications		–	–	–	–
Total applications of operating funding (B)		**2,541**	**1,798**	**2,880**	**3,450**
Surplus (deficit) of operating funding (A–B)		**240**	**673**	**202**	**(687)**
Sources of capital funding					
Subsidies and grants for capital expenditure	3	1,348	–	–	345
Development and financial contributions		121	155	159	177
Increase (decrease) in debt	4	(485)	389	3,019	(851)
Gross proceeds from sale of assets		–	–	–	–
Lump sum contributions		–	–	–	–
Other dedicated capital funding		–	–	–	–
Total sources of capital funding (C)		**984**	**544**	**3,178**	**(329)**

	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000)	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Applications of capital funding					
Capital expenditure					
– to meet additional demand		345	412	1,437	853
– to improve the level of service		1,314	844	881	1,372
– to replace existing assets		129	19	906	84
Increase (decrease) in reserves		(564)	(58)	156	(3,325)
Increase (decrease) of investments		–			–
Total applications of capital funding (D)		**1,224**	**1,217**	**3,380**	**(1,016)**
Surplus (deficit) of capital funding (C–D)		**(240)**	**(673)**	**(202)**	**687**
Funding balance ((A–B)+(C–D))		**–**	**–**	**–**	**–**
Depreciation		1,499	1,125	1,125	1,536

Notes:

1. Fees and charges were lower than budget due to fewer service-connection requests during the year.
2. Higher operating expenditure reflects additional reactive and proactive network maintenance.
3. Capital expenditure was lower than budget due to the timing of the Okarito stormwater connection and other district-wide improvement projects, with some work continuing into 2026/27.
4. Less debt was required due to the lower level of capital expenditure.

Loans	Internal $000
Loans as at 01/07/2025	18,822
Raised during year	2,309
Repaid during year	(1,458)
Loans as at 30/06/2026	**19,673**
Interest expense	1,303

Land Transport
Ngā Ara Whenua



WHAKATAUKĪ

Manaaki whenua
Manaaki tangata
Haere whakamua
Care for the land
Care for the people
Go forward

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES

Strong Communities

Vibrant Economy

Fit for purpose Infrastructure

Description of activity

The Land Transport Activity aims to provide and maintain roads, footpaths and cycle paths across the district that meet the community's needs.

WHAT THE ACTIVITY INVOLVES

- Allows for the safe, convenient and efficient transit of people and goods through, and within, the district in a way that meets national standards.
- Provides a network of roads, footpaths, bridges, car parks, signs and markers, streetlights, and associated drainage systems in what is known as the 'Transport Corridor'.
- Maintains a partnership with NZTA Waka Kotahi, which is Council's co-investment partner for roading, to produce and deliver the 'Optimised Programme', which is approved on a three-yearly cycle in the Regional Land Transport Plan.
- Operates, maintains and improves land transport assets.
- Meets requirements of relevant national legislation, strategies and plans.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Access to safe and easy transport enables communities to access more opportunities for work, social and recreational activities. This helps grow thriving communities.

We're renewing footpaths, and making existing footpaths safer and easier to use, especially for people with mobility issues.

We're making our land transport network safer by focusing on areas we know have high risks of death and serious injury crashes, and building improvements.

Council provides advocacy and leadership to Te Pae o Tararua Ōtaki to North of Levin (Ō2NL) expressway project.

ENVIRONMENTAL WELLBEING

Sustainability is a large part of how Council maintains and improves its network. Almost all the material that is dug out of the network is reused in some way. Council tries to incorporate sustainable construction methodologies whenever practicable in our projects and monitor contractors closely to ensure Council work causes minimal adverse environmental effects.

ECONOMIC WELLBEING

Providing the right infrastructure at the right time and cost enables our community to take advantage of the many opportunities coming in the near future. This includes the district's growth, the Te Pae o Tararua Ō2NL expressway and Levin town centre.

CULTURAL WELLBEING

Transport infrastructure allows our community to freely move across the district and engage in cultural activities of all kinds. Our physical works programme considers potential cultural impacts of our activity, and we work with relevant community members to ensure cultural impacts are controlled and opportunities for betterment are realised.



LONG TERM PLAN/ ANNUAL PLAN ACTIVITY INSIGHTS

What we planned	What we did
REPLACEMENT OF EXISTING ASSETS/RENEWALS	
Drainage Renewals	We spent $589,952 on renewing catchpits, culverts and kerb and channel around the district.
Footpath Renewals	2.8km of footpaths renewed, on $531,803 expenditure. NZTA Waka Kotahi reduced Council funding.
Sealed Road Pavement Rehabilitation	3.4 km of roads (measured by individual traffic lane) rehabilitated for $2,063,396 expenditure. Extra funding provided by NZTA Waka Kotahi for Bruce Road.
Sealed Roads Resurfacing	22.8km or roads resurfaced for $1,408,026 expenditure.
Structures Component Replacements	This budget was fully spent on guardrail and retaining wall replacements. Funds, carried over from the 2024/25 financial year for bridge and structures renewals was used to replace the South Manakau Road bridge deck.
Traffic Services	Budget ($583,301) was fully spent on street lighting renewals, linemarking remark and signs replacements.
Unsealed Roads Metalling	$86,838 spent on metalling of unsealed roads. Overspend due to the condition of the road.
LEVELS OF SERVICE	
Cycling Improvements	No work was done due to the funding assistance from NZTA Waka Kotahi being removed.
Footpath Improvements	$105,646 spent on pram crossing improvements and new footpath on Lady's Mile Foxton.
Resilience Improvements	$113,814 was spent on road drainage improvements. Budget was underspent to cover HDC share of Bruce Road widening improvements.
Road Improvements	No funds were spent on road improvements. These funds were used to cover Council's share of the Bruce Road improvements.
GROWTH	
Safety improvements	S203,913 was spent on a number of safety improvements including Nash Parade, Kawiu/Tiro Tiro Road and speed humps.
Tara-Ika- East-West Arterial	Land acquisition progressed during 2025/26, with land transfers and legal processes substantially completed. Council lodged the Notice of Requirement (NOR) in July 2025 and continued to progress the process, including engagement with iwi. Final survey and settlement activities will be completed in 2026/27.

Successes

MAINTAINING AND IMPROVING A SAFE AND RELIABLE TRANSPORT NETWORK

Council continued investing in the maintenance and renewal of the district's transport network to ensure roads, footpaths and associated infrastructure remained safe, reliable and fit for purpose. During the year, Council completed its annual road rehabilitation and resurfacing programmes, rehabilitating 3.4 kilometres and resurfacing 22.8 kilometres of the district's road network. Significant works included the rehabilitation of Whirokino Road and CD Farm Road, the Bruce Road rehabilitation and widening project, AC resurfacing on Hokio Beach Road, footpath renewals on Dorset Street, drainage improvements at Thomas Place, replacement of approximately 50 streetlight poles, and a districtwide signage programme that brought road signage back into compliance. Together these projects improved safety, accessibility, ride quality and long term network performance while supporting everyday travel for residents, businesses and visitors.

IMPROVING NETWORK RESILIENCE AND RESPONDING TO SEVERE WEATHER

Council continued to strengthen the resilience of the transport network through targeted investment in critical infrastructure while responding quickly to severe weather events. Storm impacts during the year were managed efficiently, with road closures resolved promptly and temporary repairs undertaken to restore safe access for communities. Work on the replacement of the South Manakau Road Bridge was completed, while rehabilitation works on Whirokino Road and CD Farm Road, together with ongoing drainage improvements, increased the network's ability to withstand future weather events and provide reliable access across the district.

DELIVERING TRANSPORT IMPROVEMENTS THROUGH STRONG PARTNERSHIPS

Council continued working closely with NZTA Waka Kotahi, contractors and regional partners to deliver improvements across the transport network despite changes to national funding priorities. This collaborative approach secured additional funding for the Bruce Road rehabilitation and widening project, supported ongoing technical knowledge sharing through NZTA Waka Kotahi peer audits, and enabled Council to continue delivering maintenance, renewal and resilience projects while maximising available investment. Strong partnerships also supported the effective delivery of Council's transport programme and helped ensure projects continued to meet community needs.

PLANNING FOR THE FUTURE OF HOROWHENUA

Council continued progressing strategic transport initiatives that support future population growth, regional connectivity and long term economic development. Work advanced on the Tara-Ika East-West Arterial, including progressing the Notice of Requirement, land acquisition and ongoing engagement with iwi, alongside planning associated with the Te Pae o Tararua Ōtaki to North of Levin Expressway (Ō2NL). Collaboration with NZTA Waka Kotahi, iwi and other project partners ensured transport planning remained aligned with future development opportunities. Together, these initiatives will strengthen connectivity, unlock future housing and business growth, and improve the resilience of the district's transport network.

Advocating for Better Community Outcomes

Revocation remained one of Council's highest priorities throughout the year as Officers worked closely with NZTA Waka Kotahi to influence the future management of the existing State Highway network following completion of Te Pae o Tararua Ō2NL. A significant milestone was the adoption of Council's Revocation Negotiation Strategy, providing a clear framework to guide engagement and negotiations with NZTA Waka Kotahi. Officers also reviewed Revocation Assessment Reports, sought legal and technical advice, and advocated for fair funding arrangements, appropriate asset condition and positive long term network outcomes to ensure the district is no worse off following revocation.

Council also continued to champion legacy outcomes by participating in the Legacy Outcomes Rōpū and supporting implementation of the Legacy Outcomes Investment Framework. Strong advocacy contributed to the reinstatement of key project elements, including the Manakau overbridge, the full Tararua Road interchange and the Taylors Road southbound on-ramp, helping maximise the long term social, economic and environmental benefits of the project for the Horowhenua community.

Supporting Delivery of Te Pae o Tararua Ō2NL Expressway

Council maintained a strong operational role throughout the year by participating in governance, technical and project delivery forums to support successful implementation of Te Pae o Tararua Ō2NL. Construction officially commenced following the sod-turning ceremony attended by the Prime Minister and Honourable Chris Bishop. Officers continued working closely with NZTA Waka Kotahi and the North and South Alliances to review designs, manage interfaces with Council infrastructure and ensure local transport, stormwater and community considerations were incorporated into project delivery.

As construction progressed, Council's role transitioned into active compliance monitoring, technical review and infrastructure coordination. This included progressing work on the Tararua Road/North Island Main Trunk rail

crossing, supporting infrastructure agreements, reviewing consent compliance and integrating Council assets into the project. Ongoing collaboration with project partners also helped maximise local employment, procurement and betterment opportunities while protecting community connectivity and delivering lasting value for Horowhenua.

Challenges

ADAPTING TO CHANGING FUNDING AND INCREASING INFRASTRUCTURE DEMANDS

Council continued delivering transport improvements within a changing funding environment, including revised NZTA Waka Kotahi funding priorities and increasing demands on the transport network. Reduced NZTA Waka Kotahi funding affected planned investment in some areas, particularly cycling improvements, where no work was undertaken during 2025/26 following the removal of funding assistance.

Balancing maintenance, resilience, growth and recovery work required careful prioritisation to ensure investment continued to deliver the greatest benefit for the community while supporting long term network performance.

Looking forward

CONTINUING TO STRENGTHEN HOROWHENUA'S TRANSPORT NETWORK

Council will continue progressing the Tara-Ika East-West Arterial, supporting delivery of the Te Pae o Tararua Ōtaki to North Levin Expressway and investing in road, footpath, drainage and resilience improvements across the district. Council will also continue working with NZTA Waka Kotahi on the future revocation of the existing State Highway network, advocating for appropriate asset condition, funding arrangements and long term outcomes for Horowhenua.

Future work will focus on maintaining a safe, efficient and resilient transport network that supports population growth, economic development and community wellbeing.



Land Transport Activity Performance

Service/ Measure	Target	2024/25 Results	2025/26 Results
Service: A safe road network*. **Measure:** The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	No (or Zero) change or a reduction from previous year.	✔ **ACHIEVED** There have been 14 death or serious injury crashes in the local road network, 1 less than the 15 crashes which occurred in 2023/24.	✔ **ACHIEVED** There have been 7 death or serious injury crashes in the local road network, 7 less than the 14 crashes which occurred in 2024/25.
Service: Roads in good condition*. **Measure** The average quality of ride on a sealed local road network measured by smooth travel exposure.	Minimum 85%	✔ **ACHIEVED** The Smooth Travel Exposure for this reporting period is 91%.	✔ **ACHIEVED** The Smooth Travel Exposure for this reporting period is 92%.
Service: Roads that are maintained well*. **Measure:** The percentage of the sealed local road network that is resurfaced annually.	Minimum of 3.5% of total area.	✖ **NOT ACHIEVED** 2.8% of the sealed road network has been resurfaced. Roads have been carried over 2025/26 due to delays in sealing by the contractor.	✔ **ACHIEVED** 4.05% of the sealed road network has been resurfaced. Note: This year there were no delays in sealing and work to be carried over.
Service: Footpaths are in an acceptable condition*. **Measure:** Target footpath condition rating (% compliant with Council's standards found in the Land Transport Activity Plan).	97% of footpaths in average to excellent condition.	✖ **NOT ACHIEVED** 96.76% of footpaths were in average to excellent condition and 3.24% in a poor or very poor condition. Note: Reporting includes the percentage of footpaths in an average condition due to the change in measure during the LTP process. The reduced delivery of footpath renewals is associated with reduced NZTA footpath renewal funding.	✔ **ACHIEVED** 97.12% of footpaths were in average to excellent condition and 2.88% in a poor or very poor condition.
Service: Good response to service requests*. **Measure:** The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days.	> 95%	✖ **NOT ACHIEVED** 93.3% (1,240/1,329) requests relating to roads and footpaths were responded to within the target timeframe. Note: During the 2024/25 Christmas and New Year period, the Contractor completed the CRMs; however, they remained open until their administration staff returned to work. This led to them being reported as overdue CRMs. In addition, complaints were not responded to in time or not closed immediately after response. This has been a focus point for the organisation, and we'll expect to see an improvement in future reporting.	✔ **ACHIEVED** 98.84% (1,624/1,643) requests relating to roads and footpaths were responded to within the target timeframe. Note: Performance improved during 2025/26 through an increased focus on timely resolution. Performance expectations were also emphasised with the contractor, contributing to more requests being actioned within the required timeframes.
Service: Provision of safe and effective walking and cycling infrastructure. **Measure:** Percentage of the transport network which includes safe and effective walking and cycling infrastructure.	Determine the baseline and Increase year on year.	✖ **NOT ACHIEVED** We were unable to determine a baseline during this financial year. NZTA Waka Kotahi reduced funding for this work, and no work was done in this space. Note: As we have limited or no funding for cycling investment, it is unlikely that we will achieve either the 'determine baseline' or the 'increase from previous year' for remainder of the LTP term.	✖ **NOT ACHIEVED** We were unable to determine a baseline during the 2024/25 and 2025/26 financial years. NZTA Waka Kotahi reduced funding for this work, and no work was done in this space. Note: As we have limited or no funding for cycling investment, it is unlikely that we will achieve either the 'determine baseline' or the 'increase from previous year' for remainder of the LTP term.

* These performance measurements are provided by the Department of Internal Affairs, and they are mandatory.

Land Transport Funding Impact Statement

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000)	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		–	–	–	–
Targeted rates		4,966	4,956	5,139	5,155
Subsidies and grants for operating purposes		2,266	2,195	1,975	2,004
Fees and charges		–	–	–	52
Local authorities fuel tax, fines, infringement fees, and other receipts		290	285	310	236
Internal charges and overheads recovered		–	–	–	–
Total Operating Funding (A)		**7,522**	**7,436**	**7,424**	**7,447**
Applications of Operating Funding					
Payments to staff and suppliers	1	3,557	3,755	3,394	5,459
Finance costs		380	599	654	844
Internal charges and overheads applied		835	1,177	1,121	597
Other operating funding applications	1	–	–	–	–
Total applications of operating funding (B)		**4,772**	**5,531**	**5,169**	**6,900**
Surplus (deficit) of operating funding (A–B)		**2,750**	**1,905**	**2,255**	**547**
Sources of capital funding					
Subsidies and grants for capital expenditure	2	3,983	6,447	3,917	4,128
Development and financial contributions		107	205	274	143
Increase (decrease) in debt	3	4,128	8,404	(7,041)	(2,352)
Gross proceeds from sale of assets		–	–	–	–
Lump sum contributions		–	–	–	–
Other dedicated capital funding		–	–	–	–
Total sources of capital funding (C)		**8,218**	**15,056**	**(2,850)**	**1,919**

	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000)	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	2	6,170	11,837	4,037	2,780
- to improve the level of service	2	641	1,674	1,481	827
- to replace existing assets	2	3,415	3,449	3,671	5,271
Increase (decrease) in reserves	3	742	1	(9,784)	(6,411)
Increase (decrease) of investments		–	–	–	–
Total applications of capital funding (D)		**10,968**	**16,961**	**(595)**	**2,467**
Surplus (deficit) of capital funding (C-D)		**(2,750)**	**(1,905)**	**(2,255)**	**(547)**
Funding Balance ((A-B)+(C-D))		**–**	**–**	**–**	**–**
Depreciation	4	5,457	5,634	5,634	5,423

Notes:

1. Capital expenditure on growth and level-of-service projects was lower than budget due to the timing of the work programme. This was partly offset by higher expenditure on asset renewals.
2. Debt requirements were lower than budget due to the timing of capital expenditure.

Loans	**Internal $000**
Loans as at 01/07/2025	12,187
Raised during year	8,878
Repaid during year	(6,525)
Loans as at 30/06/2026	**14,539**
Interest expense	844



Solid Waste
Te Para Totoka

WHAKATAUKĪ

Toitū te marae a Tāne Mahuta
Toitū te marae a Tangaroa
Toitū te tangata
If the land is well and the sea is well,
the people will thrive

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES

Strong Communities

Outstanding Environment

Fit for purpose Infrastructure

Description of activity

The Solid Waste Activity covers refuse collection and disposal, transfer stations, kerbside recycling, rural mobile recycling stations, hazardous waste management, management of the district's closed landfills and funding of waste minimisation educational programmes.

WHAT THE ACTIVITY INVOLVES

- The provision of waste transfer stations to accept municipal wastes, various recyclable materials and some hazardous waste streams.
- The provision of kerbside collections to uplift bagged municipal waste and listed recyclable materials that will be diverted from going to landfill.
- The management of the district's closed landfills in accordance with regulatory conditions.
- Responding to and resolving customer complaints relating to the solid waste activity.
- Educating the community in how to reduce, and what is suitable for reuse and recycling.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Waste education is made available to all schools in the district, while various Council funded workshops and initiatives seek broader community engagement and educational opportunities.

ENVIRONMENTAL WELLBEING

The Council's recycling services encourage landfill diversion while our easily accessible kerbside rubbish collection waste service promotes waste diversion through the use of a small sized rubbish bag, which residents can purchase on an as required basis. As the provision of Council rubbish bags reduces the monthly resident disposal costs, it may also reduce the incidence of illegal dumping. The closed landfills and other sites are operated in line with approved consent conditions.

The Solid Waste management team is consulting with Horizons Regional Council and iwi partners on various consenting topics. These include the landfill consents along with operational matters of particular focus such as Council approval to investigate the leachate contaminated groundwater emanating from one of the old landfills[5] within the Levin landfill site.

ECONOMIC WELLBEING

A key success during this period was delivering long term financial benefits through improved contract arrangements, generating annual savings and increased revenue throughout the contract term.

LONG TERM PLAN/ ANNUAL PLAN ACTIVITY INSIGHTS

What we planned	What we did
RENEWALS	
Mobile Recycling Stations	The funds for this project have been carried over to the 2026/27 financial year.
Wheelie Bins and Glass crates	453 Wheelie Bins and 453 crates were distributed to the community during this financial year.



5 The Levin Landfill has three separate landfills that were operated during different periods.

Successes

DELIVERING RELIABLE AND EFFICIENT WASTE AND RECYCLING SERVICES

Residents continued to receive reliable kerbside collection, recycling and transfer station services throughout the year, ensuring convenient access to waste disposal and recycling facilities across the district. The new Waste Services Agreements for kerbside rubbish bag collections and transfer stations were implemented, delivering more efficient service arrangements, reducing operating costs and increasing Council's share of transfer station revenue while maintaining high-quality service delivery. These improvements support a clean, healthy and well-maintained district.

SUPPORTING WASTE MINIMISATION AND ENVIRONMENTAL STEWARDSHIP

Waste minimisation remained a key focus through education programmes, recycling initiatives and community partnerships. Council Officers continued to work closely with Enviroschools, supporting schools with practical waste minimisation initiatives including composting and education around the reduce, reuse and recycle hierarchy. Waste education resources continued to be developed to expand environmental learning opportunities for schools, while community workshops, waste minimisation grants and initiatives such as the Keep Cups pilot programme encouraged residents to reduce waste and adopt more sustainable behaviours. Work also progressed on investigating a future Resource Recovery Centre and other waste diversion opportunities, including construction and demolition waste recovery, to reduce the volume of waste sent to landfill and improve resource recovery outcomes.

IMPROVING LONG TERM WASTE MANAGEMENT PLANNING

Work continued to strengthen the long term sustainability of waste management across the district through implementation of the Waste Management and Minimisation Plan. Progress included developing a revised Waste Collectors Licence to improve waste reporting and quality standards, implementing the Closed Landfill Management Plan, progressing the review of the closed Levin Landfill discharge consents, and continuing investigations into future waste infrastructure. Together, these initiatives will support improved environmental performance, strengthen regulatory compliance and position the district to respond to future waste management challenges.

WORKING WITH THE COMMUNITY TO REDUCE WASTE

Strong partnerships with iwi, community organisations and environmental groups continued to support local waste minimisation initiatives and improve environmental stewardship across the district. Community-led projects received funding through the Waste Minimisation Fund, while collaboration with iwi and community groups informed landfill management planning and ongoing environmental monitoring. These partnerships are helping build a more sustainable Horowhenua while encouraging greater community participation in waste reduction.

Challenges

RESPONDING TO INCREASING ENVIRONMENTAL EXPECTATIONS AND FUTURE WASTE DEMANDS

Delivering reliable waste services while meeting increasing expectations around waste minimisation, environmental performance and long term infrastructure planning continues to present challenges. The ongoing management of closed landfill sites, environmental monitoring and compliance with resource consent conditions adds further complexity. Achieving the district's waste diversion targets will require additional investment in waste initiatives, and community participation.

Looking Forward

CONTINUING TO IMPROVE WASTE MINIMISATION AND RESOURCE RECOVERY

Future work will focus on implementing initiatives that reduce waste sent to landfill, exploring options for resource recovery and strengthening environmental stewardship across the district. In 2026/27, Council will continue investigating options for a Resource Recovery Centre and implementing the Waste Management and Minimisation Plan. Other priorities include progressing improvements to waste collector licensing and reporting systems, advancing landfill remediation and consent activities, and collaborating with iwi, community organisations, and residents to support sustainable waste outcomes in Horowhenua.

Solid Waste Activity Performance

<table>
<tr><th>Service/ Measure</th><th>Target</th><th>2024/25 Results</th><th>2025/26 Results</th></tr>
<tr>
<td>Service:
Ensuring the health, safety and wellbeing of our community by collecting refuse and recycling in a timely and sanitary manner.</td>
<td>Recycling: 5 legitimate complaints per 1,000 bins issued annually.</td>
<td>✔ ACHIEVED
<table>
<tr><th>Recycling
5 per 1,000 bins</th><th>Total no of complaints received</th><th>No of complaints per 1,000 bins</th></tr>
<tr><td>*79</td><td>61</td><td>3.83</td></tr>
<tr><td colspan="3">Number of bins: 15,919</td></tr>
<tr><td colspan="3">*Target: (15,919/1,000) x 5 = 79.59</td></tr>
<tr><td colspan="3">Result: (61/15,919) x 1,000 = 3.83</td></tr>
</table>
</td>
<td>✔ ACHIEVED
<table>
<tr><th>Recycling
5 per 1,000 bins</th><th>Total no of complaints received</th><th>No of complaints per 1,000 bins</th></tr>
<tr><td>*80</td><td>17</td><td>1.05</td></tr>
<tr><td colspan="3">Number of bins: 16,130</td></tr>
<tr><td colspan="3">*Target: (16,130 /1,000) x 5 = 80.65</td></tr>
<tr><td colspan="3">Result: (17/16,130) x 1,000 = 1.05</td></tr>
<tr><td colspan="3">*Refers to the target and how it was calculated</td></tr>
</table>
</td>
</tr>
<tr>
<td>Measure:
Number of legitimate complaints[6]
Recycling bins
Kerbside collection.</td>
<td>Kerbside collection:
1 legitimate complaint per 800 bags sold annually.</td>
<td>
<table>
<tr><th>Kerbside collection
1 per 800 bags</th><th>Total no of complaints received</th><th>No of complaints per 800 bags</th></tr>
<tr><td>*70</td><td>32</td><td>0.46</td></tr>
<tr><td colspan="3">Number of bags sold during 2024/25: 56,200</td></tr>
<tr><td colspan="3">*Target (56,200/800) x 1 = 70.25</td></tr>
<tr><td colspan="3">Result: (32/56,200) x 800 = 0.46</td></tr>
</table>
</td>
<td>
<table>
<tr><th>Kerbside collection
1 per 800 bags</th><th>Total no of complaints received</th><th>No of complaints per 800 bags</th></tr>
<tr><td>*72</td><td>7</td><td>0.09</td></tr>
<tr><td colspan="3">Number of bags sold during 2025/26: 57,900</td></tr>
<tr><td colspan="3">*Target (57,900/800) x 1 = 72.38</td></tr>
<tr><td colspan="3">Result: (7/57,900) x 800 = 0.09</td></tr>
<tr><td colspan="3">*Refers to the target and how it was calculated</td></tr>
</table>
Note: The data collection process has been improved during this financial year to clearly distinguish between missed collections attributable to the contractor (legitimate) and those resulting from customer-related issues (non-legitimate). Last year's data included both legitimate and non-legitimate missed collections.
</td>
</tr>
<tr>
<td>Service:
Embedding circular thinking into our waste management systems.
Measure:
Meet the targets set in the Waste Management Minimisation Plan (WMMP)[7].</td>
<td>100% of targets</td>
<td>✘ NOT ACHIEVED
86% (6/7) of targets due this financial year have been met as set in the Waste Management Minimisation Plan (WMMP). The target related to fly tipping has not been met as it cannot be measured. The flytipping is collected by our contractor Green by Nature with other waste from litter bins and parks and property shrubbery (greenwaste). This is an economical means to manage Council's day to day costs.
Note: The WMMP has a total of 13 targets over a 6-year period, and 6 are scheduled for 2026 and beyond. There is a risk that if a kerbside organics collection of some form is not introduced the WMMP diversion targets (30%-2026, 40%-2028 and 50% by 2030) will not be reached.</td>
<td>✘ NOT ACHIEVED
70% (7/10) of targets due this financial year have been met as set in the Waste Management Minimisation Plan (WMMP).
Notes:
• The district waste diversion target (30% by 2026) – urban waste diverted from going to landfill – has not been met. Council does not have complete data on the volume of waste collected by private waste collectors, and waste disposed to landfill by waste collectors combines urban and rural waste. This amalgamation prevents the urban waste diversion rate from being accurately determined.
• The target for hazardous waste acceptance at Levin Transfer Station has not been met. Hazardous waste acceptance is available at the Foxton Transfer Station.
• The target related to fly tipping has not been met as the data required to establish the baseline for this measure is unavailable. However, contractor response data is now being collated to establish a baseline of incidents for future measuring and reporting.
Note: The WMMP has a total of 13 targets over a 6-year period, and 3 are scheduled for 2028 and 2029 respectively.</td>
</tr>
</table>

6 Legitimate complaints do not include when bin was put out on the wrong week; bin was not out at time of collection and the bin was not collected due to contamination.

7 The WMMP is available on our website: https://www.horowhenua.govt.nz/files/assets/public/v/2/council-documents/plans/horowhenua-waste-management-andminimisation-plan-2024-august-2024.pdf

Solid Waste Funding Impact Statement

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000)	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		–	–	–	–
Targeted rates		5,491	5,479	4,459	4,473
Subsidies and grants for operating purposes		–	–	–	–
Fees and charges	1	990	582	985	1,888
Local authorities fuel tax, fines, infringement fees, and other receipts		2	–	–	27
Internal charges and overheads recovered		(1)	–	–	–
Total Operating Funding (A)		**6,482**	**6,061**	**5,444**	**6,388**
Applications of operating funding					
Payments to staff and suppliers		2,926	3,990	4,146	3,246
Finance costs		302	352	230	420
Internal charges and overheads applied		1,335	1,338	687	528
Other operating funding applications		–	–	–	–
Total applications of operating funding (B)		**4,563**	**5,680**	**5,063**	**4,194**
Surplus (deficit) of operating funding (A–B)		**1,919**	**381**	**381**	**2,194**
Sources of capital funding					
Subsidies and grants for capital expenditure		–	–	–	–
Development and financial contributions		–	–	–	–
Increase (decrease) in debt		(337)	(324)	(3,025)	318
Gross proceeds from sale of assets		–	–	–	–
Lump sum contributions		–	–	–	–
Other dedicated capital funding		–	–	–	–
Total sources of capital funding (C)		**(337)**	**(324)**	**(3,025)**	**318**

	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000)	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Applications of capital funding					
Capital expenditure					
– to meet additional demand		11	14	135	–
– to improve the level of service		–	–	–	14
– to replace existing assets		33	43	405	50
Increase (decrease) in reserves	2	1,538		(3,184)	2,449
Increase (decrease) of investments					–
Total applications of capital funding (D)		**1,582**	**57**	**(2,644)**	**2,512**
Surplus (deficit) of capital funding (C–D)		**(1,919)**	**(381)**	**(381)**	**(2,194)**
Funding balance ((A–B)+(C–D))		**–**	**–**	**–**	**–**
Depreciation		541	579	579	59

Notes:

1. Higher revenue reflects recycling rebates being greater than budgeted, including $453,000 carried forward from the 2024/25 financial year.
2. Operating expenditure was lower than budget due to savings achieved across the activity's contracts.
3. Capital expenditure was lower than budget due to the timing of solid waste projects and investigations.
4. Changes in debt and reserves reflect the higher operating surplus and lower capital expenditure.

Loans	**Internal $000**
Loans as at 01/07/2025	6,066
Raised during year	63
Repaid during year	(381)
Loans as at 30/06/2026	**5,748**
Interest expense	420



Community Facilities
Ngā Taiwhanga ā-Rēhia

WHAKATAUKĪ

Ko ngā pae tawhiti, whaia kia tata.
Ko ngā pae tata, whakamaua kia tina
The potential for tomorrow depends on what we do today

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES

Strong Communities

Vibrant Economy

Fit for purpose Infrastructure

Partnership with Tangata Whenua

Description of activity

The Community Facilities and Services Activity includes the following sub-activities:

- Aquatic Facilities and Recreation
- Community Centres and Libraries

WHAT THE ACTIVITY INVOLVES

Aquatic Facilities and Recreation

The Aquatic Facilities and Recreation Activity aims to provide public access to swimming pools, the splash pad, fitness, rehabilitation, and swimming programmes to enhance wellbeing through providing healthy recreational and social opportunities.

What it involves:

- Providing opportunities for recreation to improve physical fitness and wellbeing including off site and outreach services.
- roviding a focal point for local communities where they can meet and participate in leisure and recreational activities.
- Providing swimming pools for general use including assisting clubs and organisations to host and run events.
- Providing a splash pad at Jubilee Park for free active water play.
- Providing a certified Swim School Programme in Levin and Foxton.
- Providing safe venues for fun activities and social interaction.
- Providing a venue for Aquatic Sports and competitive activity.
- Providing land- and water-based fitness and rehabilitation classes both on- and off-site.
- Managing Shannon School Swimming Pool during the summer school holidays.
- Facilitating a targeted swimming programme for the rural community within Horowhenua.
- Assist in the delivery of recreation opportunities for all communities to participate in.

Community Centres and Libraries

This Activity aims to provide locations where people can visit, spend time, and positively engage in activities and opportunities, whether that be through social interaction, personal development or recreation and leisure.

What it involves:

Multi-functional facilities and districtwide Library Services provide a wide range of services to both the community and to visitors to the Horowhenua, including:

- Spaces for social interaction.
- Bookable rooms and spaces for community and commercial entities.
- A creative hub that allows for music and visual performance and exhibition.
- Museums that share stories and insight into the lives of the people in our area, and beyond.
- Events that enrich our community.
- Mahi Space, a purpose built co-working office facility.
- Providing AA Services for our community.
- Providing Visitor information services through two sites (Levin and Foxton).
- Delivery of Council Services (e.g. dog registrations at Shannon and Foxton).
- Districtwide library services in Levin, Foxton and Shannon deliver programmes and services that:
  - Provide equitable access to information for leisure, entertainment, research, education and career development across the district
  - Foster and enhance literacy (including digital) and lifelong learning
  - Deliver events and programmes for children, young people, adults and elders
  - Recognise and support those members of our community with different needs and requirements
  - Encourage the development of partnerships for the delivery of services and programmes
  - Promote opportunities for people and communities to connect with each other
  - Protects, conserves and maintains heritage resources of Horowhenua and provide opportunities for access to local history and heritage resources
  - Spaces for our rangatahi to feel a sense of belonging (e.g. The Youth Space at Te Takeretanga o Kura-hau-pō) that promotes inclusion, safety and interaction

How our work delivers on community wellbeing

SOCIAL WELLBEING

Te Takeretanga o Kura-hau-pō and Te Awahou Nieuwe Stroom are multifunctional facilities that provide a wide range of services and events that contribute to the wellbeing of the community and to visitors to the Horowhenua.

Horowhenua District Council provides public access to swimming pools, fitness, play, rehabilitation, and swimming programmes to enhance community wellbeing through providing healthy recreational and social opportunities.

Our facilities and the services they provide, create an environment for organic community development and connection.

ENVIRONMENTAL WELLBEING

Careful management of aquatic facility water quality and implementing water conservation measures contributes to improving environmental outcomes.

ECONOMIC WELLBEING

Community facilities contribute to the local economy through employment and financial sustainability. They also provide opportunities for people of all ages and all phases of life to enjoy quality of living.

Any development of community facilities is planned and developed for the district to meet current and future needs.

Council actively promotes its facilities as destinations to visit, enjoy and share their stories, welcoming even more visitors.

CULTURAL WELLBEING

Council acknowledges its partnership with tangata whenua and value the important role they play within our community facilities.

Additionally, partnerships have been undertaken to deliver programmes such as Matariki, Youth Development Programmes and Capacity Building.



LONG TERM PLAN/ ANNUAL PLAN ACTIVITY INSIGHTS

What we planned	What we did
REPLACEMENT OF EXISTING ASSETS/RENEWALS	
Activity Renewal - Libraries – Internal Plant	Council completed reactive maintenance and replacement of some Air Conditioning units.
Activity Renewals - Community Centres – plant	Council renewed lighting, HVAC equipment, upgraded technology and introduced a new Peace and Play workstation. Council continued to invest in the library audiobook collection.
Building Renewals • **Shannon Library** • **Te Awahou Nieuwe Stroom** • **Te Takeretanga o Kura-hau-po**	During this financial year, Council completed lighting and related building renewals at Shannon Library, Te Awahou Nieuwe Stroom and Te Takeretanga o Kura-hau-pō, including upgraded fixed lighting and cameras.
Levin Aquatic Centre Plan & Levin Building Renewals	Major renewal of aquatic centre infrastructure, including pumps, filtration systems, heating infrastructure, pool liners and flooring.
Purchase of Library Books	Council continued to invest in the library collection through the purchase of new books and games this financial year.

Successes

CREATING WELCOMING SPACES WHERE COMMUNITIES CONNECT, LEARN AND BELONG

Council's community facilities continued to provide welcoming spaces where people of all ages could connect, learn, participate and access services. Throughout the year, libraries, community hubs and aquatic facilities supported a wide range of programmes, events and digital services that encouraged lifelong learning, creativity and inclusion while helping reduce social isolation and strengthen community connections. Highlights included Tea & Tales, Memory Care Reading, Digi-Coaches, Poetry and Pizza, Youth Chill Zone, Youth Week, Better Together school holiday activities, Haunted Library, Pop-up Eats, the Whānau Triathlon Series, Imaginate, creative programmes designed and voted on by local tamariki (children), the introduction of a new board game collection, and the Te Awahou Museum Tours App. Council also received funding from the Ethnic Communities Development Fund to support the Diwali Festival, enabling the continuation of this culturally significant celebration and providing an opportunity for the community to celebrate diversity and strengthen connections. The Read for Bees challenge exceeded 350,000 pages read across the district, encouraging a love of reading while supporting environmental education.

Together, these initiatives created opportunities for residents to learn new skills, share experiences, celebrate local identity and feel connected and supported within their community.

INVESTING IN HIGH-QUALITY COMMUNITY FACILITIES

Council continued investing in community assets to ensure they remain safe, modern and fit for future generations. A significant milestone was the successful completion of the Levin Aquatic Centre renewal programme, delivering refreshed public spaces alongside major upgrades to pumps, filtration systems, heating infrastructure, pool liners and flooring. The project was completed on time, received overwhelmingly positive feedback from users and secured the long term sustainability of one of the most valued recreation facilities in the Horowhenua.

Investment also continued across library and community facilities through lighting upgrades and ongoing maintenance.

Challenges

MAINTAINING HIGH-QUALITY FACILITIES WHILE PLANNING FOR FUTURE INVESTMENT

Council continued balancing the day-to-day maintenance of highly utilised community facilities with longer-term renewal planning and increasing community expectations. During the year, Council responded to heating system failures, vandalism, precautionary public safety issues and the complexity of maintaining specialised building systems while continuing to plan future renewals, improve energy efficiency and ensure facilities remain welcoming, safe and fit for purpose.

Looking Forward

PLANNING FOR SUSTAINABLE COMMUNITY FACILITIES AND SERVICES

Council will continue planning and investing in community facilities and library services that support wellbeing, lifelong learning and community participation. Priorities include progressing future facility renewals and HVAC upgrades, and continuing investigations into decarbonising the Levin Aquatic Centre by transitioning from gas to electric heating systems. This investigative work has been undertaken in partnership with Beca, with support from Sport New Zealand funding and no direct cost to Council, providing an evidence base to inform future investment decisions. The work will help Council consider options that balance financial sustainability with environmental outcomes while ensuring this important community facility remains resilient, cost-effective and able to respond to future population growth and service demand.

Council will also continue developing library services and community programmes that support inclusion, creativity and lifelong learning, while adapting facilities and services to ensure they remain welcoming and responsive to the changing needs of Horowhenua communities.



Community Facilities and Services Activity Performance

<table>
<tr><th>Service/ Measure</th><th>Target</th><th>2024/25 Results</th><th>2025/26 Results</th></tr>
<tr>
<td>Service:
Our aquatic centres support and enhance community well-being and safety.

Measure:
Number of opportunities[8] provided for the community and by the community[9] that enhances well-being and safety in or through the use of our aquatic facilities.</td>
<td>500 opportunities per calendar month</td>
<td>✔ ACHIEVED
<table>
<tr><th>Month</th><th>No of opportunities</th></tr>
<tr><td>July 2024</td><td>1,045</td></tr>
<tr><td>Aug 2024</td><td>1,151</td></tr>
<tr><td>Sept 2024</td><td>1,043</td></tr>
<tr><td>Oct 2024</td><td>990</td></tr>
<tr><td>Nov 2024</td><td>1,123</td></tr>
<tr><td>Dec 2024</td><td>886</td></tr>
<tr><td>Jan 2025</td><td>301</td></tr>
<tr><td>Feb 2025</td><td>1,027</td></tr>
<tr><td>March 2025</td><td>1,128</td></tr>
<tr><td>April 2025</td><td>942</td></tr>
<tr><td>May 2025</td><td>1,006</td></tr>
<tr><td>June 2025</td><td>914</td></tr>
<tr><td>Total 2024/25</td><td>11,556</td></tr>
</table></td>
<td>✔ ACHIEVED
<table>
<tr><th>Month</th><th>No of opportunities</th></tr>
<tr><td>July 2025</td><td>893</td></tr>
<tr><td>Aug 2025</td><td>888</td></tr>
<tr><td>Sept 2025</td><td>1,054</td></tr>
<tr><td>Oct 2025</td><td>1,059</td></tr>
<tr><td>Nov 2025</td><td>1,102</td></tr>
<tr><td>Dec 2025</td><td>957</td></tr>
<tr><td>Jan 2026</td><td>*259</td></tr>
<tr><td>Feb 2026</td><td>1,066</td></tr>
<tr><td>March 2026</td><td>1,241</td></tr>
<tr><td>April 2026</td><td>**854</td></tr>
<tr><td>May 2026</td><td>**895</td></tr>
<tr><td>June 2026</td><td>947</td></tr>
<tr><td>Total 2025/26</td><td>11,215</td></tr>
</table>
Notes:
• *There are limited programmes and no regular bookings during the January school holidays period.
• **The Levin Aquatic Centre was closed from 13 April to 10 May 2026.</td>
</tr>
<tr>
<td>Service:
Community has access to a range of current information that inspires, entices and informs in both print and digital format.

Measure:
Contribute to community literacy by providing curated collections of physical and digital resources.</td>
<td>≥3 resources per capita</td>
<td>✔ ACHIEVED
The community had access to a minimum of 3.5 resources per capita
• 65,801 physical resources
• 67,722 digital resources (owned)
Measured by 38,000 capita.</td>
<td>✔ ACHIEVED
The community had access to a minimum of 3.5 resources per capita
• 77,350 physical resources
• 57,581 digital resources (owned)
Measured by 38,100 capita.
Note: This increase primarily reflects a temporary reduction in capacity for routine collection management during the implementation of the changes within the organisation. Operational resources have been prioritised toward maintaining core service delivery, resulting in reduced weeding and deselection activity during this period.</td>
</tr>
<tr>
<td>Service:
Libraries and community facilities meet the community's needs.

Measure:
Percent of residents and non-residents satisfied with library and community services based on the Annual Customer Satisfaction Survey.</td>
<td>≥ 92%</td>
<td>✔ ACHIEVED
The Annual Customer Satisfaction Survey result showed that 93.9% of residents and non-residents were satisfied with library and community services.</td>
<td>✔ ACHIEVED
The Annual Customer Satisfaction Survey result showed that 96.7% of residents and non-residents were satisfied with library and community services.</td>
</tr>
</table>

8 Such as swimming lessons, training, competitions, events and fitness classes.

9 Swim schools, clubs, organisations

Community Facilities and Services Funding Impact Statement

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000)	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		–	–	–	–
Targeted rates		10,083	10,062	10,646	10,680
Subsidies and grants for operating purposes		122	223	–	15
Fees and charges		1,196	1,122	1,220	1,176
Local authorities fuel tax, fines, infringement fees, and other receipts		29	2	7	13
Internal charges and overheads recovered		1	100	–	–
Total operating funding (A)		**11,431**	**11,509**	**11,873**	**11,884**
Applications of operating funding					
Payments to staff and suppliers	1	7,100	6,427	6,822	7,036
Finance costs		737	611	564	1,051
Internal charges and overheads applied		2,648	2,888	3,003	2,547
Other operating funding applications		–	–	–	–
Total applications of operating funding (B)		**10,486**	**9,926**	**10,390**	**10,633**
Surplus (deficit) of operating funding (A–B)		**945**	**1,583**	**1,484**	**1,251**
Sources of capital funding					
Subsidies and grants for capital expenditure		4	–	–	–
Development and financial contributions		–	–	–	–
Increase (decrease) in debt		(487)	(479)	2,862	101
Gross proceeds from sale of assets		–	–	–	–
Lump sum contributions		–	–	–	–
Other dedicated capital funding		–	–	–	–
Total sources of capital funding (C)		**(484)**	**(479)**	**2,862**	**101**

	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000)	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Applications of capital funding					
Capital expenditure					
– to meet additional demand		183	186	214	–
– to improve the level of service		–	–	–	54
– to replace existing assets		817	818	1,095	1,329
Increase (decrease) in reserves	2	(539)	100	3,037	(30)
Increase (decrease) of investments				–	–
Total applications of capital funding (D)		**461**	**1,104**	**4,346**	**1,352**
Surplus (deficit) of capital funding (C–D)		**(945)**	**(1,583)**	**(1,484)**	**(1,251)**
Funding balance ((A–B)+(C–D))		**–**	**–**	**–**	**–**
Depreciation		1,475	1,484	1,484	1,494

Notes:

1. Higher operating expenditure mainly reflects additional staff and supplier costs and higher finance costs.
2. Capital expenditure was broadly in line with budget. The Levin Aquatic Centre maintenance and renewal programme was completed within its approved timeframe.

Loans	Internal **$000**
Loans as at 01/07/2025	15,169
Raised during year	1,382
Repaid during year	(1,484)
Loans as at 30/06/2026	**15,068**
Interest expense	1,051



Community Infrastructure
Tūāhanga Hapori

WHAKATAUKĪ

Me mahi tahi tātou mo te oranga o te katoa
We should work together for the wellbeing of everyone

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES

- **Strong** Communities
- **Vibrant** Economy
- **Outstanding** Environment
- **Fit for purpose** Infrastructure
- **Partnership** with Tangata Whenua

Description of activity

The Community Infrastructure Activity is dedicated to enhancing community wellbeing through various sub-activities. These activities not only aim to provide both passive and active amenities for the community's use but also contribute to fostering a sense of belonging and overall wellbeing among our residents.

THE COMMUNITY INFRASTRUCTURE ACTIVITY INCLUDES:

- Beautification
- Cemetery administration, maintenance and management
- Maintenance and administration of Public Halls for hire
- Maintenance and management of Public Toilets
- Maintenance and management of Parks, Playgrounds and Reserves
- Maintenance, management and administration of Sports Grounds
- Urban cleansing – the maintenance and management of the roading network in the urban residential zone.

WHAT THE ACTIVITY INVOLVES

This Activity aims to provide management of reserves, sports grounds, cemeteries, street beautification, urban cleansing, public halls and public toilets.

- Maintenance of neighbourhood reserves, riverside and lakeside picnic areas, public gardens, and sports grounds.
- Maintenance of street trees and street gardens.
- Rubbish bin emptying, and the urban roading weed spraying programme.
- Providing Reserve Management Plans (RMPs) for Council reserves.
- Establishment and maintenance of public toilets for the purpose of tourism and public health.
- Establishment and maintenance of cemeteries under the Burial and Cremation Act 1964.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Parks, reserves, and community facilities play a central role in supporting health and wellbeing. They provide places for people to connect, enjoy nature, and take part in activities that promote mindfulness and general wellness. Access to these spaces reduces negative impacts on community wellbeing and contributes to stronger, healthier relationships. The benefits of exercise and time spent in green spaces for both physical and mental health are well established.

ENVIRONMENTAL WELLBEING

This activity makes a significant contribution to environmental outcomes. Open spaces help capture carbon, provide resilience against flooding in urban environments, and protect and restore indigenous biodiversity. By working alongside our community, these spaces create opportunities for positive environmental outcomes now and into the future.

ECONOMIC WELLBEING

Green spaces deliver measurable economic benefits. Research indicates that mature street trees and attractive landscaping can positively influence residential property values, while access to urban greenspace is linked with lower levels of crime and vandalism. Parks and reserves also enhance productivity by supporting mental and physical wellness, while landscaped commercial areas attract more business and foot traffic. In addition, Horowhenua parks and fields regularly host first-class sporting events, bringing a direct boost to the local economy.

CULTURAL WELLBEING

The preservation of natural landscapes and open spaces directly supports cultural wellbeing. Many of the landscapes and buildings in Horowhenua hold deep value to local communities, while native bush, dunes, and historic reserves remain of particular cultural significance to iwi and hapū. Protecting these spaces ensures they continue to reflect and uphold our shared heritage.



LONG TERM PLAN/ ANNUAL PLAN ACTIVITY INSIGHTS

What we planned	What we did
REPLACEMENT OF EXISTING ASSETS/RENEWALS	
Cemetery - Foxton – Development	Part of this budget was carried forward to 2026/27 as planning is still being undertaken.
Cemetery - Manakau – Extension	Part of this budget was carried forward to 2026/27 as planning is still being undertaken.
Cemetery – Shannon	This budget was carried forward to 2026/27 as planning is still being undertaken.
Coastal reserve resiliency programme	Council continued to partner with community and ecological groups and schools to organise planting days. Spinifex and Pingao were planted along multiple areas of our coast to build resilience. Sites included Waikawa Beach, Waitārere Beach, Kuku Beach and Foxton Beach.
District halls and pavilions reactive renewals	Window replacements completed at Holben Pavilion and Foxton Beach, as part of the facility renewal programme.
District play equipment	Replaced play equipment at multiple playgrounds across the district.
Public toilets – Major renewals	Renewal of public toilet facilities at Donnelly Park, servicing the netball courts and football club.
Public toilets – Minor renewals	The roof at Salisbury Street toilets was renewed.
Replace Bore head and piping Levin Domain	The bore and piping at the Levin Domain were replaced as part of the wider Levin Aquatics works.
Reserves renewals (buildings)	Renewal of the BBQ at Jubilee Park and replacement of selected furniture across district reserves.
Reserves Renewals (Non-building)	• The bridges at Holben Reserve are being renewed, works started during the 2025/26 financial year. • The concrete outside Te Awahou Foxton Riverside Cultural Park was renewed. • Bollards were installed at reserves to improve safety.
Sportsgrounds renewals (buildings)	• Easton Park carpark was resurfaced. • Donnelly Park had the cricket covers renewed.
Stream Management Plan	No work was undertaken.
LEVELS OF SERVICE	
Cemetery - Avenue Rd – Extend Burial and Cremation Sites	This was not undertaken due to overall planning still occurring.
District fencing contingency	Undertook new or updated fencing as required by the Fencing Act at numerous sites.
Waikawa Beach Accessway	Further work was undertaken to establish the vehicle accessway; however, this is yet to be completed and will carry forward to the 2026/27 financial year.
GROWTH	
Tara-Ika Reserves	This is carried forward to 2026/27 as planning is still being undertaken.

Successes

CARING FOR THE PLACES OUR COMMUNITY ENJOYS EVERY DAY

Council continued investing in and maintaining the parks, reserves, sports grounds, public halls, public toilets and cemeteries that residents and visitors use every day. Renewal and improvement works were completed across community spaces throughout the district, including upgrades to public toilets, playgrounds, sports grounds and reserve infrastructure. Improvements at locations such as Holben Reserve, Jubilee Park, Donnelly Park, Ōhau Pavilion and Mangaore Hall, together with enhancements at Levin Adventure Park, helped ensure these community spaces remained safe, accessible and enjoyable for recreation, sport and community events. Winter sports fields were also prepared ahead of the season, with significant turf reinstatement works at Donnelly Park, receiving positive feedback from local clubs and regional sporting organisations for the quality of the facilities and level of service provided.

SUPPORTING RECREATION, EVENTS AND COMMUNITY PARTNERSHIPS

Community Infrastructure continued to support the events and activities that bring people together while providing high-quality facilities for local and regional sport. Parks and sports grounds hosted ANZAC Day commemorations, junior winter sport, the National Mid-Summer Blast Cricket Tournament, the Central Districts Under-15 Cricket Tournament, and supported the continued growth of baseball, including an expanded national tournament across Western Park and Levin Domain. Council also worked alongside the community to establish a new football club at Ōhau Domain, supporting the area's growing population and increasing participation in local sport.

The successful delivery of these tournaments has further strengthened Horowhenua's reputation as a sporting destination, with Horowhenua-Kāpiti advising that the success of these events has prompted Central Districts Cricket and New Zealand Cricket to consider Horowhenua venues for additional national cricket tournaments in coming years. Partnerships remained central to the delivery of community infrastructure, with Council working alongside Green by Nature, sporting organisations, volunteers and community groups to enhance The Farm Track through weed control, garden improvements and native planting. Council also continued implementing the Strategic Recreation Investment Framework, engaging with more than 18 sporting organisations and stakeholders to help guide future recreation investment and ensure it reflects community priorities.

PROTECTING OUR NATURAL ENVIRONMENT AND BUILDING RESILIENCE

Council continued working alongside iwi, community groups, schools, volunteers and environmental organisations to protect and enhance Horowhenua's natural environment. Coastal planting programmes using Spinifex and Pīngao continued at Waikawa Beach, Waitārere Beach, Kuku Beach and Foxton Beach, supported by community planting days and collaborative restoration initiatives. A community planting day at Foxton Beach in August 2025 brought together around 22 volunteers, who planted approximately 2,000 spinifex and pingao on the foredune to strengthen dune resilience and help protect the coastline from erosion.

Environmental education continued through Zero Waste initiatives, including educational videos and community awareness resources that encouraged waste reduction and sustainable behaviours. Community volunteers participated in beach clean-up events and environmental enhancement projects that strengthened biodiversity and community stewardship of local natural areas.

Following two significant storm events, Council worked alongside contractors, community groups and volunteers to clear hazards, reopen parks and reserves where it was safe to do so, establish temporary green waste drop-off sites and commence recovery works at Target Reserve and Cousins Avenue Reserve. These collaborative efforts helped restore public access more quickly while strengthening long term community resilience.

Challenges

RESPONDING TO SEVERE WEATHER AND INCREASING MAINTENANCE DEMANDS

Two significant storm events during the year caused widespread damage to parks, reserves and public spaces, requiring substantial clean-up works, tree removal and temporary closures while safety assessments were completed. Target Reserve and Cousins Avenue Reserve remained closed while remediation planning continued. The activity also experienced increasing pressure from seasonal vegetation growth and illegal dumping across reserves and public spaces, placing additional demands on operational budgets and staff resources while balancing storm recovery with routine maintenance across the district.

LOOKING FORWARD

Council will continue restoring Target Reserve and Cousins Avenue Reserve following storm damage, with forestry works and remediation progressing to enable their safe reopening.

Work will also continue in partnership with the Waikawa Beach Community Group, Ngāti Wehi Wehi, Horizons Regional Council and other stakeholders to progress long term beach vehicle access. During the year, good progress was made, including the lodgement

of an easement application with the Department of Conservation, providing an important step towards securing a long term access solution.

Council will continue implementing the Strategic Recreation Investment Framework to guide future investment in recreation facilities and opportunities across the district. Developed with input from sporting organisations and community stakeholders, the framework will support evidence-based decisions about where future recreation investment is most needed.

Council will also continue supporting community-led initiatives such as The Farm Track, Levinable and Lake Domain improvements, while working collaboratively with community partners and pursuing external funding opportunities to enhance parks, reserves and recreation facilities across Horowhenua.



Community Infrastructure Activity Performance

Service/ Measure	Target	2024/25 Results	2025/26 Results
Service: A range of parks and reserves that are affordable, well maintained, safe and provide for the recreational (play and sport), cultural and environmental wellbeing of the community. **Measure:** Playground facilities receive a monthly inspection by a suitably qualified person to ensure they comply with relevant National Playground Standards and findings of inspection are actioned (or plan put in place) before the next inspection.	≥ 90% of playgrounds resources per capita	✔ **ACHIEVED** 96% (22/23) of playgrounds were inspected by a suitably qualified person. 100% failures identified during the inspections were actioned before the next inspection. *Additional note: The yearly inspections required for 2024/25 were 22 playgrounds each inspected once per month, which equals a total 264 inspections. For 2024/25 100% (264/264) of playgrounds were inspected by a suitably qualified person. Muaūpoko Park was not open last year so no playground inspections were required. The result reported in 2024/25 (96%), included Muaūpoko Park.*	✔ **ACHIEVED** 91% (245/268) of playground inspections were inspected by a suitably qualified person. Note: 268 inspections for the year were required. That number is made up of the 22 Council owned playgrounds inspected once a month, plus Muaūpoko Park, inspected once a month since it was reopened in March 2026. Though this playground is not council-owned, Council contractors inspect it and so it is included in the calculations. No inspections were carried out in June due to the qualified person leaving Green by Nature. GbN has organised for a new person to attend courses to become qualified. In 2024/25 a figure relating the number of playgrounds was reported rather than the number of required inspections. A note has been added to the 2024/25 results column to show the results relating to the number of inspections. No failures were identified during previous inspections requiring action before the next inspection.
Service: A range of parks and reserves that are affordable, well maintained, safe and provide for the recreational (play and sport), cultural and environmental wellbeing of the community. **Measure:** Parks and reserves maintenance contracts are administered and monitored on a regular basis, as per contract specifications.	Achieve	✔ **ACHIEVED** 95% (target of 95% as per the contract) of parks and reserves maintenance contracts were administered and monitored as per contract specifications.	✔ **ACHIEVED** 96% (target of 95% as per the contract) of parks and reserves maintenance contracts were administered and monitored as per contract specifications.
Service: A range of parks and reserves that are affordable, well maintained, safe and provide for the recreational (play and sport), cultural and environmental wellbeing of the community. **Measure:** Sports grounds are made available for use with appropriate ground condition.	0 complaints made about sports grounds availability and conditions	✖ **NOT ACHIEVED** One complaint was made about sports grounds availability, and no complaints were made about sport ground conditions. Note: The complaint received was because the end of the Softball season overlapped (for a period of five days) with the start of the Rugby season, with the Softball finals date/s falling within this overlap period. Summer sports starting earlier and winter sports finishing later and vice versa has been an ongoing challenge. Council uses a booking system to allow for bookings of sports fields.	✔ **ACHIEVED** No complaints were made about sports grounds availability, and no complaints were made about sport ground conditions.
Service: Clean and safe public toilets. **Measure:** Public toilet maintenance contracts are administered and monitored on a regular basis, as per contract specifications.	Achieve	✔ **ACHIEVED** 97% (target is 85% as per contract) of public toilet maintenance contracts were administered and monitored as per contract specifications.	✔ **ACHIEVED** 99% (target is 85% as per contract) of public toilet maintenance contracts were administered and monitored as per contract specifications.

Service/ Measure	Target	2024/25 Results	2025/26 Results
Service: Cemeteries are fit for purpose and meet the changing needs of our community now and into the future. **Measure:** Across the district's cemeteries, there is a continuous availability of 10% of developed burial plots (of any type) at any given time.	Achieve	✖ **NOT ACHIEVED** There was a continuous availability of 6.7% of developed plots (of any type) across the district's cemeteries at any given time. Availability increased over the year due to additional beams created at Levin and Foxton cemeteries. Note: We only count available plots when the concrete beam is in place & a plot number is created in our records system, rather than the available land for internment. We have land to meet the measure, but the beams have not been poured. We are part way through a phased multi-year programme of pouring new beams across the district cemeteries. Though we are under the 10% target, there is still more beams than internment demand, so there has not been a need to accelerate the programme. By the end of the 2025/26 financial year, it is expected we will be back above the 10% target.	✖ **NOT ACHIEVED** There was a continuous availability of 7.9% of developed plots (of any type) across the district's cemeteries at any given time. Note: We only count available plots when the concrete beam is in place & a plot number is created in our records system, rather than the available land for internment. We have land to meet the measure, but the beams have not been poured. We are part way through a phased multi-year cemetery development programme.

Community Infrastructure Funding Impact Statement

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000)	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		6,369	6,355	6,863	6,884
Targeted rates		–	–	–	–
Subsidies and grants for operating purposes	1	84	80	–	77
Fees and charges		495	339	329	286
Local authorities fuel tax, fines, infringement fees, and other receipts		8	–	–	114
Internal charges and overheads recovered		–	–	–	–
Total operating funding (A)		**6,956**	**6,774**	**7,192**	**7,361**
Applications of operating funding					
Payments to staff and suppliers	2	4,819	4,372	4,417	4,792
Finance costs		356	260	208	504
Internal charges and overheads applied		1,132	1,161	1,137	972
Other operating funding applications		–	–	–	–
Total applications of operating funding (B)		**6,308**	**5,793**	**5,762**	**6,269**
Surplus (deficit) of operating funding (A–B)		**648**	**981**	**1,431**	**1,093**
Sources of capital funding					
Subsidies and grants for capital expenditure		637	586	–	–
Development and financial contributions		286	306	212	357
Increase (decrease) in debt	4	(271)	(2,879)	(1,571)	1,640
Gross proceeds from sale of assets		–	–	–	–
Lump sum contributions		–	–	–	–
Other dedicated capital funding		–	–	–	–
Total sources of capital funding (C)		**652**	**(1,987)**	**(1,359)**	**1,997**

	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000)	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Applications of capital funding					
Capital expenditure					
– to meet additional demand	3	158	687	1,545	122
– to improve the level of service	3	595	174	859	68
– to replace existing assets	3	475	1,090	2,251	415
Increase (decrease) in reserves	4	72	(2,957)	(4,584)	2,485
Increase (decrease) of investments		–			–
Total applications of capital funding (D)		**1,300**	**(1,006)**	**71**	**3,090**
Surplus (deficit) of capital funding (C–D)		**(648)**	**(981)**	**(1,430)**	**(1,093)**
Funding balance ((A–B)+(C–D))		**–**	**–**	**–**	**–**
Depreciation		1,498	1,405	1,405	1,301

Notes:

1. Higher operating expenditure reflects increased grounds and public-space maintenance costs, including additional illegal-dumping and fly-tipping callouts.
2. Capital expenditure was lower than budget due to the timing of the capital programme, with some projects continuing into 2026/27.
3. Debt and reserve movements reflect the lower level and timing of capital expenditure.

Loans	**Internal $000**
Loans as at 01/07/2025	7,284
Raised during year	1,205
Repaid during year	(2,845)
Loans as at 30/06/2026	**5,644**
Interest expense	504

Property
Ngā Rawa



WHAKATAUKĪ

Hei āwhina i te hapori, ka ora ai te hapori.
Helping the community to thrive.

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES

- Strong Communities
- Vibrant Economy
- Outstanding Environment
- Fit for purpose Infrastructure
- Partnership with Tangata Whenua

Description of activity

Council owns a substantial number of properties throughout the Horowhenua district, which support the delivery of Council's activities. The Property Activity ensures that these assets are managed and maintained effectively.

WHAT THE ACTIVITY INVOLVES

- Overseeing the management, upkeep, acquisition, and divestment of Council-owned properties.
- Issuing permits and facilitating community and commercial leases and licenses.
- Aligning these actions with the guidelines outlined in the Property Strategy 2015 (as amended in May 2025), guiding future decisions regarding property maintenance, investment, or disposal.

COUNCIL OWNS A RANGE OF PROPERTIES INCLUDING:

- The Council Civic building in Levin.
- Endowment property – Council owns land in Foxton Beach that was formerly owned by the Foxton Harbour Board. Much of this land is subject to perpetual 21-year leases including a number of residential properties with rights of purchase. There are also a number of other properties including Gazetted Reserve, development land, and the Foxton Beach Holiday Park.
- General Properties and land including – historic and cultural buildings, depots, carparks, and residential and commercial land.
- Council has interest in two campgrounds – Waitārere Beach Motor Camp and Playford Park Motor Camp, both of which are full Operational Leases in the General Property sub-activity.

How our work delivers on community wellbeing

SOCIAL WELLBEING

The Property function is responsible for ensuring that Building Warrants of Fitness are achieved across its portfolio. Council completes an annual renewals programme on its property portfolio to ensure the portfolio is maintained in a fit for purpose state. However, this does not include infrastructure buildings or Community Facilities (Te Awahou Nieuwe Stroom, Te Takeretanga o Kura-hau-pō or aquatics), where renewals budgets are generated by the relevant activity.

Council continues to facilitate a range of voluntary organisations through its community leases policy that contribute to developing community sustainability and community outcomes.

ENVIRONMENTAL WELLBEING

Council considers environmental impact when completing property renewal works where opportunities present themselves, including upgrading buildings with LED lighting to reduce energy demand and lessen its carbon footprint. The main Council building utilises grey water for flushing its wastewater and considers sustainability matters in developing its property projects.

ECONOMIC WELLBEING

Council provides leases to a number of corporate clients in its commercial property portfolio. Council employs a number of local tradespeople in managing its assets and provides jobs for a range of locals via its contracted services portfolio.

CULTURAL WELLBEING

Iwi are our partners when working together within this activity. Officers also work with many of the local groups including Progressive Associations and special interest groups. Council looks to incorporate tikanga and ways to improve cultural connectedness within the property activity.



LONG TERM PLAN/ ANNUAL PLAN ACTIVITY INSIGHTS

What we planned	What we did
REPLACEMENT OF EXISTING ASSETS/RENEWALS	
Civic Building Staff Office Furniture	Chairs were re-upholstered and a screen was installed to separate the tea station from the office. Not all of this budget was spent.
Property Renewals Programme	• Renewals were completed and started across numerous Council buildings, including water tightness works, roof and lighting renewals and HVAC works. • Works were completed at Ōhau Pavillion. • Works started at the Civic Building and will be complete the 2026/27 financial year.

Successes

MAINTAINING SAFE AND FIT-FOR-PURPOSE COUNCIL PROPERTY ASSETS

Council continued strengthening the management of its property portfolio by maintaining building compliance, improving asset management practices and progressing renewal works across Council-owned facilities. Building Warrant of Fitness processes were strengthened throughout the year, with positive progress achieved across several properties, including the Waitārere Beach Surf Club. Procurement also commenced for the Civic Building roof renewal programme, with work beginning toward the end of the financial year to address known weathertightness issues and protect the building's long term integrity. The project is likely to be completed at the end of 2026.

IMPROVING MANAGEMENT OF COUNCIL'S PROPERTY PORTFOLIO

Council continued reviewing lease arrangements and property transactions to ensure Council-owned properties remain well managed and aligned with future strategic priorities. During 2025/26, Council entered into two new community leases – one each in Levin and Shannon – and completed a commercial deed of variation in Levin to expand the area of an existing leased premises.

Council also entered into three Licences to Occupy with mobile traders operating over the summer period – two at Foxton Beach and one at Waitārere Beach – supporting commercial activity in these popular coastal areas.

Lease renewals progressed across several sites, including the expansion of the Foxton Beach Motor Camp lease area, while officers worked alongside The Property Group to identify opportunities to improve lease management, consistency and long term portfolio performance. The successful transfer of the Foxton War Memorial Hall to the Foxton War Memorial Hall Society also supported ongoing community use of the facility.

STRENGTHENING SUSTAINABILITY AND OPERATIONAL RESILIENCE

Council continued identifying opportunities to improve the environmental performance and efficiency of its property portfolio. This included progressing procurement for future gas supply arrangements that consider decarbonisation opportunities and introducing a new waste reduction initiative at the Civic Building, which is expected to significantly reduce waste management costs while encouraging more sustainable workplace practices. Officers also improved Council's property information systems and strengthened collaboration across Council activities to support more efficient management of Council assets.

RESPONDING QUICKLY TO PROTECT COMMUNITY ASSETS

During the February 2026 storm event, the Parks and Property team responded promptly to damage across Council facilities. Immediate works at Foxton Coronation Hall protected the Museum of Audio Visual technology (MAVtech) collection from further weather damage, with repairs progressing quickly to minimise disruption. Council also worked alongside contractors to repair damage at other properties and repurposed removed roofing materials for community use, demonstrating both responsiveness and a commitment to sustainability.

Challenges

BALANCING INCREASING OPERATIONAL DEMANDS ACROSS A DIVERSE PROPERTY PORTFOLIO

Council continued managing increasing operational demands associated with maintaining a large and diverse property portfolio. Alongside routine renewals and compliance activities, Officers managed multiple lease negotiations, facility transitions, storm recovery work and strategic property projects while continuing to improve asset management systems and portfolio performance.

Council was unable to complete all requested weather-tightness improvements and renewal work across its large and diverse property portfolio. Available budgets were insufficient to address every identified need, requiring officers to assess and prioritise work based on risk, condition, operational impact, urgency and community demand. This meant some lower-priority work was deferred while funding was directed to the properties with the greatest need and those supporting the highest levels of community use and demand.

Looking forward

CONTINUING TO IMPROVE COUNCIL'S PROPERTY PORTFOLIO

Council will continue to review its leasing portfolio to identify opportunities to improve income, strengthen lease management and make better use of Council-owned assets for community benefit. This will include reviewing relevant policies and improving property information systems to support more informed and strategic decision-making.

Renewal work on the Civic Building roof commenced during the year and is expected to be completed by the end of 2026. The start of the Civic Building HVAC replacement was delayed, with the work now expected to be completed in early 2027. Council will also continue to prioritise renewal work that ensures its buildings remain safe, functional, weather-tight and fit for community and operational use.

PROPERTY ACTIVITY PERFORMANCE

There are no Level of Service performance measures for this activity.



Property Funding Impact Statement

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000)	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		948	946	680	682
Targeted rates		–	–	–	–
Subsidies and grants for operating purposes		–	–	–	28
Fees and charges		441	334	496	470
Local authorities fuel tax, fines, infringement fees, and other receipts	1	253	11	11	102
Internal charges and overheads recovered		570	719	824	837
Total operating funding (A)		**2,211**	**2,010**	**2,011**	**2,119**
Applications of operating funding					
Payments to staff and suppliers	2	1,180	565	1,427	1,051
Finance costs		179	295	161	260
Internal charges and overheads applied		300	302	300	258
Other operating funding applications		–	–	–	–
Total applications of operating funding (B)		**1,659**	**1,161**	**1,889**	**1,569**
Surplus (deficit) of operating funding (A–B)		**552**	**848**	**123**	**550**
Sources of capital funding					
Subsidies and grants for capital expenditure		729	735	–	–
Development and financial contributions		–	–	–	–
Increase (decrease) in debt	3	(57)	295	(3,366)	(401)
Gross proceeds from sale of assets	3	–	2,533	2,533	446
Lump sum contributions		–	–	–	–
Other dedicated capital funding		–	–	–	–
Total sources of capital funding (C)		**672**	**3,563**	**(833)**	**45**

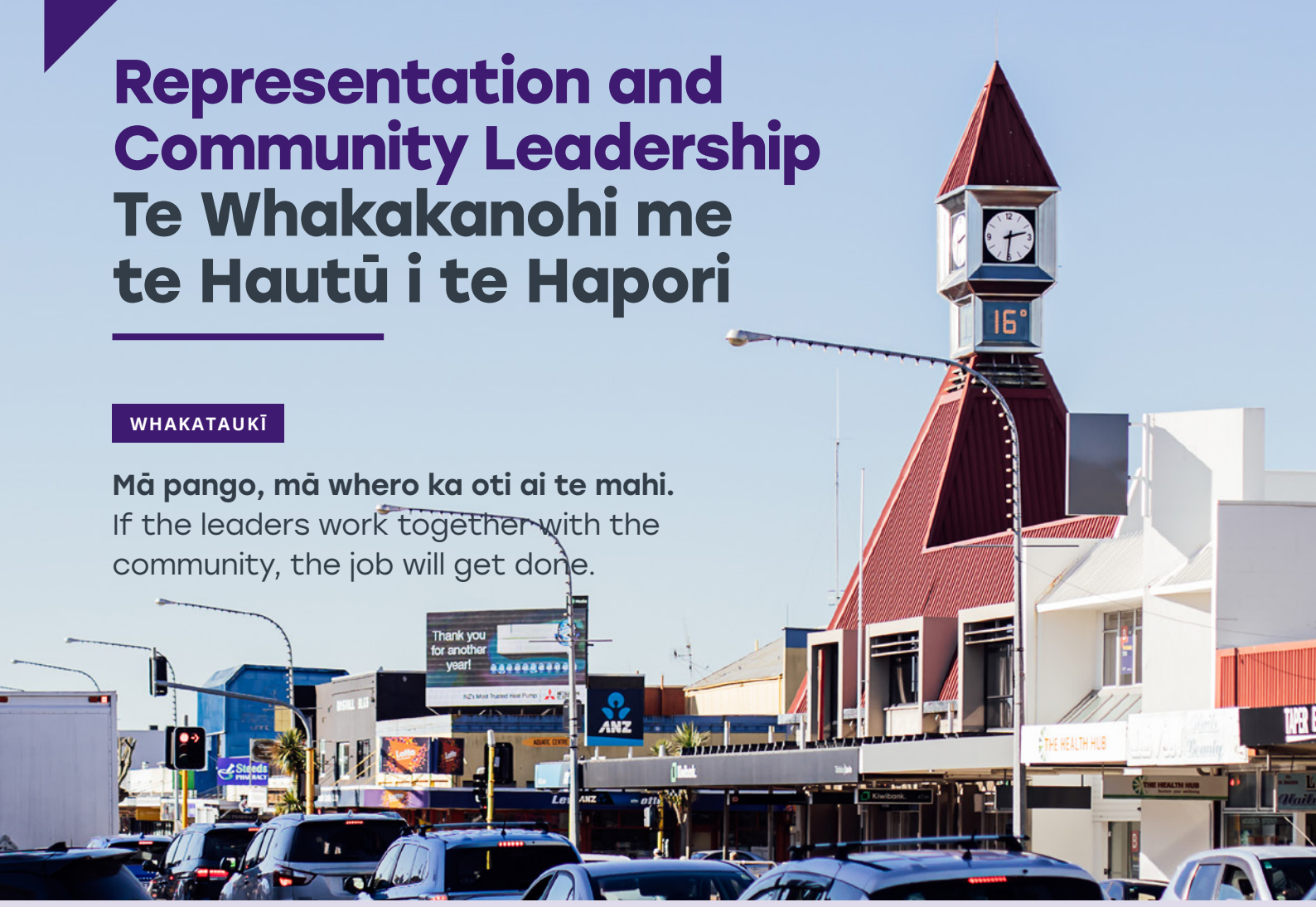
	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000)	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Applications of capital funding					
Capital expenditure					
– to meet additional demand		26	53	59	–
– to improve the level of service	4	1,598	–	–	82
– to replace existing assets	4	182	1,107	495	655
Increase (decrease) in reserves	3	(583)	3,251	(1,264)	(141)
Increase (decrease) of investments					–
Total applications of capital funding (D)		**1,223**	**4,411**	**(710)**	**596**
Surplus (deficit) of capital funding (C–D)		**(551)**	**(848)**	**(123)**	**(550)**
Funding balance ((A–B)+(C–D))		**–**	**–**	**–**	**–**
Depreciation		754	715	715	613

Notes:

1. Operating expenditure was lower than budget due to savings in professional services costs associated with the Property Disposal Programme.
2. Planned proceeds from asset sales were not received during the year, resulting in differences in debt and reserve movements.
3. Capital expenditure increased toward the end of the year as work progressed on the Civic Building renewal programme.

Loans	**Internal $000**
Loans as at 01/07/2025	3,750
Raised during year	381
Repaid during year	20
Loans as at 30/06/2026	**4,151**
Interest expense	260

Representation and Community Leadership Te Whakakanohi me te Hautū i te Hapori



WHAKATAUKĪ

Mā pango, mā whero ka oti ai te mahi.
If the leaders work together with the community, the job will get done.

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES

- **Strong** Communities
- **Vibrant** Economy
- **Outstanding** Environment
- **Fit for purpose** Infrastructure
- **Partnership** with Tangata Whenua

Description of activity

This Activity includes how Council meets its responsibility to represent and provide leadership for the Community as well as how Council will involve the Community in its strategic planning and decision-making.

WHAT THE ACTIVITY INVOLVES

- Employing the Chief Executive who is empowered to implement decisions of Council.
- Hosting Local Body elections.
- Encouraging Horowhenua residents to become involved in Council activity and communicating Council decisions.
- Council, Committee and Community Board meetings.
- Setting the strategic and policy direction of Council. This includes preparing the key strategic policy and planning documents such as the Long Term Plan and Annual Plans.
- Reviewing the District Plan and preparing plan changes.
- Monitoring the district's State of the Environment and efficiency and effectiveness of the District Plan.
- Leading key strategic projects including the Levin Town Centre Transformation and implementation of the Horowhenua Blueprint.
- Spatial planning, including growth planning at a district and regional level, including preparing a district growth strategy and working collaboratively with neighbouring councils including those that are members of the Wellington Regional Leadership Committee and the Manawatū-Whanganui Region.
- Representing the views and interests of residents and ratepayers.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Focused engagement with key stakeholders when developing Community Plans, Plan Changes, Bylaws, Policies, and Strategies ensured community input into local decisions and priority projects.

Implementation of the Shannon Community Plan provided opportunity for local communities to identify the 'sense of place' that is important to not only the community at the centre of the plan, but also the wider Horowhenua community.

Awarding of Civic Honours ensures recognition of those who have contributed to community outcomes and who have longstanding volunteer roles within the various groups, clubs and organisations across the district.

ENVIRONMENTAL WELLBEING

District Plan Changes have increased the supply of urban land – primarily residential, to meet the needs of a growing population. These include provisions/rules to ensure that the environment is protected as development occurs.

Council has also retained the focus on the Manawatū River Loop at Foxton and Lake Horowhenua.

ECONOMIC WELLBEING

Timely and efficient delivery of services within statutory time limits ensures that legislatively governed processes are not an impediment to economic progress while also ensuring that due process is applied correctly. Economic development is delivered in collaboration with The Horowhenua Company Limited, which works with local businesses to realise local opportunities, source economic data for informed decision making and facilitate access to capability and funding mechanisms.

The Levin Town Centre Transformation will deliver an attractive and vibrant urban town centre environment that supports economic growth, fosters community engagement and promotes sustainable development, ultimately enriching the quality of life for residents and visitors in Levin and the Horowhenua district.

The Tararua Road Master Plan and involvement in the Wellington Regional Leadership Committee (WRLC) Industrial Land Supply project are two additional key projects that, in time, will support the district's economic wellbeing by understanding and providing for demand for business/industrial land, leading to job growth and economic activity.

CULTURAL WELLBEING

Engaging and consulting with tangata whenua has continued to be a priority. Resourcing Agreements have been developed as one way of supporting participation, growth and capacity of our Iwi partners. Regular hui take place with Te Tūmatakahuki (a Ngāti Raukawa Hapū collective) as well as representatives from Muaūpoko where discussion takes place regarding projects, review of strategies and plans, and Council's work programme.

LONG TERM PLAN/ ANNUAL PLAN ACTIVITY INSIGHTS

What we planned	What we did
REPLACEMENT OF EXISTING ASSETS/RENEWALS	
Governance – Civic Furniture/IT Renewals	During 2025/26, Council undertook a programme of lifecycle maintenance and renewal of furniture and fittings within the Civic Building, since the building opened. The work focused on assets that had reached the end of their useful life or were showing significant deterioration. This included the replacement of blinds that had begun to fail, the reupholstering of public chairs throughout the building where the existing coverings were deteriorating and coming away, and the replacement of exterior tables within the Council Chamber. The renewals were undertaken to maintain the condition, functionality and presentation of the Civic Building and to extend the useful life of existing assets where practical. In particular, public seating was reupholstered rather than fully replaced, providing a practical and cost-effective approach to maintaining furniture that remained otherwise serviceable.
Levin Town Centre strategy activation projects	During 2025/26, implementation progressed across the priority Levin Town Centre projects. Council adopted the Access and Parking Strategy, Stage One of the Thompson House Gardens was completed, the Bath and Salisbury Street redevelopment advanced through procurement and Council approval, and the War Memorial Hall and Village Green redevelopment progressed through a collaborative design phase to the consenting stage. Council also provided direction on the development of the Oxford Street properties, planning advanced for the Levin Domain enhancement, and a 3D video visualisation was released to communicate the future town centre vision. The Operational Programme Assurance Group continued to provide oversight and direction, while the Community Steering Group provided community perspectives and feedback on key initiatives.

Successes

PROVIDING STRATEGIC LEADERSHIP FOR FUTURE GROWTH IN HOROWHENUA

Strategic planning continued to position Horowhenua for long term growth and development. The Tararua Road Master Plan commenced technical investigations, internal workshops and consultant support, helping build a clearer understanding of future business and industrial land needs, environmental constraints, and infrastructure requirements. Plan Change 6A reached an important milestone when Ministerial approval was received for the plan change process to continue, enabling preparations to begin for a hearing to be held late 2026.

Integrated growth planning also continued, alongside work exploring vested asset recovery and wider value-capture mechanisms to help Council consider how the infrastructure costs associated with future development could be funded more sustainably. Phase Two of this work was completed and a case study based on Plan Change 6A was being developed to test potential approaches ahead of further consideration through the Long Term Plan process.

COMPLETING THE 2026/27 ANNUAL PLAN

Council completed and adopted the 2026/27 Annual Plan, setting the organisation's priorities, work programme and funding approach for the year ahead. Through the Annual Plan process, the rates increase was reduced from the 11.6% forecast in the Long Term Plan to 5.8%, after allowing for anticipated growth. The Annual Plan and associated rates resolution provided the statutory authority to implement Council's budget and work programme for 2026/27, while also providing a bridge to development of the next Long Term Plan.

DELIVERING AN INCLUSIVE 2025 LOCAL ELECTION

The 2025 local elections were successfully delivered, supported by a comprehensive programme to encourage enrolment, candidate participation and voter turnout. The election attracted 42 nominations for 18 positions, resulting in contested elections across all wards and the Foxton Community Board. Overall voter turnout reached 47%, with 12,214 votes cast – an increase of 1.93 percentage points from the previous election. Ten ballot bins located across Levin, Shannon, Foxton and Manakau collected 6,872 votes, alongside special voting opportunities provided throughout the district.

A particular focus was making participation more inclusive and accessible. Two Local Election Ambassadors worked alongside the Horowhenua former refugee community, supported by the Meaningful Refugee Participation

Fund, helping more than 60 people register to vote in New Zealand for the first time through information sessions, home visits and direct support.

The strength of this collaborative approach received national recognition in June 2026, when the Horowhenua Welcoming Communities – Te Waharoa ki ngā Hapori Programme received a Highly Commended award in the Beca Award for Excellence in Placemaking at the 2026 Taituarā Local Government Excellence Awards. The award recognised the collective effort to support former refugee whānau from Colombia and Venezuela to build a sense of place, belonging and connection in Horowhenua.

Together, these initiatives demonstrate Council's commitment to reducing barriers to participation, strengthening community connections and creating opportunities for all members of our community to participate in the civic life of Horowhenua.

TURNING COMMUNITY ASPIRATIONS INTO ACTION

Community-led planning continued to build momentum in Foxton and Foxton Beach and Shannon/Ōtauru, with Council supporting local groups to turn community aspirations into practical actions.

The Foxton and Foxton Beach Community Plan progressed from the Plan on a Page into detailed action planning across six themes, supported by the Foxton Futures Governance Group. By year end, collaboration between theme leads had strengthened and initiatives were progressing across visitor signage, heritage storytelling, environmental education, transport and safety improvements and other community-led projects.

Following adoption of the Shannon/Ōtauru Community Plan, the community working group continued progressing its four priority areas alongside Council and external partners. This included securing $6,836 from Tū Manawa Active Aotearoa for a community Play Station, progressing proposals for outdoor fitness equipment in partnership with Sport Manawatū, and now working towards developing a One Shannon brand.

Wider opportunities for community participation were also strengthened through the return of Cuppa with a Councillor sessions in Levin, Foxton and Shannon, including a new evening session in Levin, providing residents with further accessible opportunities to engage directly with elected members.

PREPARING HOROWHENUA FOR SIGNIFICANT LOCAL GOVERNMENT REFORM

Horowhenua continued preparing for significant changes to the local government system during 2025/26. Through our 'Future-Fit' priority, Council is taking a proactive approach to reforms to ensure the district is best positioned for change. Elected members and Officers responded to reforms covering resource management, rates capping, development levies and infrastructure funding, local government structure and purpose, emergency management, public works, the building system, antisocial road-use and local speed limits. Council made submissions on significant Government proposals, worked with neighbouring councils and regional partners, and engaged with central government agencies to understand the implications for Horowhenua and advocate for the district's interests.

Following the Government's Head Start | Backstop announcement in May 2026, Council reshaped its Future Fit programme to consider the implications and potential structural options for Horowhenua. More than 650 responses were received during a three-week community conversation period, providing insight into community views on amalgamation, local priorities and future service delivery. Council sought analysis of possible options and worked with councils across the Horizons and Wellington regions as reform discussions progressed, helping ensure Horowhenua remained actively represented in decisions that could reshape local government. This work continued into the 2026/27 financial year, as proposals were due by 9 August 2026.

Establishing Central Districts Water

Significant progress was made during 2025/26 to establish Central Districts Water, the jointly owned organisation that will deliver drinking water, wastewater and stormwater services for Horowhenua, Palmerston North and Rangitīkei. The joint Water Services Delivery Plan was signed in August 2025 and subsequently approved by Government, providing the framework for future water service delivery.

Key governance and organisational arrangements were established during the year. The organisation was formally named Central Districts Water, the Constitution and Shareholders' Agreement were agreed and ratified by the councils, a Joint Shareholders' Committee was established, and an independent Board of Directors appointed. Central Districts Water was also registered as a company, with a further milestone reached in June 2026 through the appointment of its founding Chief Executive.

An Establishment Transition Team was also formed to prepare the organisation for operation. Following completion of the initial planning phase, work moved into delivery across people, operations and assets, finance and customer arrangements. This included workforce analysis, development of asset management plans, identification of critical assets and resilience risks, planning for the transfer of water-related debt and contracts, and development of long term financial and customer models to inform future investment, pricing and service delivery.

ADVOCATING FOR HOROWHENUA

Council also continued advocating for Horowhenua's interests with central government, neighbouring councils and regional organisations on non-legislative matters affecting the district's growth, infrastructure and communities. This included advocacy associated with Te Pae o Tararua Ōtaki to North Levin (Ō2NL), regional public transport connectivity and the future location of the Levin railway station and infrastructure investment – in addition to regional spatial planning and local government reform. Council also continued supporting the proposed Rating Assistance Scheme, which gained support from around 30 councils representing approximately 75% of New Zealand ratepayers. Working with partners across the Horizons and Wellington regions helped ensure Horowhenua remained represented in regional and national discussions affecting the district's future.

PROGRESSING THE LEVIN TOWN CENTRE TRANSFORMATION

Significant progress was made on the Levin Town Centre Transformation, with planning, design, redevelopment and community engagement advancing across several projects. Updated preliminary designs for the Levin War Memorial Hall and Village Green were approved and progressed into the consenting stage, while redevelopment opportunities continued across Council-owned town centre properties. The Access and Parking Strategy was adopted in May 2026, following community engagement that attracted 283 responses, providing direction for future parking management as Levin grows and prepares for changes associated with Te Pae o Tararua Ō2NL.

Stage One improvements to the former Women's Bowling Green area at Thompson House Gardens were completed, creating new accessways, pergolas and landscaping for community use. A new Levin Town Centre Transformation video was also released to help residents and potential investors visualise the future of the town centre, attracting approximately 40,000 social media views during its initial release period.

POLICY AND STRATEGIC REVIEWS

Council continued reviewing and updating key policies, bylaws and organisational frameworks to ensure they remain fit for purpose and support consistent decision-making.





During 2025/26 this included the Risk Policy and Risk Management Framework and Road Naming and Property Numbering Policy. Council also adopted new Risk Appetite Statements, providing clearer guidance on the level of risk Council is prepared to accept and strengthening consistent, risk-informed decision-making across the organisation.

The Solid Waste Bylaw was also reviewed and consulted on, with the existing 2014 bylaw continued without amendment. Retaining the existing bylaw provides continuity while further work through development of the Long Term 2027 Plan considers future solid waste arrangements and whether subsequent changes to the bylaw are required.

Challenges

NAVIGATING SIGNIFICANT REFORM WHILE MAINTAINING STRATEGIC DELIVERY

The scale and pace of central government reform created significant uncertainty and workload pressure during 2025/26, with proposed changes affecting local government structure, water services, resource management, rates, infrastructure funding and the future role of councils. Multiple significant reform proposals were released within compressed consultation periods, requiring rapid analysis, elected member workshops, regional coordination and preparation of Council submissions. Policy direction continued to evolve throughout the year, requiring Council to adapt work programmes and assess potential organisational and financial impacts while continuing to deliver local priorities.

At the same time, major local priorities including growth planning, community plans, the Levin Town Centre Transformation and preparation for the next Long Term Plan continued to progress. Balancing these priorities with the resources required to understand and prepare for reform remained an ongoing challenge.

Looking Forward

SHAPING THE FUTURE OF HOROWHENUA THROUGH STRATEGIC PLANNING AND REFORM

Work will continue on the Tararua Road Master Plan, integrated growth planning and Plan Change 6A, alongside further delivery of the Levin Town Centre Transformation and actions identified through the Foxton and Foxton Beach and Shannon/Ōtauru Community Plans.

A major focus during 2026/27 will be development of Council's Long Term Plan (LTP) 2027, building on preparatory work already underway around Council's strategic direction, community outcomes, growth, affordability, resilience and future funding. The LTP will bring together Council's strategic priorities, infrastructure and financial planning and future levels of service, supported by community engagement and formal consultation ahead of its required adoption by 30 June 2027.

Responding to local government reform will remain a major focus, including progressing Council's Future Fit work, preparing for replacement resource management legislation and future Regional Spatial Plans, and continuing regional collaboration and advocacy as the structure and responsibilities of local government evolve. The November 2026 general election may also influence the timing, direction or scope of some reform programmes, requiring Council to remain responsive to any changes in government policy or legislative priorities.

Transition work for Central Districts Water will continue throughout 2026/27 ahead of the organisation becoming operational on 1 July 2027. Priorities include finalising the Statement of Expectations and Transfer Agreement, completing the Water Services Strategy and associated financial and pricing arrangements, and preparing for the transfer of relevant assets, land, contracts, debt, staff and operational responsibilities.

Representation and Community Leadership Activity Performance

Service/ Measure	Target	2024/25 Results	2025/26 Results
Service: Council supports residents and ratepayers to have their views heard and considered in Council decision-making. **Measure:** Regular opportunities[10] are provided for the community to influence decision-making.	100 opportunities per year	✔ **ACHIEVED** 113 opportunities were provided for the community to influence decision-making.	✔ **ACHIEVED** 108 opportunities were provided for the community to influence decision-making.
Service: Council is transparent and accountable to the community. **Measure:** Council agendas are available on the website 2 working days prior to the relevant meeting. Council meeting minutes are available on the website 2 working days after the relevant meeting[11].	≥ 95% of agenda and minutes	✖ **NOT ACHIEVED** • 100% of Council agendas were available on the website two working days prior to the relevant meeting Council and • 81% of Council meeting minutes were available on the website two working days after the relevant meeting. From 42 meetings, 8 were published on the website late. Note: This target wasn't achieved due to timing and capacity issues. We had several meetings taking place in quick succession, which created a backlog of work. At the same time, resourcing constraints meant we couldn't get the minutes uploaded to the website as promptly as planned. However, we have re-engineered our processes and resourcing to avoid future delays.	✔ **ACHIEVED** • 100% of Council agendas were available on the website two working days prior to the relevant meeting and • 100% of Council meeting minutes were available on the website two working days after the relevant meeting. Note: Improvements in this area were achieved through the implementation of strengthened processes to address areas where compliance had previously not been met.
Service: Develop and deliver strategic projects, plans and corporate documents that achieve or contribute to our Community Outcomes. **Measure:** Community Outcomes are achieved or contributed to by milestones of strategic projects, plans and corporate documents being met.	100% of milestones	✔ **ACHIEVED** 100% of strategic projects, plans and corporate documents developed and delivered contributed to our Community Outcomes. **Activating the Levin Town Centre** • Council voted to sell the Levin War Memorial Hall and Village Green properties to The Wellington Company Ltd for redevelopment after requesting an additional step to provide iwi partners' further opportunity to assess the proposal. • Preparation of Draft Access and Car Parking Strategy for Levin Town Centre. • Engaged THCL to provide a Retail Transformation strategy and plan. • Work has begun on a 3D digital visualisation of the Levin Town Centre. **Annual Plan 2025/26** • Annual Plan budget and consultation approach agreed by Council – 11 Dec 2024. • Annual Plan 2025/26 and Fees and Charges Schedule 2025/26 adopted – 14 May 2025. • Rates set by Council – 25 June 2025.	✔ **ACHIEVED** 100% of strategic projects, plans and corporate documents developed and delivered contributed to our Community Outcomes. **Activating the Levin Town Centre** • Commercial negotiations were completed to sell the Levin War Memorial Hall and Village Green to The Wellington Company Ltd for redevelopment. Preliminary designs approved and into consenting phase, with consent applications to be lodged for approval. • A 3D video showcasing the aspirations and future vision for the Levin Town Centre Transformation was completed and shared with the community through Council's communications channels. • Stage One works to enhance the former Women's Bowling Green area within the Thompson House Gardens was completed. • The Access and Parking Strategy was adopted by Council on 27 May 2026. • Expression of Interest and Request for Proposal processes to redevelop the Bath Street and Salisbury Street Carpark were completed.

10 Such as live streaming, public forums, open meetings, workshops etc, cuppa with a councillor.

11 Council meetings, committee meetings, and Board Meetings.

Service/ Measure	Target	2024/25 Results	2025/26 Results
		Annual Report 2023/24 • Annual Report Adoption within statutory timeframe – 30 Oct 2024. • Annual Report clean Audit Report received – 30 Oct 2024. **Climate Action Plan** • Climate Action Plan adopted – 27 Nov 2024. **District Plan Changes** • District Plan Changes are on track – namely Plan Change 6A (North West Levin) was notified in April 2025. • The District Planning and Growth steering group confirmed the scope of the 'omnibus' plan change. **Foxton and Foxton Beach Community Plan** • Foxton Community Plan developed with high level of community engagement; contributing to successful adoption of the Community Plan and a refreshed Foxton Futures Group, with new members engaged in defining the action plan to bring the Community Plan to life. **Shannon/Otāuru Community Plan** • Shannon/Otāuru Community Plan developed in community-led process, receiving wide response to engagement (18.5% population), presented to a Council Workshop then adopted by Council, in Shannon, on 18 June 2025.	• Preparation of Retail Transformation Strategy. • Future redevelopment of the Council-owned Oxford Street property portfolio to progress as a staged approach. **Annual Plan 2026/27** • The Annual Plan was adopted at the Council Meeting on 27 May 2026. • Rates were set at the Council Meeting on 24 June 2026. **Annual Report 2024/25** • Annual Report Adoption within statutory timeframe – adopted 8 Oct 2025. • Annual Report clean Audit Report received – 8 Oct 2025. **Climate Action Plan** • Progress is being made in relation to the 8 action points set out in the Climate Action Plan, particularly in relation to public transport, waste minimisation education and encouraging more efficient use of Council vehicles. **District Plan Changes** • Plan Change 6A is progressing as expected, following the exemption from the Government's "Plan Stop" (halt on almost all District Plan work) being granted. Due to "Plan Stop" no other plan changes have been progressed, but work is underway to support transition to the new planning system. **Foxton and Foxton Beach Community Plan** • Implementation of the Foxton and Foxton Beach Community Plan continues across all six Foxton Futures theme groups, with a number of actions and priority projects progressing and several outcomes already achieved. **Shannon/Otāuru Community Plan** • Implementation of the Shannon/ Otāuru Community Plan continues to progress through a community-led Working Group, with momentum building across the four priority areas and funding secured for a new community Play Station through the Tū Manawa Active Aotearoa Fund.

Representation and Community Leadership Funding Impact Statement

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000)	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		1,813	2,535	673	514
Targeted rates		3,013	2,281	3,905	4,078
Subsidies and grants for operating purposes		556	954	900	407
Fees and charges	1	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	1	5	25	26	96
Internal charges and overheads recovered		47	211	179	173
Total Operating Funding (A)		**5,434**	**6,006**	**5,683**	**5,268**
Applications of operating funding					
Payments to staff and suppliers		2,754	4,575	4,305	3,245
Finance costs		285	231	437	335
Internal charges and overheads applied		2,713	2,608	2,329	2,187
Other operating funding applications		–	–	–	–
Total applications of operating funding (B)		**5,753**	**7,414**	**7,071**	**5,768**
Surplus (deficit) of operating funding (A–B)		**(319)**	**(1,408)**	**(1,388)**	**(499)**
Sources of capital funding					
Subsidies and grants for capital expenditure	1	–	–	–	–
Development and financial contributions		–	–	–	–
Increase (decrease) in debt	2	(1,211)	3,623	5,596	(188)
Gross proceeds from sale of assets		–	–	–	–
Lump sum contributions		–	–	–	–
Other dedicated capital funding		–	–	–	–
Total sources of capital funding (C)		**(1,211)**	**3,623**	**5,596**	**(188)**

	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000)	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	3	5	500	644	–
- to improve the level of service	3	–	–	–	40
- to replace existing assets	3	15	1,500	2,000	159
Increase (decrease) in reserves	4	(1,550)	215	1,564	(886)
Increase (decrease) of investments				–	–
Total applications of capital funding (D)		**(1,530)**	**2,215**	**4,208**	**(687)**
Surplus (deficit) of capital funding (C–D)		**319**	**1,408**	**1,388**	**499**
Funding balance ((A–B)+(C–D))		**–**	**–**	**–**	–
Depreciation		–	54	54	–

Notes:

1. Subsidies and grants were lower than budget due to delays in the associated work programmes.
2. Operating expenditure was lower than budget due to delays and savings across the activity's work programme.
3. Capital expenditure was lower than budget because planned projects were not completed during the year and will continue into 2026/27.

Loans	**Internal $000**
Loans as at 01/07/2025	4,836
Raised during year	32
Repaid during year	156
Loans as at 30/06/2026	**5,024**
Interest expense	335



Community Support
Te Tautāwhi i te Hapori

WHAKATAUKĪ

Mahia i runga i te rangimārie me te ngākau māhaki
With a peaceful mind and respectful heart, we will always get the best results

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES

Strong Communities

Vibrant Economy

Partnership with Tangata Whenua

Outstanding Environment

Description of activity

The Community Support Activity is made up of sub-activities which aim to provide for the Community's social and economic wellbeing.

The Community Support Activity includes the following:

- Emergency Management
- Community Development
- Visitor Information
- Destination Management
- Economic Development
- Communications and Engagement

What the activity involves

EMERGENCY MANAGEMENT

The Emergency Management Activity works to build a resilient Horowhenua, where communities, Council and partner agencies are better able to prepare for, respond to and recover from emergencies and significant disruptions.

Council has responsibilities under the Civil Defence Emergency Management Act 2002 and is a member of the Manawatū-Whanganui Civil Defence Emergency Management Group, working within the regional and national emergency management system alongside the National Emergency Management Agency (NEMA), emergency services, iwi and hapū, lifeline utilities, government agencies and community partners.

Our work spans the four areas of emergency management – reduction, readiness, response and recovery. This includes understanding and reducing risk, strengthening community resilience and preparedness, maintaining Council's emergency management and business continuity capability, coordinating effective responses when emergencies occur, and supporting communities through recovery.

What it involves:

- Identifying and understanding hazards and risks and working with partners to reduce their potential impacts on our communities.
- Building community resilience and preparedness through education, engagement, planning and support for community-led initiatives.
- Maintaining Council's emergency management capability, including trained Officers, plans, systems, resilient communications, equipment and a functional Emergency Operations Centre (EOC).
- Supporting Council's ability to maintain or restore critical services during emergencies and significant disruptions.
- Working with iwi and hapū, emergency services, lifeline utilities, government agencies, community organisations and other partners to strengthen coordinated emergency preparedness and response.
- Coordinating Council's response during emergencies to protect life, support affected communities and maintain or restore critical Council services.
- Planning for and coordinating recovery following emergencies, supporting the social, economic, built and natural environment recovery of affected communities.
- Fulfilling Council's responsibilities as a member of the Manawatū-Whanganui Civil Defence Emergency Management Group and contributing to coordinated regional emergency management planning, capability, response and recovery.

COMMUNITY DEVELOPMENT

The Community Development Activity aims to enhance community wellbeing within the Horowhenua district, to improve Council's cultural competency and community empowerment. This function focuses on fostering a sense of belonging, encouraging civic participation, and nurturing social cohesion. By implementing programmes that address local needs and aspirations, we promote an inclusive and thriving community spirit.

What it involves:

- Deliver on the Horowhenua Community Wellbeing Strategy (He Hāpori Pakari | Strong Communities).
- Support and implement the Community Wellbeing Strategy Action Plan.
- Support community-led development within the Community to help the community respond to local needs.
- Facilitate and enable the following community networks to be meaningful and effective in their delivery and grassroots community engagement:
  - Access and Inclusion
  - Youth Services
  - Youth Voice
  - Older Persons
  - Education Horowhenua
  - Horowhenua Former Refugee Support Committee and Welcoming Communities
- Advocate on behalf of the Community for better health, safety, housing and social belonging outcomes through the Community Wellbeing Committee.
- Facilitate a Community Capacity Building Programme: provide free or subsidised training to the not-for-profit sector and the wider community with the aim to increase their ability to respond to the community's needs.
- Provide funding support for local Surf Life Saving, Waitārere and Foxton Beach Wardens, Neighbourhood Safety providers, Neighbourhood Support and other contracted community services.
- Provide the following contestable grant schemes
  - Youth Empowerment Fund

- Climate Action Fund
- Community Events and Programme Fund
- Operations and Small Assets Fund
- Horowhenua Rural Halls Fund
- Waste Minimisation Fund
- Urupā Whānau Maintenance Fund

- Provide administrative support to externally funded contestable grant schemes:
  - Creative Communities New Zealand Scheme
  - Shannon Community Development Trust
- Cultural Outcomes
  - Create and support implementation of Council's Iwi/Hapū Relationships Framework.
  - Facilitate and support Officers to be equipped in Tikanga and Te Ao Māori.
  - Enable opportunities for the community to celebrate our diverse cultures.
  - Assist with the development of tikanga-led protocols and processes for Council.

VISITOR INFORMATION

The Visitor Information Activity manages the provision of visitor information services in Levin and Foxton.

What it involves:

- Domestic travel and accommodation bookings.
- Horowhenua attractions, activities and accommodation bookings.
- Local regional and national visitor information, travel maps and resources.
- Working partnerships with local tourism providers and operators to promote local experiences.

DESTINATION MANAGEMENT

Destination Horowhenua works to sustainably grow tourism so that our community benefits first. The Destination Management Activity supports local businesses and jobs, enhances community pride and sense of place, protects and shares our natural and cultural heritage, and contributes to a thriving local economy that aligns with Council's priorities.

What it involves:

- Drive sustainable visitor growth to the district.
- Build Local Tourism Capability.
- Provide strategic direction, coordinate and implement Destination Management and Development efforts.
- Create resources and facilitate collaboration between Council, Businesses, Iwi/Hapū and Community.
- Identify, grow and diversify key visitor markets.
- Attract Major Events to the district.
- Maintain, grow and optimise destination HorowhenuaNZ digital channels and marketing efforts:
  - www.horowhenuanz.co.nz
  - www.facebook.com/HorowhenuaNZ/
  - www.instagram.com/horowhenuanz/

ECONOMIC DEVELOPMENT

The purpose of the Economic Development Activity is to facilitate economic growth to support improved social and economic wellbeing in the Horowhenua district.

What it involves:

- The district is poised for significant change and has the opportunity to considerably advance its economic wellbeing and prosperity. This will require quality leadership and decision making, as well as, coordinated action with businesses and the wider community to take advantage of available opportunities and investment in the district.
- On behalf of Council, The Horowhenua Company Limited (THCL) is contracted to provide business support and advice to local businesses, support iwi and Māori economic development, inward investment, training opportunities, communications and economic data. All these economic development services are designed to promote local businesses and attract people to our retail areas and attracting a more diverse range of businesses.

COMMUNICATIONS AND ENGAGEMENT

The Communications and Engagement Activity develops and grows the connection between community and Council, in a bid to show the value Council provides and in turn building trust and confidence in the organisation.

What it involves:

- Monitor, update and create relevant content for Council's social media channels.
- Respond and provide information to media outlets.
- Ensure internal Officers and Elected Members are kept up to date with what Council is doing.
- Produce and distribute Council publications (e.g. media releases, Community Connection, public notices, Antenno updates and strategies).
- Define and deliver Council's content strategies.
- Oversee, maintain and optimise Council's websites:
  - www.horowhenua.govt.nz
  - www.teawahou.com
  - www.tetakere.org.nz
  - www.aquatics.horowhenua.govt.nz
- Lead the delivery of community engagement initiatives via www.letskorero.horowhenua.govt.nz
- Lead Public Information Management for Civil Defence Emergency Management.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Community Support contributes to social wellbeing by helping people feel connected, informed, included and supported within their communities. Emergency preparedness and community

resilience initiatives help communities prepare for and respond to emergencies, while community development programmes, networks and partnerships strengthen local capability and help respond to identified social needs.

Council engages and connects with the community through a range of campaigns and channels, including Let's Kōrero (our community engagement platform), Citizens' Panels, the delivery of our Strategic Communications Framework and an 'always on' multichannel media strategy. These channels help Council listen to and understand its communities, share information and provide opportunities for people to participate in decision-making and have their voices heard.

Council-coordinated sector networks provide a valuable connection between community organisations and Council, supporting information sharing, collaboration and participation. Council facilities, community hubs and online platforms also provide opportunities to deliver Community Capacity Building Programmes, helping not-for-profit organisations and community groups strengthen their skills, resilience and capability to respond to governance and operational challenges.

Visitor information and Destination Management also strengthen connection and pride in Horowhenua by sharing the district's stories, people, places and experiences, supporting community events and making it easier for residents and visitors to explore and participate in what the district offers.

ECONOMIC WELLBEING

The district's economic development agency The Horowhenua Company Limited (THCL) has actively engaged with businesses and other community partners to solve business problems and to support business growth and development, ultimately improving economic wellbeing. This includes a comprehensive set of investment attraction activity, which has resulted in the relocation and establishment of a range of new businesses, creating exciting new jobs and opportunities for local suppliers. In addition, regular business networking and local initiatives to improve labour market outcomes have continued throughout the year, ensuring the Horowhenua business community is connected to the latest data, insights and economic analysis.

Council has delivered programmes, forums and provided support that has impacted positively across the district's economic wellbeing. This has included but is not limited to development forums, destination management workshops, promoting Horowhenua at exhibitions, supporting community-driven initiatives and events, and the provision of data and information to support investment decision making.

CULTURAL WELLBEING

Cultural wellbeing in Horowhenua is strengthened by creating opportunities for people to celebrate, share and participate in the diverse cultures, identities and heritage of the district. Strong relationships with iwi and hapū, improved cultural capability and tikanga-led approaches support meaningful partnership, while grants, partnerships and community-led initiatives enable arts, cultural and heritage activities to flourish.

Inclusive events and programmes provide further opportunities for communities to share their culture and traditions, strengthening understanding, belonging and pride in the district.



LONG TERM PLAN/ ANNUAL PLAN ACTIVITY INSIGHTS

What we planned	What we did
REPLACEMENT OF EXISTING ASSETS/RENEWALS	
Christmas Lights and Flags	We purchased a number of new lights and flags for the district.
LEVELS OF SERVICE	
Website Development	This funding has been carried forward to 2026/27 for website optimisation.

Successes

EMERGENCY MANAGEMENT

Building preparedness and responding when our community needed support

Council continued to strengthen emergency management capability and community preparedness across Horowhenua through training, exercises and closer collaboration with communities and partner agencies.

Emergency Operations Centre and Incident Management Team training and exercises were undertaken during the year, alongside participation in the national ShakeOut exercise, VHF radio training with the Shannon Community Civil Defence Response Group, wildfire preparedness work with the Waitārere Beach community and continued improvements to tsunami evacuation information in coastal communities.

Council's capability was tested during two significant weather events during the year. Emergency management arrangements were activated, and Council worked alongside contractors, partner agencies and community groups to manage public safety, restore access and support affected communities. Temporary green waste sites were established and the Mayoral Relief Fund provided assistance to 35 affected households.

Post-event engagement, including with the Shannon community, also identified opportunities to further strengthen communication, community preparedness and understanding of emergency management arrangements.

Community Development

STRENGTHENING COMMUNITY WELLBEING THROUGH PARTNERSHIPS AND LOCAL INITIATIVES

Council continued implementing the Community Wellbeing Strategy – He Hapori Pakari, Strong Communities, working alongside community organisations, iwi, government agencies and volunteers to strengthen inclusion, resilience and local capability. Work also continued to enhance Council's relationships with Māori and progress the Tiraki (Iwi/Hapū Relationships Framework), supporting stronger and more meaningful engagement and providing a foundation for continued partnership with iwi and Māori communities. Housing remained an important wellbeing priority, with Council continuing to implement priorities identified through the Housing Action Plan to support coordinated responses to local housing needs.

The Horowhenua Mana Kai Network was launched with Muaūpoko Tribal Authority and other partners, supported by $98,000 of external funding, with early initiatives including a community orchard at Hinemoa House. Council also established the Horowhenua Community Safety Forum, supported Neighbours Day at Levin Adventure Park and continued initiatives that strengthened participation and belonging for former refugee communities.

Support for rangatahi (youth) was strengthened through the Mayor's Taskforce for Jobs, which achieved 31 employment placements and expanded from the Job Café into the Mahi Caravan, providing practical training and employment support. This included first aid, forklift licensing, driving lessons, traffic management, retail and hospitality training, as well as a King's Trust entrepreneurship programme attended by 14 local rangatahi. Council also partnered with the Ministry of Social Development to deliver Job and Training Expos in Shannon and Foxton.

Community funding remained an important way of enabling locally led initiatives. Council distributed $165,556 across the various funding categories within the community funding programme. Council also secured $5,000 from Electra towards the 2026 Matariki programme and provided grants and funding workshops to help community organisations strengthen their ability to access external funding.

The annual Age on the Go Expo attracted a record 70 stallholders, connecting older residents with services, organisations and activities that support wellbeing and participation.

VISITOR INFORMATION AND DESTINATION MANAGEMENT

Growing Horowhenua as a year-round visitor destination

Council strengthened the profile of Horowhenua as a visitor destination through the adoption of the Destination Management Plan and Implementation Plan, providing a clearer pathway for sustainable visitor growth. Horowhenua also became the first district to join Regional Tourism New Zealand as an Associate Member, strengthening access to national connections, industry knowledge and resources.

Horowhenua was promoted throughout the year through a major out-of-home marketing campaign at Sky Stadium and Lower North Island cinemas, seasonal travel content, the Neat Places partnership and targeted "stay local" campaigns. Cross-regional relationships with Visit Kāpiti and Central Economic Development Agency (CEDA) were strengthened, creating new opportunities to connect visitor journeys, build local tourism capability and position Horowhenua within the wider regional visitor offering. Major Events Fund support helped deliver Ales & Eats and the Waitārere Forest Run, while the North Island Disc Golf Championships in Shannon provided another opportunity to encourage visitors to explore the district. A new pocket Visitor Guide was distributed through visitor touchpoints across the district, helping connect visitors with local businesses and experiences.

Together, these initiatives helped bring more visitors into the district and supported local businesses throughout the year. Tourism expenditure reached approximately $215.1 million in 2025/26, up 2.6% from the previous financial year, highlighting continued momentum in the district's visitor economy.

ECONOMIC DEVELOPMENT

Supporting business growth, investment and economic opportunity

Council continued working with The Horowhenua Company Limited (THCL) to support business growth, investment attraction and economic resilience. Significant progress was made on the draft Levin Town Centre Retail Transformation Strategy, informed by retailer and property-owner engagement, economic analysis and benchmarking to help businesses and the town centre prepare for the changes and opportunities associated with the Te Pae o Tararua Ōtaki to North Levin Expressway (Ō2NL).

THCL also strengthened local business readiness for Ō2NL opportunities. The Ō2NL Register of Interest grew to 338 businesses, and a Business-to-Business Supplier Portal was established to help businesses identify upcoming opportunities and collaborate across tender categories. Investment activity also progressed, with THCL facilitating projects representing approximately $11.4 million in capital investment during the year, while managing six further development enquiries representing approximately $1.35 million in potential future investment.

Business capability and connections were supported through direct engagement, capability development, networking and economic information. During the year, THCL actively engaged with 122 businesses and delivered 24 business events attended by 1,092 participants.

COMMUNICATIONS AND ENGAGEMENT

Keeping our community informed and involved

Council continued strengthening the way it communicates and engages with the community, supporting residents to stay informed, access services and have their say on decisions affecting Horowhenua. Communications and engagement supported major programmes and consultations throughout the year, including water services reform, Te Pae o Tararua Ōtaki to North Levin, the Annual Plan and proposed Fees and Charges, Levin Town Centre Transformation, Future Fit | Headstart conversations and the Proposed Solid Waste Bylaw. The team also supported community-facing campaigns including dog registrations, the Resident Satisfaction Survey, Civic Awards, Youth Excellence and Community Grants, while providing timely public information during Civil Defence weather events and water restrictions.

Digital channels continued to expand Council's reach. The refreshed Te Takeretanga o Kura-hau-pō website recorded strong growth in engagement, while use of Antenno increased and Council continued improving the accessibility, quality and performance of online information. Interestingly during January 2026 and February 2026 alone, Antenno users increased by 20.9%, while the Council website received 56,362 visits, which can be attributed to the district's weather events. Antenno helps residents access timely information on services, rates, rubbish and recycling, weather events and Council news.

Challenges

RESPONDING TO CHANGING NEEDS AND EXTERNAL PRESSURES

Severe weather placed additional pressure on Council's **Emergency Management** and operational resources during the year, with two significant events requiring unplanned response and recovery work and resulting in substantial unbudgeted costs. Post-event discussions also highlighted the need to continue strengthening community understanding of emergency management arrangements, including what residents can expect from Council during an event and the role households and neighbourhoods play in being prepared.

Within **Community Development**, delivery through the Mayor's Taskforce for Jobs was slower than planned earlier in the year. Additional focus was required on employer and agency relationships, training and work-readiness support to progress contracted outcomes. Activity strengthened as the year progressed, with the programme expanding through the Mahi Caravan, training opportunities and employer engagement, and achieving 31 employment placements by the end of the financial year.

For **Economic Development** progress was not achieved in developing a Māori Economic Development Plan. Competing commitments for local iwi including working on Te Pae o Tararua Ō2NL,

Council infrastructure projects and Waitangi Tribunal hearing processes were some of the matters that reduced the capacity of Council's iwi partners to be able to engage and prioritise collaborating to develop this Plan.

For **Visitor Information and Destination Management**, an unexpected change in website support arrangements required additional staff time and unplanned expenditure to transition the HorowhenuaNZ website to a new provider and maintain continuity of service. These costs were managed within the existing activity budget through savings in other areas, while the transition also provided an opportunity to strengthen the website's performance, support arrangements and long term sustainability.

Communications and Engagement continued responding to increasing demand for timely, accessible information across a growing range of Council projects, consultations and operational events, adjusting from working with two local newspapers to one, while also progressing improvements to Council's digital content and communication channels.

Looking Forward

CONTINUING TO STRENGTHEN COMMUNITY WELLBEING, RESILIENCE AND CONNECTION

Emergency Management work will continue strengthening community preparedness and response capability, including progressing fuel supply disruption contingency planning, emergency planning with holiday park operators and improvements to coastal tsunami evacuation information. Council will also continue working with marae, community facilities, Energy Efficiency and Conservation Authority (EECA), Electra and funding partners to progress the Whakamana Marae Community Resilience Project, which is exploring solar, battery storage and other resilience improvements to help key community facilities remain operational during significant disruptions.

In **Community Development**, Council will continue implementing the Community Wellbeing Strategy, with priorities informed by the Wellbeing Dashboard and Direction of Travel work across safe and connected communities, emergency preparedness, health, employment and vulnerable housing. Work will continue through the Horowhenua Community Safety Forum, community networks, the Horowhenua Mana Kai Network and the Mayor's Taskforce for Jobs, while strengthening partnerships that enable community-led responses to local needs.

Within **Visitor Information and Destination Management**, Council will continue implementing the Destination Management Plan, including completing the transition from the i-SITE model to a locally delivered visitor information service supported by stronger digital channels. Work underway also includes refreshing visitor resources, developing a new destination photo and video library, strengthening year-round and shoulder-season promotion, and leveraging major events to encourage visitors to stay longer and spend locally. Partnerships with Visit Kāpiti and Central Economic Development Agency (CEDA) will continue to support regional visitor journeys, stronger food and beverage connections, and the development of capable, trade-ready local operators. Council will also explore more structured collaboration across key visitor sectors in Horowhenua and continue strengthening the district's visibility in regional and national markets.

Through **Economic Development**, Council will continue working with The Horowhenua Company Limited to finalise the Levin Town Centre Retail Transformation Strategy and commence its implementation; strengthen business readiness for Te Pae o Tararua Ō2NL opportunities; support local supplier participation and pursue investment opportunities that contribute to a resilient and growing local economy, including working to strengthen the capability, confidence and connectedness of Horowhenua businesses; and maintain strategic relationships that strengthen the district's economy by connecting businesses, iwi, education providers, government agencies.

Communications and Engagement will continue strengthening the ways residents can access Council information and participate in decision-making, building on growing use of digital channels such as Antenno and Council's websites. Ongoing work will focus on improving the accessibility and performance of digital information while supporting clear and timely communication and meaningful engagement across Council projects, services, consultations and emergency events.

Community Support Activity Performance

Service/Measure	Target	2024/25 Results	2025/26 Results
Service: The community is supported to be prepared for an emergency. **Measure:** Staff are trained and ready to respond and support the community in an emergency.	80% of full-time staff completed Integrated Training Framework Foundation within 6 months of commencing 50% of full-time staff completed Integrated Training Framework Intermediate within 1 year of commencing	**NOT APPLICABLE** As this is a new measure, a baseline was created in 2024/25 to allow for reporting at the end of the 2025/26 financial year. **Baseline for 2025/26:** 65 new Full Time (FT) staff joined the organisation between 1 July 2024 and 30 June 2025. As a six month and one year period have not passed since financial year end, full data is not available to report on this measure. Below are the stats of how our 65 new FT employees' training are progressing: • 59 (90.76%) have completed CDEM Induction • 45 (69.2%) have completed the Foundation course • 22 (33.85%) have completed the Intermediate course within 1 year of commencing • 45 (69.23%) staff have attended Function courses These stats will inform reporting for the Annual Report 2025/26.	✖ **NOT ACHIEVED** **Baseline data and reporting clarification:** In the 2024/25 Annual Report, Council reported 65 new full-time staff members as the baseline population for this Service Performance Statement (SSP) measure. At that time, complete results were not yet available as the required six-month and 12-month assessment periods had not elapsed for all staff. Following a review of the underlying employment records and application of the reporting criteria, Council confirmed that the correct baseline population for 2024/25 was 52 full-time staff rather than 65 as previously reported. The review identified inconsistencies in how eligible staff and training timeframes had historically been assessed. The review also highlighted operational factors affecting completion within the required periods, including limited course availability and competing operational demands across some teams. The earlier figure included some staff who were not required to complete the training, along with inconsistencies relating to employment status and commencement date information required to assess training timeframes. The review also identified that not all full-time staff are required to complete all levels of Integrated Training Framework (ITF) training, depending on their role and operational responsibilities. Results as per SSP requirement: • 15.38% (8/52) of new permanent full-time staff completed the ITF Foundation training course within six months of commencing employment. • 5.77% (3/52) of new permanent full-time staff completed the ITF Intermediate training course within 12 months of commencing employment. **Additional operational context:** While SSP results remain below target, additional internal analysis indicates overall completion rates are materially higher once exempt staff, and late completions are taken into account. Many staff who did not complete training within the required timeframe completed the training shortly afterwards.

Service/Measure	Target	2024/25 Results	2025/26 Results
			Training delivery is influenced by scheduled course availability, operational workloads, and the need to maintain service delivery across operational teams. This particularly affects field-based and specialist operational teams where backfilling attendance can be difficult. **Foundation Course** Number of staff *required to attend: 36 Completed on time: 22.2% Completed late: 50% Not completed or booked: 19.5% Booked for future course: 8.3% **Foundation Course** Number of staff *required to attend: 20 Completed on time: 15% Completed late: 25% Not completed or booked: 40% Booked for future course: 20% Notes: • *Required staff refers to permanent full-time staff who commenced employment during the relevant financial year, remained employed at the applicable training due date, and were not exempt under Council's internal assessment process. • Exemptions may apply to staff whose roles do not have emergency management responsibilities as part of their role, or whose normal day-to-day responsibilities are considered substantially aligned with emergency response activities. For example, lifeguards were exempt from both Foundation and Intermediate training requirements, while Local Waters staff were exempt from Intermediate training requirements. **Improvement focus** Council is continuing to refine training tracking and reporting processes, improve enrolment planning, and work with operational managers to increase completion within required timeframes.
Service: We are able to continue to operate during high impact emergency events. **Measure:** Complete a comprehensive Emergency Operations Centre (EOC) capability audit every two years to ensure compliance with the Civil Defence Emergency Management (CDEM) Act 2002. This audit must be conducted by an independent suitably qualified person.	An audit is conducted every two years	✔ **ACHIEVED** A comprehensive Emergency Operations Centre (EOC) capability audit was carried out in May 2025 by Toa Consulting. The EOC Audit Report was received from Toa Consulting in June 2025. The report was complimentary of the EOC Capability noting that *"Horowhenua District Council is well set up to manage and coordinate emergencies in their district".*	**NOT APPLICABLE** A comprehensive Emergency Operations Centre (EOC) capability audit was carried out during the 2024/25 financial year. The next audit will be carried out in the last quarter of the 2026/27 financial year.

Service/Measure	Target	2024/25 Results	2025/26 Results
Service: Community organisations to ensure transparency regarding the allocation of Council-provided financial support. **Measure:** Community organisations receiving funds for essential services to fulfil monitoring and reporting obligations.	100%	✖ **NOT ACHIEVED** None of the community organisations receiving funds for essential services fulfilled monitoring and reporting obligations. Reports were due on 31 July 2025, the due date falling within the new financial year. Going forward, the due date for reporting will be set for 30 June to allow for reporting on this SSP.	✔ **ACHIEVED** 100% of community organisations that received funding for essential services in 2024/25 fulfilled their monitoring and reporting obligations during 2025/26. These obligations are due in the financial year following the allocation of funding. Accordingly, organisations that received funding in 2025/26 will be required to fulfil their reporting obligations in 2026/27. Note that after consultation with our community organisations, we did not change the reporting date to 30 June, as they need time following the end of the financial year to complete their reports. Reports must be provided before the organisation receives their next payment for service.
Service: Collaboration with and advocacy (including business development and new business investment in the Horowhenua District) for all sectors of local business. **Measure:** Percent of District's Businesses that are satisfied, or more than satisfied, with Council's support to local businesses and overall performance in the Economic Development activity.	≥ 75%	✖ **NOT ACHIEVED** The Annual Customer Satisfaction Survey result showed that 43% of the District's Businesses were satisfied, or more than satisfied, with Council's support to local businesses and overall performance in the Economic Development activity. **Results / 2024/25 / 2023/24** Very satisfied: 2 / 5 Satisfied: 17 / 13 Neutral: 22 / 31 Unsatisfied: 3 / 5 Very unsatisfied: 0 / 1 **Total: 44 / 55** There is a large number of respondents who opted for neutral. The number of respondents who opted for unsatisfied or very unsatisfied improved from a total of 6 last year to 3 for this financial year. In 2023/24 the methodology was changed from a survey campaign specifically targeting the Horowhenua Company Business Customers to Council's organisation wide survey campaign which contacts a wider audience.	✖ **NOT ACHIEVED** The Annual Customer Satisfaction Survey result showed that 30.3% of the District's Businesses were satisfied, or more than satisfied, with Council's support to local businesses and overall performance in the Economic Development activity. **Results / 2025/26** Very satisfied: 2 Satisfied: 8 Neutral: 14 Unsatisfied: 6 Very unsatisfied: 1 Did not answer: 2 **Total: 33** The result indicates relatively low satisfaction with Council's support for local businesses and overall Economic Development performance. However, just under half of respondents (14 of 31 who provided a rating) selected neutral, suggesting many businesses did not express either satisfaction or dissatisfaction. This highlights an opportunity to better understand business expectations of Council's role and strengthen the visibility and impact of its economic development activity.
Service: Providing opportunities for local businesses and the local community to understand business support and economic development initiatives available. **Measure:** Number of opportunities[12] provided by Council.	≥ 30	✔ **ACHIEVED** 170 opportunities for local businesses and the local community to understand business support and economic development initiatives available, were provided by Council. This is made up of 24 events and 146 communication posts (website news or other).	✔ **ACHIEVED** 301 opportunities for local businesses and the local community to understand business support and economic development initiatives available, were provided by Council. This is made up of 24 events and 277 communication posts (website news or other). Note: The increase reflects a change in how economic development initiatives were delivered during 2025/26. There was a significant increase in communication activity (146 to 277 posts). This was primarily due to the appointment of THCL's Brand & Growth Lead, which enabled a more strategic and consistent communications programme across newsletters, social media, business stories, events and THCL workstreams.

12 Networking events, social media posts, case studies, other comms, other events etc.

Community Support Funding Impact Statement

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000)	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		3,742	3,733	4,052	4,567
Targeted rates		500	500	500	504
Subsidies and grants for operating purposes		320	360	469	416
Fees and charges		2	38	13	5
Local authorities fuel tax, fines, infringement fees, and other receipts		38	3	5	2
Internal charges and overheads recovered		163	–	–	–
Total operating funding (A)		**4,765**	**4,633**	**5,039**	**5,494**
Applications of operating funding					
Payments to staff and suppliers	1	2,466	3,176	3,456	2,843
Finance costs		2	(1)	(1)	(2)
Internal charges and overheads applied		1,572	1,439	1,566	1,524
Other operating funding applications		–	–	–	–
Total applications of operating funding (B)		**4,040**	**4,613**	**5,021**	**4,365**
Surplus (deficit) of operating funding (A–B)		**724**	**20**	**18**	**1,129**
Sources of capital funding					
Subsidies and grants for capital expenditure		–	–	–	–
Development and financial contributions		–	–	–	–
Increase (decrease) in debt		(67)	(54)	(49)	120
Gross proceeds from sale of assets		–	–	–	17
Lump sum contributions		–	–	–	–
Other dedicated capital funding		–	–	–	–
Total sources of capital funding (C)		**(67)**	**(54)**	**(49)**	**137**

	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000)	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Applications of capital funding					
Capital expenditure					
– to meet additional demand		3	7	1	–
– to improve the level of service		38	10	66	6
– to replace existing assets		23	52	7	2
Increase (decrease) in reserves	2	593	(103)	(105)	1,258
Increase (decrease) of investments					–
Total applications of capital funding (D)		**657**	**(34)**	**(31)**	**1,266**
Surplus (deficit) of capital funding (C–D)		**(724)**	**(20)**	**(18)**	**(1,129)**
Funding balance ((A–B)+(C–D))		**–**	**–**	**–**	**–**
Depreciation		9	20	20	13

Notes:

1. Operating expenditure was lower than budget due to savings identified within the activity.
2. The activity received unbudgeted funding from the Eastern and Central Community Trust and the Department of Internal Affairs for the Mana Kai initiative.
3. Capital expenditure was lower than budget due to the timing of the activity's capital programme.

Loans	**Internal $000**
Loans as at 01/07/2024	(33)
Raised during year	2
Repaid during year	(122)
Loans as at 30/06/2025	**(153)**
Interest expense	(2)



Regulatory Services
Ngā Ratonga Whakariterite ā-Ture

WHAKATAUKĪ

I orea te tuatara ka patu ki waho
A problem is solved by continuing to find solutions.

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES

Strong Communities

Vibrant Economy

Outstanding Environment

Description of activity

The Regulatory Services Activity provides advice, consenting services, assessment, education, compliance and enforcement. These Activities aim to protect the health and safety of our community and the environment they live within.

The Regulatory Services Activity includes the following sub-activities:

- Resource Consenting
- Building Consenting
- Environmental Health
- Food and Alcohol Licensing
- Parking Enforcement
- Building Compliance
- Resource Management Compliance
- Animal Control
- General Regulatory Services

What the activity involves

RESOURCE CONSENTING

The Resource Consenting Activity is undertaken to ensure Council is meeting its obligations under the Resource Management Act 1991 (RMA).

What it involves:

- Processing resource consents and other applications made under the RMA.
- Providing advice to the public on the District Plan and RMA.
- Processing section 223 and 224 applications to certify approved subdivision applications.
- Engagement with the planning industry to stay informed about best practice and relevant issues.
- Provision of planning information relating to building consent applications and development engineering tasks.

BUILDING CONSENTING

The Building Consenting Activity aims to ensure that buildings are constructed and/or altered in a manner, which means they are safe to use.

What it involves:

- Processing building consent applications by assessing their compliance with the Building Code.
- Undertaking inspections of the consented building work to ensure compliance with the approved building consent.
- Providing advice to the public on building consent applications and the Building Act 2004.
- Maintaining accreditation requirements in accordance with the Building (Accreditation of Building Authorities) Regulations 2006.
- Engagement with the building industry to stay informed about best practice, relevant issues and changes to processes.
- Processing code compliance certificate applications and subsequent approval where Council is satisfied the building work complies with the Building Code.

ENVIRONMENTAL HEALTH

Environmental Health (Food Safety) ensures that food services used by the Community are healthy and safe.

What it involves:

- Registration and verification of food businesses in accordance with the Food Act 2014 and associated regulations and legislation.

FOOD AND ALCOHOL LICENSING

The Alcohol Licensing Activity aims to ensure that the sale and supply of Alcohol is conducted in a manner, which complies with the Sale and Supply of Alcohol Act 2012.

What it involves:

- Processing applications for licenses and managers' certificates.
- Monitoring and inspection of all licensed premises to ensure compliance with both legislation and licence conditions.
- Undertaking 'Controlled Purchase Operations' with partner agencies.
- Providing information and advice to customers on licensing requirements.

PARKING ENFORCEMENT

The Parking Enforcement Activity aims to ensure that people can easily access Council owned car parks for on- and off-street parking.

What it involves:

- Enforcing the parking requirements for mobility car parks, metered parking, time restricted parking, and illegal parking, including issuing infringement notices for non-compliances.
- Monitoring and enforcement of expired vehicle registrations, certificates of fitness and warrants of fitness.
- Monitoring of unauthorised parking on taxi stands, loading zones, broken yellow lines, double parking, parking on the footpath, bus stops, or inconsiderate parking.
- Monitoring and enforcement of the parking control measures specified in Council's Land Transport Bylaw 2024 and relevant legislation.

BUILDING COMPLIANCE

The Building Compliance Activity aims to support the Building Consenting Activity and protect health and safety by ensuring buildings in the Horowhenua meet legislative requirements and that the Community is complying with the Building Act requirements.

What it involves:

- Responding to complaints relating to non-compliances with the Building Act 2004 and associated codes and regulations, and taking appropriate action when non-compliance is observed.
- Monitoring and enforcement of the Building (Pools) Amendment Act 2016, primarily undertaking inspections of swimming pool fencing.

- Monitoring, enforcement and actions related to the Building (Earthquake-prone Buildings) Amendment Act 2016.
- Ensuring Building Warrants of Fitness (BWOFs) are renewed and are accurate.
- Providing information and advice to customers on licensing requirements.

RESOURCE MANAGEMENT COMPLIANCE

The Resource Management Compliance Activity aims to support Council's Resource Consenting Activity and the sustainable management of the environment by ensuring compliance with the Resource Management Act 1991, the Operative District Plan and resource consent conditions.

What it involves:

- Responding to complaints and queries relating to the Resource Management Act 1991, Operative District Plan or conditions of resource consents, and taking appropriate action when a non-compliance is observed.
- Monitoring of compliance with resource consent conditions and taking appropriate enforcement measures in respect of non-compliance.

ANIMAL CONTROL

The Animal Control Activity aims to implement, and enforce, legislation and Council bylaws related to dogs and animals to improve public safety by mitigating the risk of harm, injury, or nuisance in our community.

What it involves:

- Maintaining a register of dogs in the district.
- Patrolling the district for animal nuisances.
- Responding to complaints about dogs and livestock.
- Providing impounding facilities for dogs and livestock.
- Educating the public on the responsibilities of dog ownership.
- Re-homing or euthanising unclaimed animals.
- Enforcement of Council's bylaws related to Animal Control – Dog Control Bylaw 2015, Animal Nuisance and the Keeping of Pigs, Poultry and Bees Bylaw 2014 and Land Transport Bylaw 2024 (Part 2 – Stock Control and Movement).
- Enforcement of relevant legislation – Dog Control Act 1996 and Impounding Act 1955.

GENERAL REGULATORY SERVICES

The General Regulatory Services Activity consists of a number of sub-activities undertaken as part of Council's general regulatory functions, with the aim of dealing with statutory nuisance-related matters, registration, permitting and inspection of appropriate activities.

What it involves:

- Review, develop and/or input to and relevant bylaws and policies.
- Respond to general noise complaints and take appropriate action.
- Respond to complaints regarding vehicles reported as being abandoned in public places and take appropriate action.
- Permitting and inspection of amusement device.
- Respond to general bylaw complaints.
- Inspecting registered camping grounds and funeral directors to ensure compliance with relevant regulations and legislation.
- Investigating health nuisance complaints and carrying out enforcement action when appropriate.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Continued delivery of all relevant services in relation to legislation, policies and bylaws contributes to the health and safety of the community.

Close engagement with key stakeholders when reviewing bylaws and policies ensures community input into local decisions.

ENVIRONMENTAL WELLBEING

Providing services in alignment with relevant legislation, policies, and bylaws helps safeguard the wellbeing of the community. Meaningful engagement with stakeholders during reviews supports informed local decision-making and reflects community views.

ECONOMIC WELLBEING

Timely and efficient delivery of services within statutory time limits ensures that regulatory processes are not an impediment to economic progress whilst at the same time ensuring that due process is applied correctly.

CULTURAL WELLBEING

Consenting processes ensure that community facilities and infrastructure are built resiliently to combat climate change and natural hazards.

LONG TERM PLAN/ ANNUAL PLAN ACTIVITY INSIGHTS

What we planned	What we did
RENEWALS	
Animal Control – Body worn video equipment	Body worn cameras were replaced.
Animal Control – Dog Pound driveway concreting	Driveway repairs completed.
Animal Control – Dog Pound facility refurbishment	Budget carried forward to 2026/27 to enable further exploration of options.
Animal Control – Stock pound fencing & stock loading ramp	Stock fencing replaced.
Parking – Body worn video equipment	Body worn cameras replaced.
Parking – Meter Replacements	Parking meter batteries replaced.
Parking – Mobile ticket devices	Parking ticket devices replaced.

Successes

RESPONDING TO LEGISLATIVE CHANGE WHILE MAINTAINING HIGH-QUALITY REGULATORY SERVICES

Regulatory Services continued delivering a broad range of statutory functions while responding to significant legislative and policy change. This included implementing the updated Dog Control Policy and Bylaw following their adoption in June 2025, introducing the revised Responsible Dog Owner Approval process, implementing the new national Ministry for Primary Industries Food Safety Levy, responding to changes affecting home-based food businesses and adapting to Building Act and Resource Management Act reforms. Changes affecting earthquake-prone buildings were also implemented, including extensions issued for 50 buildings on the Earthquake-Prone Buildings Register following changes to national requirements.

SUPPORTING DEVELOPMENT THROUGH CONSENTING AND REGULATORY SERVICES

Building and resource consenting services continued to support housing and development across the district. Building consent processing remained strong, with 96% of applications processed within statutory timeframes, achieving the 95% target and maintaining the same overall compliance rate as 2024/25.

Resource consent processing remained below target, with 77% of applications processed within statutory timeframes. While the overall result remained broadly comparable with 2024/25, approximately 87% of applications received during 2025/26 were issued within statutory timeframes, indicating stronger performance for current applications.

Regulatory teams also continued delivering a broad range of approvals and services during the year, including 48 Certificates for Public Use, 19 Building Exemptions and 19 Certificates of Acceptance, while 26 new food businesses were registered. Council's Building Control Authority accreditation was also confirmed by International Accreditation New Zealand in January 2026, with Council retaining its low-risk accreditation status after resolving the matters identified through the reassessment process.

SUPPORTING SAFE, WELL-MANAGED COMMUNITIES

Compliance monitoring, licensing, inspections and enforcement continued across a broad range of regulatory activities to support safe, healthy and well-managed communities. During the year, the Licensing team supported twenty-six community events across the district, including three Waitangi Day celebrations, the AP&I Show, the Medieval Market and the inaugural Ales & Eats event, helping ensure activities involving food, alcohol and amusement devices were delivered safely and met regulatory requirements. Animal Control Officers also responded to community safety matters throughout the year, with 250 dogs impounded where intervention was required.

Regulatory and environmental compliance work included monitoring major infrastructure projects such as Te Pae o Tararua Ō2NL, with a dedicated RMA Monitoring and Compliance Officer established to provide additional capacity as construction activity increased. Council also participated in Environment Court proceedings as part of its statutory role in administering and enforcing planning and environmental legislation.

PROMOTING RESPONSIBLE DOG OWNERSHIP AND PUBLIC SAFETY

The updated Dog Control Policy and Bylaw came into effect during the year, introducing a more flexible Responsible Dog Owner Approval process alongside

clearer requirements supporting public safety, animal welfare and responsible ownership. The inaugural Responsible Dog Owner Approval Ready (RDOA Ready) programme attracted 55 participants, providing dog owners with an alternative education pathway towards Responsible Dog Owner Approval. Specialised behaviour training for Animal Control Officers and continued sector collaboration also strengthened capability and supported safe and responsible dog ownership across the district.

IMPROVING REGULATORY SERVICE DELIVERY THROUGH TECHNOLOGY AND CONTINUOUS IMPROVEMENT

Technology and service improvements continued to make regulatory interactions more efficient and consistent for customers and staff. Automated Licence Plate Recognition (ALPR) became operational for parking enforcement, improving the efficiency and consistency of compliance monitoring while supporting better turnover and availability of public parking.

Customer-facing services also benefited from Council's wider continuous improvement programme. The Antenno customer engagement platform was integrated with Council's Customer Request Management (CRM) system, improving how requests are captured and reducing manual processing. Customer Pulse surveys provided more immediate feedback following service interactions, while Customer Service Excellence workshops and the introduction of 17 structured online learning modules covering customer service fundamentals, Council's CRM system and internal knowledge base strengthened staff capability and supported more consistent service delivery.

A Customer Focus Governance Group was also established to coordinate customer-focused improvement initiatives across Council. Alongside this, work progressed to better understand customer experiences across high-contact services and identify practical improvements aimed at helping customers get the right information first time, understand what to expect during their interactions with Council and simplify internal processes that support service delivery.

These initiatives complemented ongoing improvements to customer enquiry pathways and regulatory processes, including digital solutions supporting resource consenting and dog registration, helping reduce manual administration and improve information sharing across customer-facing services.

Challenges

RESPONDING TO INCREASING REGULATORY COMPLEXITY AND COMPLIANCE DEMAND

Regulatory Services continued responding to significant legislative change, changing development conditions, growing public expectations and increasingly complex compliance responsibilities. Ongoing reforms affecting building and resource consenting required regulatory processes and systems to continue adapting throughout the year.

Meeting statutory resource consent processing timeframes remained a challenge, with 77% of applications processed within the required timeframes against a target of 95%. The overall result continued to be affected by a relatively small number of complex legacy applications requiring specialist input and extended processing timeframes. More than half of the consents issued outside statutory timeframes were lodged in previous financial years, while current-year applications generally performed better.

Monitoring requirements also increased for major infrastructure projects such as Te Pae o Tararua Ō2NL and the Arawhata Wetlands project, creating additional demand for specialist compliance resources. A dedicated RMA Monitoring and Compliance Officer was established to help manage the increased workload associated with Te Pae o Tararua Ō2NL while maintaining the wider compliance programme.

Looking Forward

CONTINUING TO STRENGTHEN REGULATORY SERVICES

Work will continue to strengthen regulatory services through improvements to customer experience, staff capability, digital systems and regulatory performance. Priorities include responding to ongoing central government reforms affecting building and resource consenting, continuing improvements to consenting processes and statutory performance, expanding Responsible Dog Owner education, strengthening compliance monitoring for major infrastructure projects and progressing the six-yearly review of the Local Alcohol Policy. Preparatory work for that review commenced during 2025/26.

Customer-focused improvement work will also continue, using feedback, service data and insights from customer and staff experiences to identify practical changes that make Council services easier to navigate and improve the consistency of customer interactions.

Regulatory Services Activity Performance

Service/ Measure	Target	2024/25 Results	2025/26 Results
Service: Processing of applications under the Resource Management Act (RMA) 1991. **Measure:** Percentage of applications under the RMA that are processed within statutory timeframes.	95%	✖ **NOT ACHIEVED** 79% (176/224) resource consent applications were processed within statutory timeframes. The level of compliance with statutory timeframes increased throughout the year as additional measures were put in place to drill down into and review the reasons for consents going over timeframes and address these. More than 50% of consents that were issued over statutory timeframes were lodged in previous financial years and are likely to reflect on historic issues with resourcing and workloads. Approximately 88% of consents applied for and issued in 2024/25 were issued within statutory timeframes. The impact of improved processes is not immediate due to the time it can take for consents to work through the process. It is anticipated that performance will continue to improve next year.	✖ **NOT ACHIEVED** 77% (158/206) applications under the Resource Management Act 1991* were processed within statutory timeframes. Although overall performance remained comparable to 2024/25, the measure continues to be below the 95% target. While 100% statutory compliance was achieved for three months during the year, overall performance was affected by a small number of complex applications that required significantly more processing time and specialist input. Due to the relatively low volume of applications received, each application processed outside statutory timeframes has a proportionately greater impact on the overall compliance percentage. Many applications exceeding statutory timeframes were lodged in previous financial years and reflect historical resourcing constraints and the complexity of legacy applications rather than current processing practices. More than 50% of consents issued outside statutory timeframes were from prior years. Approximately 87% of applications received during 2025/26 were issued within statutory timeframes, demonstrating that current applications are generally being processed more efficiently. However, the time required to resolve complex and older applications continues to influence the overall result. *Applications include four (4) applications under the Local Government Act 1974.
Service: Carry out Building Consent Authority functions including enforcement of legislation relating to construction of buildings and structures. **Measure:** Percentage of building consent applications that are processed with in statutory timeframes.	95%	✔ **ACHIEVED** 96% (503/522) building consent applications were processed within statutory timeframes. A combination of decreased volumes of work and closer monitoring of work in progress has resulted in an increase in the level of statutory compliance throughout the year.	✔ **ACHIEVED** 96% (506/527) building consent applications were processed within statutory timeframes. Activity levels remained steady compared with the previous year.
Service: Community confidence and wellbeing is ensured in the safety of food and alcohol premises' businesses. **Measure:** Percentage of existing food businesses that receive a poor verification outcome are revisited within 20 working days.	95%	✔ **ACHIEVED** 100% (2/2) existing food businesses received a poor verification outcome during the 2024/25 financial were revisited within 20 working days.	**NOT APPLICABLE** No existing food businesses received a poor verification outcome and consequently no food businesses required revisiting within 20 working days.

Service/ Measure	Target	2024/25 Results	2025/26 Results
Service: Community confidence and wellbeing is ensured in the safety of food and alcohol premises' businesses. **Measure:** Percentage of high-risk alcohol premises that are visited at least twice a year.	100%	**NOT APPLICABLE** 100% (1/1) of high-risk alcohol premises (when it existed) was visited at least once in the 2024/25 financial year. There were two premises reported as high-risk at the start of the financial year. Since then, one premise has been re-evaluated as medium risk before any inspection was due. The remaining premises underwent its first inspection prior to December 2024, however in January 2025 the application for renewal of this premises requested an earlier closing time which resulted in a lesser risk profile. As a result, since end January 2025 there were no high-risk alcohol premises in the district and no further inspections were required. This made the measure 'Not Applicable' for this financial year. Fist inspections (if applicable) were due prior to 31 December 2024 Second inspections (if applicable) were due prior to 30 June 2025.	**NOT APPLICABLE** There were no high-risk alcohol premises in the district during the reporting period, and no inspections were required.
Service: We enhance community wellbeing by responding to public nuisance complaints in a timely manner. **Measure:** Animal control staff are rostered and available on a 24 hr. 7 day a week basis.	100%	✔ **ACHIEVED** 100% of the Animal Control staff were rostered and available on a 24 hr. 7 day a week basis.	✔ **ACHIEVED** 100% of the Animal Control staff were rostered and available on a 24 hr. 7 day a week basis.
Service: Community can access Council in a way or by means that most suits them. **Measure:** Percentage of community members surveyed that are satisfied with the ways they can contact Council.	≥ 80%	✔ **ACHIEVED** The Annual Customer Satisfaction Survey result showed that 87.6% of community members surveyed that are satisfied with the ways they can contact Council. Note: The measure in the LTP reads as follows: "This will tell us if we are catering to our diverse hāpori (community) by providing a variety of ways of contacting Council, this could include online, in person, via phone." This is a typo in the LTP, and the measure is taken from our Resident Satisfaction surveys.	✖ **NOT ACHIEVED** The Annual Customer Satisfaction Survey result showed that 75.8% of community members surveyed that are satisfied with the ways they can contact Council. Note: There is no single identified cause for the decrease. Customer feedback indicates that experiences of contacting Council are influenced by factors including responsiveness, ease of reaching the right person, and follow-up. Work undertaken during the year has focused on improving these aspects of the customer experience. The measure in the LTP reads as follows: "This will tell us if we are catering to our diverse hāpori (community) by providing a variety of ways of contacting Council, this could include online, in person, via phone." This is a typo in the LTP, and the measure is taken from our Resident Satisfaction surveys. The wording of the measure will be reviewed and corrected through the development of the next LTP. In the meantime, the adopted LTP wording remains unchanged.
Service: We enhance community wellbeing by responding to public nuisance complaints in a timely manner. **Measure:** Percentage of noise complaints are responded to within 60 minutes.	100%	✖ **NOT ACHIEVED** 96.20% (1,467/1,525) of noise complaints were responded to within 60 minutes. Note: While the target is to respond to all complaints within 60 minutes, this is not always possible. Travel across the district can take up to 45 minutes, and urgent security call-outs and more involved tasks such as seizing equipment can extend response times. This happened on 58 occasions during the year.	✖ **NOT ACHIEVED** 98.2% (1,473/1,500) of noise complaints were responded to within 60 minutes. Note: While the target is to respond to all complaints within 60 minutes, this is not always possible. Travel across the district can take up to 45 minutes, and urgent security call-outs and more involved tasks such as seizing equipment can extend response times. This happened on 27 occasions during the year.

Regulatory Services Funding Impact Statement

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000)	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		4,159	4,150	3,469	3,480
Targeted rates		–	–	–	–
Subsidies and grants for operating purposes		–	–	–	–
Fees and charges		4,165	4	4	269
Local authorities fuel tax, fines, infringement fees, and other receipts	1	227	4,310	4,426	4,174
Internal charges and overheads recovered		–	–	–	–
Total operating funding (A)		**8,552**	**8,464**	**7,899**	**7,923**
Applications of operating funding					
Payments to staff and suppliers		1,506	1,403	1,439	1,791
Finance costs		5	(3)	19	–
Internal charges and overheads applied	2	5,937	6,970	6,344	5,431
Other operating funding applications		–	–	–	–
Total applications of operating funding (B)		**7,448**	**8,370**	**7,802**	**7,222**
Surplus (deficit) of operating funding (A–B)		**1,105**	**94**	**97**	**701**
Sources of capital funding					
Subsidies and grants for capital expenditure		–	–	–	–
Development and financial contributions		–	–	–	–
Increase (decrease) in debt		(97)	(96)	132	87
Gross proceeds from sale of assets		–	–	–	–
Lump sum contributions		–	–	–	–
Other dedicated capital funding		–	–	–	–
Total sources of capital funding (C)		**(97)**	**(96)**	**132**	**87**

	Note	Actual 2024/25 ($000)	Long Term Plan 2024/25 ($000)	Annual Plan 2025/26 ($000)	Actual 2025/26 ($000)
Applications of capital funding					
Capital expenditure					
– to meet additional demand		–	–	–	–
– to improve the level of service		–	–	–	–
– to replace existing assets		–	–	1,117	10
Increase (decrease) in reserves	3	1,008	(2)	(888)	778
Increase (decrease) of investments					–
Total applications of capital funding (D)		**1,008**	**(2)**	**229**	**788**
Surplus (deficit) of capital funding (C–D)		**(1,105)**	**(94)**	**(97)**	**(701)**
Funding balance ((A–B)+(C–D))		**–**	**–**	**–**	**–**
Depreciation		27	97	97	27

Notes:

1. The variances between fees and charges and other receipts mainly reflect differences in revenue classification. Total operating funding was broadly in line with budget.
2. Overall operating expenditure was lower than budget, with the activity remaining ahead of its budgeted position at year end.
3. Capital expenditure was lower than budget due to the timing of projects relating to parking meters and the dog pound.
4. Less debt was required due to the lower level of capital expenditure.

Loans	**Internal $000**
Loans as at 01/07/2025	1
Raised during year	10
Repaid during year	(97)
Loans as at 30/06/2026	**(86)**
Interest expense	–

Financial Information
Ngā Pārongo Pūtea



Horowhenua District Council
Statement of Comprehensive Revenue and Expense
For the year ended 30 June 2026

	Note	Council Actual 2026 $000	Council Budget 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Revenue						
Rates	2(i)	69,799	68,694	62,681	69,799	62,680
Finance revenue	2(ii)A	2,209	–	2,267	2,222	2,288
Grants and subsidies	2(ii)B	9,380	8,910	12,247	9,380	12,247
Fees and charges	2(ii)C	6,100	5,213	5,234	6,100	5,234
Other revenue	2(ii)D	6,685	4,937	4,983	6,685	4,983
Vested assets	2(ii)E	2,962	–	924	2,962	924
Development contributions	2(ii)F	1,709	2,166	1,696	1,709	1,696
Found Assets	2(ii)G	4,115	–	–	4,115	–
Gain on derivative financial instruments	11	99			99	
Other gains / (losses)	12	(7)	–	195	(7)	195
(Increase) / decrease in landfill provision	23	911	–	–	911	–
Total revenue		**103,963**	**89,920**	**90,227**	**103,976**	**90,247**
Expenditure						
Employee benefit expenses	3	24,045	24,689	23,347	24,045	23,345
Depreciation and amortisation	15, 16, 17	21,840	23,386	22,368	21,840	22,368
Finance costs	4	9,219	9,852	9,680	9,219	9,680
Loss on derivative financial instruments	11	–	–	2,348	–	2,348
Increase / (decrease) in landfill provision	23	–	–	5,015	–	5,015
Other losses	12	7,266	–	3,079	7,266	3,079
Other expenses	5	38,188	34,948	32,849	38,203	32,862
Total expenses		**100,558**	**92,875**	**98,686**	**100,573**	**98,697**
Operating surplus / (deficit) before tax		**3,405**	**(2,955)**	**(8,459)**	**3,403**	**(8,450)**
Income tax expense	6	–	–	–	–	–
Operating surplus / (deficit) after tax		**3,405**	**(2,955)**	**(8,459)**	**3,403**	**(8,450)**
Surplus/ (Deficit) attributable to: Horowhenua District Council		**3,405**	**(2,955)**	**(8,459)**	**3,403**	**(8,450)**

	Note	Council Actual 2026 $000	Council Budget 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Other comprehensive revenue and expense						
Gain / (loss) on infrastructural assets revaluations	15	456	38,240	2,409	456	2,409
Gain / (loss) on operational assets revaluation	15	–		687	–	687
Gain / (loss) on restricted assets revaluation	15	–	–	2,029	–	2,029
Gain / (loss) on changes in fair value of carbon credits	16	(75)	–	108	(75)	108
Total other comprehensive revenue and expense for the year		**381**	**38,240**	**5,233**	**381**	**5,233**
Total comprehensive revenue and expense (deficit) for the year		**3,786**	**35,285**	**(3,226)**	**3,784**	**(3,218)**
Total comprehensive revenue and expense attributable to Horowhenua District Council		**3,786**	**35,285**	**(3,226)**	**3,784**	**(3,218)**

Explanations of major variances against budget are provided below.

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.
The accompanying notes form part of these financial statements.

Explanations of Significant Variances in the Statement of Comprehensive Revenue and Expense between the Council's Actual Results and the Council's Budget for 2025/26

REVENUE

Rates

The higher rates are due to higher growth than budgeted, which resulted in higher general rates levied. This is slightly offset by higher remissions under the Council's rates remission and postponement policy.

Finance revenue

The higher finance income of $2.2m is due to us holding a $43m term deposit for pre-funding purposes. Pre-funding is when we borrow money earlier than required to renew our borrowings becoming due and place it on term deposit. Term deposits were utilised during the financial year to repay borrowings. A $5m term deposit remained as at 30 June 2026.

Fees and Charges

This is mainly due to income for consenting coming in higher than planned and additional waste rebates received. The remaining waste minimisation levy money (minus relevant costs) was put into a reserve fund. This Council created reserve is reported in the 2025/26 Annual Report in the Statement of Reserve Funds.

Other Revenue

Other revenue is favourable as it includes unbudgeted Central District Waters recoveries from partner councils. The related expenditure is part of Other Expenses.

Found assets

The $4.1 million favourable variance relates to three water infrastructure assets identified as belonging to Council but not previously recorded in our asset register. As Council prepares to transfer its water assets to Central Districts Water (CDW), we are reviewing our asset information to ensure records are as complete and accurate as possible. This work has identified previously unrecorded assets, resulting in a one-off accounting gain. This is non-cash income and does not represent additional funding available for Council to spend.

Vested assets

The $2.9 million of vested asset income relates to infrastructure, such as roads and water networks, transferred to Council by developers through the subdivision process. As part of our year-end work and preparations for the transition of water assets to CDW, we have undertaken a more detailed review to ensure these assets are accurately recorded. Council budgets for vested assets where there is reasonable certainty around their value and timing. However, local infrastructure vesting is not currently budgeted for, as developments can take up to eight years to complete under legislative timeframes, making the timing and value of these transfers difficult to predict. This income increases the value of Council's assets but does not provide additional cash for spending.

Development Contributions

Lower development contributions revenue correlates with less building and planning activities completed than planned.

Gain on derivative financial instruments

The variance reflects gains arising from movements in the fair value of Council's interest rate swaps due to changes in market interest rates. These gains are non-cash accounting adjustments and reflect the movement in the value of the derivative contracts at balance date.

EXPENDITURE

Employee benefit expenses

Employee benefit expenses were below budget, primarily due to Council carrying a higher level of staff vacancies throughout the year than anticipated, alongside planned savings.

Depreciation and Amortisation

Less capital programme spending than budgeted resulted in a lower level of depreciation, however this is primarily a timing issue. $16.162 million of capital carry forward requests were approved by the Council into 2026/27 financial year.

Finance costs

Finance costs were below budget due to changes in the timing and delivery of the capital works programme, which reduced the need for additional borrowing and the associated interest costs. Active management of interest rates also contributed to lower financing costs for the year.

Other losses

Other losses are primarily attributable to losses arising on the disposal of assets, including infrastructure assets replaced as part of renewal projects such as the Levin Water Supply. These losses arise where the carrying value of existing assets is written off on replacement, prior to the recognition of the new or renewed assets.

Decrease in landfill provision

The landfill provision has decreased following an updated assessment by Stantec New Zealand, an independent engineering consultant, of the expected costs of future remediation and environmental monitoring.

The assessment reflects the potential for monitoring requirements to change over time and is informed by Ministry for the Environment guidance on managing closed landfills.

Other expenses

Other expenses are unfavourable as it includes unbudgeted CDW expenditure including those recovered from partner councils and accounted for under Other Revenue. Other expenses also includes unbudgeted expense from write off's of capitalisation based Work in Progress of $2.1m due to no capital assets being identified or eventuating.

Horowhenua District Council
Statement of Financial Position as at 30 June 2026

	Note	Council Actual 2026 $000	Council Budget 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Assets						
Current assets						
Cash and cash equivalents	7	14,234	4,419	15,192	14,291	15,240
Debtors and other receivables	8	11,808	5,265	12,856	11,808	12,856
Prepayments	8	1,714	–	1,352	1,714	1,352
Inventories	9	250	–	133	250	133
Derivative financial instruments	11	50	–	143	50	143
Other financial assets	12	7,801	3,427	44,569	7,801	44,569
Non-current assets held for sale	10	3,351	–	1,942	3,351	1,942
Total Current assets		**39,209**	**13,111**	**76,187**	**39,266**	**76,235**
Non-current assets						
Plant, property and equipment						
– Operational assets	15	77,541	166,098	83,037	77,541	83,037
– Infrastructural assets	15	817,454	752,409	810,655	817,454	810,655
– Restricted assets	15	97,645	136,096	97,504	97,645	97,504
Intangible assets	16	1,204	1,358	1,387	1,204	1,387
Forestry assets	18	1,229	1,439	1,446	1,230	1,446
Investment property	19	3,040	2,927	3,015	3,040	3,015
Derivative financial instruments	11	411	–	159	411	159
Other financial assets:						
– Investments CCOs & similar entities	12	204	–	204	204	204
– Investments in associates	12	72	–	72	72	72
– Other	12	4,110	5,040	5,967	4,110	5,967
Total Non-current assets		**1,002,910**	**1,065,367**	**1,003,445**	**1,002,910**	**1,003,445**
Total Assets		**1,042,119**	**1,078,478**	**1,079,631**	**1,042,176**	**1,079,679**
Liabilities						
Current liabilities						
Payables and deferred revenue	20	13,850	15,659	19,023	13,501	18,664
Provisions	23	1,018	1,516	2,190	1,017	2,189
Employee benefit liabilities	22	2,257	1,902	2,070	2,256	2,070
Derivative financial instruments	11	913	6	490	913	490
Borrowings and other financial liabilities	21	85,151	61,284	59,000	85,151	59,000
Total Current liabilities		**103,189**	**80,367**	**82,773**	**102,839**	**82,413**

	Note	Council Actual 2026 $000	Council Budget 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Non-current liabilities						
Provisions	23	12,210	7,953	12,621	12,210	12,621
Employee benefit liabilities	22	496	488	496	496	496
Borrowings and other financial liabilities	21	122,003	156,187	181,000	122,003	181,000
Derivative financial instruments	11	619	–	983	619	983
Total non-current liabilities		**135,328**	**164,628**	**195,100**	**135,328**	**195,100**
Total Liabilities		**238,517**	**244,995**	**277,873**	**238,167**	**277,513**
Net Assets		**803,602**	**833,483**	**801,758**	**804,009**	**802,166**
Equity						
Retained earnings	26	241,228	249,983	236,757	241,634	237,163
Revaluation reserves	26	551,836	573,557	555,005	551,838	555,005
Other reserves	26	10,538	9,943	9,999	10,537	9,999
Total Equity		**803,602**	**833,483**	**801,758**	**804,009**	**802,166**

Explanations of major variances against budget are provided below.

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.
The accompanying notes form part of these financial statements.

Explanations of significant variances in the Statement of Financial Position between the Council's actual results and the Council's budget for 2025/26

ASSETS

Cash and cash equivalents

We held more cash than expected at 30 June 2026 to ensure sufficient cash for payment of July and future months payments due instead of repayment of loans and then having to refinance within a short timeframe.

Debtors and other receivables

The higher than budgeted balance primarily reflects amounts receivable from central government agencies at 30 June 2026 for grants and subsidies, including funding from National Infrastructure Funding and Financing Limited (NIFF). Outstanding property rates were also higher than budgeted, reflecting increased payment pressures on some ratepayers associated with cost-of-living increases.

Prepayments

This relates to expenditure paid during the 2025/26 financial year which the service in full or in part, relates to a future financial year.

Other Financial Assets

A term deposit of $5m with maturity in July 2026 is held for prefunding purposes. Prefunding allows the Council to have funds available to repay current loans as they fall due.

Non-current assets held for sale

There are three assets held for sale at 30 June 2026, refer Note 10 for additional information. They are:

1. The Levin War Memorial Hall and Levin Village Green.
2. The Warehouse Carpark.
3. The Bath Street and Salisbury Street Carpark.

Property Plant and Equipment assets

Property, plant and equipment assets were lower than budget by $61.962m. This was mainly due to operational and restricted asset values being below budget, reflecting delays and reprioritisation within the capital programme, together with asset disposals and transfers to assets held for sale. This was partly offset by infrastructural asset values being higher than budget.

Investment property

The carrying value of Council's investment property portfolio was slightly higher than budgeted, reflecting differences between the values assumed when the budget was prepared and the actual value of properties held.

No investment properties were purchased or sold during the year.

Derivative financial instruments

The Council uses derivative financial instruments, primarily interest rate swaps, to manage its exposure to interest rate risk arising from borrowing activities. The asset balance reflects the positive fair value of these instruments at balance date, representing the potential future economic benefit of the interest rate swaps held by Council.

LIABILITIES

Payables and deferred revenue

The variance reflects the timing and lower level of capital and operational expenditure during the latter part of the year, resulting in a lower level of outstanding payables at balance date. There was also more income in advance primarily relating to regulatory activities.

Total borrowings and other financial liabilities

Lower than budgeted capital and operational expenditure during the year resulted in a lower borrowing requirement. Net debt was $195.1 million at 30 June 2026.

Derivative financial instruments

The Council uses derivative financial instruments in the form of interest rate swaps to manage interest rate risks arising from borrowing activities. The lower derivative liability reflects a lower potential obligation or loss from the swaps we hold.

Total Provisions

This provision relates to the estimated future costs of landfill aftercare. The provision has been updated based on an independent assessment by P. Landmark of Stantec New Zealand, which considered the remediation work required and the potential for environmental monitoring requirements to change over time. The estimated costs are informed by relevant Ministry for the Environment guidance for the management of closed landfills. The updated assessment resulted in a decrease in the provision at 30 June 2026.

Horowhenua District Council
Statement of Changes in Equity for the year ended 30 June 2026

	Note	Council Actual 2026 $000	Council Budget 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Balance at 01 July		801,762	798,199	804,983	802,171	805,384
Additions adjustment		(1,946)	–	–	(1,946)	–
Revaluation gains/(losses)		–	–	–	–	–
Total comprehensive revenue and expense for the year		3,786	35,285	(3,225)	3,784	(3,218)
Asset revaluation reserve on disposals		–	–	–	–	–
Balance at 30 June	**26**	**803,602**	**833,483**	**801,758**	**804,009**	**802,166**

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.
The accompanying notes form part of these financial statements.

Horowhenua District Council
Statement of Cash Flows for the year ended 30 June 2026

	Note	Council Actual 2026 $000	Council Budget 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Cashflow from operating activities						
Cash was provided from:						
Revenue from rates		68,468	68,694	61,569	68,468	61,569
Other revenue		24,685	21,226	23,458	24,685	23,458
Interest received		2,209	–	2,174	2,218	1,191
Net GST movement		–	–	–		–
Total cash provided		**95,362**	**89,920**	**87,201**	**95,371**	**86,218**
Cash was disbursed to:						
Payments to suppliers & employees		67,518	56,901	60,524	67,518	60,524
Interest paid		9,219	9,852	10,004	9,219	10,004
Net GST movement		(460)	–	436	(460)	436
Total cash disbursed		**76,277**	**66,753**	**70,964**	**76,277**	**70,964**
Net cashflow from operating activity	**30**	**19,085**	**23,167**	**16,237**	**19,094**	**16,254**
Cashflows from investing activities						
Cash was provided from:						
Proceeds from asset sales		4,361	1,083	775	4,361	775
Proceeds from investments		38,625	–	–	38,625	–
Total cash provided		**42,986**	**1,083**	**775**	**42,986**	**775**
Cash was disbursed to:						
Purchases of investments		–	619	23,851	–	23,851
Purchase of assets		29,033	47,741	27,431	29,033	27,431
Total cash disbursed		**29,033**	**48,360**	**51,282**	**29,033**	**51,282**
Net cashflow from investing activity		**13,953**	**(47,277)**	**(50,507)**	**13,953**	**(50,527)**
Cashflows from financing activities						
Cash was provided from:						
Proceeds from borrowings		7,000	57,242	67,000	7,000	67,000
Total cash provided		**7,000**	**57,242**	**67,000**	**7,000**	**67,000**

	Note	Council Actual 2026 $000	Council Budget 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Cash was disbursed to:						
Repayment of borrowings		40,997	32,501	29,000	40,997	29,000
Payment of principal for finance leases		–	–	–		–
Total cash disbursed		**40,997**	**32,501**	**29,000**	**40,997**	**29,000**
Net cashflow from financing activity		**(33,997)**	**24,741**	**38,000**	**(33,997)**	**38,000**
Net increase (decrease) in cash and cash equivalents held		**(959)**	**631**	**3,730**	**(949)**	**3,727**
Add opening cash bought forward		15,192	4,302	11,462	15,240	11,513
Closing cash and cash equivalents balance		**14,234**	**4,419**	**15,192**	**14,291**	**15,240**
Closing balance made up of cash and cash equivalents	**7**	**14,234**	**4,419**	**15,192**	**14,291**	**15,240**

This statement was prepared with the assistance of artificial intelligence (AI) technologies.
The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.
The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the year ended 30 June 2026

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1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Horowhenua District Council (the Council) is a territorial local authority constituted under and governed by the Local Government Act 2002 (LGA) and is domiciled in New Zealand. The relevant legislation governing Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Horowhenua District Council Group (the Group) consists of the Council and Shannon Community Development Trust. All have been incorporated in New Zealand. With it being a trust the Council has no direct ownership. Refer to Note 13 for further information.

The primary objective of the Council is the provision of local authority services, including infrastructure, regulatory, resource management, recreation and community services.

The reporting date of the Council, the Council Controlled entities and it associates is 30 June.

The Council has designated itself and the Group as public benefit entities (PBEs) for the purposes of complying with generally accepted accounting practice (GAAP).

The financial statements of the Council and its controlled entities (collectively the Group) are for the year ended 30 June 2026. The financial statements were authorised for issue by Council on 28 October 2026.

Basis of Preparation

The financial statements and service performance information have been prepared on a going concern basis. In assessing the appropriateness of this basis, Council has considered the planned transfer of water services to Central District Waters and is satisfied that it has the plans and resources to continue operating for the foreseeable future. The accounting policies that materially affect the measurement of results and financial position have been applied consistently to all periods presented.

Statement of Compliance

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002 and Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which requires compliance with generally accepted accounting practice in New Zealand (NZ GAAP).

The primary objective of the Council is to provide local infrastructure, local public services and performs regulatory functions for the community for social benefit rather than making a financial return. Accordingly, the Council is a public benefit entity (PBE) for financial reporting purposes.

These financial statements and service performance information comply with PBE Standards and have been prepared in accordance with Tier 1 PBE accounting standards.

Presentation Currency and Rounding

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars ($000), other than the remuneration and the severance payment disclosures in Note 3 and the related party transaction disclosures in Note 27. The remuneration, severance payment, and related party transaction disclosures are rounded to the nearest dollar.

New or amended standards adopted

No new or amended standards have been adopted in this financial year.

Other changes in accounting policies

There have been no other changes in accounting policies.

Standards issued and not yet effective, and not early adopted

Standards and amendments issued but not yet effective that have not been early adopted and that are relevant to the Council and the Group are:

2024 Omnibus Amendments to PBE Standards (amendments to PBE IPSAS 1)

This amendment clarifies the principles for classifying a liability as current or noncurrent, particularly in relation to loan covenants. The amendment is effective for the year ended 30 June 2027.

The Council has not yet assessed in detail the impact of these amendments/These amendments are not expected to have a significant impact.

PBE IFRS 17 Insurance Contracts

PBE IFRS 17 establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts and will replace PBE IFRS 4. This standard is effective for the year ended 30 June 2027.

The Council has not yet assessed in detail the impact of this standard.

Summary of Significant Accounting Policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

BASIS OF CONSOLIDATION

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows of entities in the Group on a line-by-line basis. All intragroup balances, transactions, revenues, and expenses are eliminated on consolidation.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date when the Council obtains control of the entity and ceases when the Council loses control of the entity.

Control over an entity is determined when the Council has exposure or rights to variable benefits from its involvement with the entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. the Council considers all relevant facts and circumstances in assessing whether it has power over another entity. These can include, for example, the ability to appoint or remove most of the entity's governance and management, binding arrangements the Council enters, group voting rights, and pre-determination mechanisms. The Council reassesses whether it controls another entity if facts and circumstances change.

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions (including those subjects to forward foreign exchange contracts) are translated into New Zealand dollars (the functional currency) using the spot exchange rate at the dates of the transactions.

GOODS AND SERVICES TAX

All items in the financial statements are stated exclusive of GST, except for receivables and payables which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. Accrued income and expenses are stated exclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

BUDGET FIGURES

The budget figures are those approved by Council in the 2025/26 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements.

SUBSIDIARIES

The Council consolidates as 'subsidiaries', in the Group financial statements, all entities where the Council has the power to govern the financial and operating policies so as to obtain benefits from their activities. This power exists where the Council controls the majority voting power on the governing body, or where such policies have been irreversibly predetermined by the Council, or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

The Council's investment in its subsidiary is carried at cost in the Council's own 'parent entity' financial statements.

Finance Costs

All borrowing costs are recognised as an expense in the period in which they are incurred, except borrowing costs directly attributable to the construction of a qualifying asset which are capitalised as part of the cost of that asset.

Other Expenses

GRANT EXPENDITURE

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision. The Council's grants awarded have no substantive conditions attached.

Cost Allocation

The Council has derived the cost of service for each significant activity of the Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as costs and revenues, actual usage, staff numbers and floor area.

Critical Accounting Estimates and Assumptions

In preparing these financial statements the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and

judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

To comply with PBE accounting standards, the financial statements require certain judgements and assumptions. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

- Estimating the fair value of land, buildings, and infrastructural assets – see Note 15;
- Estimating the fair value of forestry assets – see Note 18;
- Estimating the retirement and long service leave obligations – see Note 22; and
- Estimating the landfill aftercare provision – see Note 23.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Areas involving a higher degree of judgement or complexity, or areas were assumptions and estimates are significant to the financial statements are discussed in the following specific notes:

- Donated or vested land and buildings with use or return conditions – see Note 2;
- Classification of property – see Note 15; and
- Classification of unoccupied land – see Note 19

REFER TO NOTES FOR FURTHER ACCOUNTING POLICIES.

2. REVENUE

Accounting Policy

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Council and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of consideration received or receivable.

Revenue is from exchange and non-exchange transactions. Exchange transaction revenue arise when the Group and the Council provide goods or services directly to a third party and receive approximately equal value in return. Non-exchange transactions revenue arise when the group and the Council receive value from another party without having to directly provide goods or services of equal value. Non-exchange revenue comprises rates and transfer revenue. Transfer revenue includes grants, subsidies, fees and user charges derived from activities that are partially funded by rates.

Rates Revenue

The following policies for rates have been applied:

- General rates and targeted rates (excluding water by meter) are recognised as revenue when the assessments are issued to which the rates resolution relates. These are recognised as the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water by meter rates is recognised on an accrual basis based on usage.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Development and Financial Contributions

Development and financial contributions are recognised as revenue when the Council provides or is able to provide the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides or is able to provide the service.

Development contributions are disclosed separately.

Infringement Fees Revenue

Revenue from infringement fees and fines mostly relates to traffic and parking infringements and is recognised when tickets are issued.

NZ Transport Agency Waka Kotahi Roading Subsidies

The Council receives revenue from NZTA Waka Kotahi, which subsidises part of the costs in maintaining the local roading infrastructure, and is recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Other Grants Received

Revenue from other grants is recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Entrance fees

Entrance fees are fees charged to users of the Council's local facilities, such as the pools. Revenue from entrance fees is recognised on entry to such facilities.

Sale of Goods – Full Cost Recovery

Revenue from the sale of goods (e.g. the Council rubbish bags) is recognised when a product is sold to the customer. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other expenses.

Infringement fees and fines

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued.

Vesting of Assets Revenue

Revenue from vesting of physical assets is recognised for assets received for no or nominal consideration, the asset is recognised at fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the value is based on the fair value at the date of acquisition.

However, where there is evidence that cost information provided by developers may materially differ from fair value at the point of transfer, the Council will recognise vested assets at assessed fair value.

For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects it will need to return or pass the asset to another party.

Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability is released to revenue as the conditions are met (for example, as the funds are spent for the nominated purpose).

Interest and Dividends Revenue

Revenue from interest is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Revenue from dividends is recognised when the right to receive payment has been established. Dividends are recognised in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment.

Rental Revenue

Rental revenue from investment property is recognised as revenue on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefits derived from the leased asset are diminished.

Critical judgements in applying accounting policies

Accounting for donated or vested land and buildings with use or return conditions

The Council has received land and buildings from non-exchange transactions that contain use or return conditions. If revenue is not recognised immediately for such assets when received, there is the possibility that a liability would be recognised in perpetuity and that no revenue would ever be recognised for the asset that the Council received. The Council considers that an acceptable and more appropriate accounting treatment under PBE IPSAS 23 is to recognise revenue for such transfers immediately and to not recognise a liability until such time as it is expected that the condition will be breached.

(i) Breakdown of Rates and further information

	Council Actual 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Gross rates				
General Rates	19,279	19,766	19,279	19,766
Targeted rates attributable to activities				
Solid waste rates	4,477	5,514	4,477	5,514
Roading rates	5,188	4,965	5,188	4,965
Library rates	6,178	6,387	6,178	6,387
Representation and governance rates	3,903	2,277	3,903	2,277
Te Awahou Foxton Comm Board Rates	165	166	165	166
Swimming pool rate	4,498	3,658	4,498	3,658
Stormwater rate	2,490	2,469	2,490	2,469
Sewer rate	12,225	8,819	12,225	8,819
Horowhenua Economic Development	503	503	503	503
Water rates				
District wide	7,670	5,645	7,670	5,645
Foxton Beach	704	498	704	498
Metered water supply	2,435	1,906	2,435	1,906
Total targeted water rates	**10,809**	**8,049**	**10,809**	**8,049**
Rate penalties	850	803	850	803
Total rates revenue (gross)	**70,565**	**63,376**	**70,565**	**63,376**
Remissions under the Council remission policy	(766)	(695)	(766)	(695)
Total rates revenue net of remissions	**69,799**	**62,681**	**69,799**	**62,681**
Exchange transaction	–	–	–	–
Non-exchange transaction	69,797	62,681	69,797	62,681
Total transactions	**69,799**	**62,681**	**69,799**	**62,681**

Total rates revenue includes $293,968 (2025 $259,381) for rates paid by the Council on properties owned by Council.

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose its annual rates income in its financial statements (or notes). The Multi-issuer Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the LG(R)A, together with any revenue received by the Council from other local authorities for services provided by the Council for which those other local authorities rate. The annual rates income of the Council for the year ended 30 June 2026 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

Rates	2026 $000	2025 $000
Rates	**$69,797**	**$62,681**
Lump sum contributions	–	–
Total annual rates income	$69,797	$62,681

Horowhenua district property revaluation occurred during 2025/2026 financial year; capital and land values were updated following approval by the valuer general in late 2025. The next Horowhenua district property revaluation is scheduled in the 2028/2029 financial year.

The Council revised the rates remission policies in 2024/2025 in line with the Long Term Plan 2024-2044. The resulting rates remission and postponement polices incorporates additional remission classes such as property under development or earthquake strengthening, rating units containing two or more Separately Used or Inhabited Parts (SUIP), and Special Circumstances Remission. Rates postponement was also added, the objective of this is to assist owner-occupiers who have limited capacity to pay their rates from their income and are older, or experiencing extreme financial hardship, to continue living in their home.

The Council's rates remission and postponement policies allow the Council to remit rates for community groups, voluntarily protected land, penalties on rates, excessive water charges, remnant land, rating units in industrial and commercial areas used for residential purposes, small rate balances, targeted rates on non-rateable land, properties affected by natural hazard disasters or emergency events, subdivisions which are in Common Ownership but do not meet the criteria of a Contiguous Property, bare land, Council Owned Utilities, contiguous rating units not in common ownership, property under development or earthquake strengthening, rating units containing two or more Separately Used or Inhabited Parts (SUIP), Special Circumstances Remission and Māori land.

In accordance with the Local Government (Rating) Act 2022, certain properties cannot be rated for general rates. These include schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. Non-rateable land does not constitute remission under the Council's Rates Remission and Postponement Policy.

(ii) Other Revenue

	Council Actual 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
A. Finance revenue				
Interest revenue for financial assets not at fair value through profit and loss				
Bank deposits	1,370	1,646	1,383	1,667
Interest rate swaps (presented net)	627	457	627	457
Borrower notes	212	164	212	164
Total finance revenue	**2,209**	**2,267**	**2,222**	**2,288**
Exchange transactions	2,209	2,267	2,222	2,288
Non-exchange transactions	**–**	**–**	**–**	**–**
Total finance revenue transactions	**2,209**	**2,267**	**2,222**	**2,288**
B. Subsidies and grants				
NZTA/Waka Kotahi government grants	5,290	4,358	5,290	4,358
Three Waters Stimulus fund	250	1,915	250	1,915
Private sector grants	–	15	–	15
Provincial Growth Fund	–	–	–	–
Other government grants	3,840	5,959	3,840	5,959
Total subsidies and grants	**9,380**	**12,247**	**9,380**	**12,247**
Exchange transactions	–	–	–	–
Non-exchange transactions	9,380	12,247	9,380	12,247
Total subsidies and grants transactions	**9,380**	**12,247**	**9,380**	**12,247**
C. Fees and charges				
User charges	5,803	4,988	5,803	4,988
Rental revenue from commercial properties	297	246	297	246
Total fees and charges	**6,100**	**5,234**	**6,100**	**5,234**
Exchange transactions	572	411	572	411
Non-exchange transactions	5,528	4,823	5,528	4,823
Total fees and charges transactions	**6,100**	**5,234**	**6,100**	**5,234**

	Council Actual 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
D. Other revenue				
Infringements and fines	478	427	478	427
Rendering of services	2,282	694	2,282	694
Petrol tax	229	223	229	223
Dividend revenue	7	7	7	7
Insurance recoveries:				
– Buildings	–	–	–	–
Regulatory revenue	3,683	3,441	3,683	3,441
Donations	6	191	6	191
Total other revenue	**6,685**	**4,983**	**6,685**	**4,983**
Exchange transactions	1,872	125	1,872	125
Non-exchange transactions	4,813	4,858	4,813	4,858
Total other revenue transactions	**6,685**	**4,983**	**6,685**	**4,983**
E. Vested assets	**2,962**	**924**	**2,962**	**924**
F. Development contributions	**1,709**	**1,696**	**1,709**	**1,696**
G. Found Assets	**4,115**	**–**	**4,115**	**–**
Total vested assets, development contributions and found assets	**8,786**	**2,620**	**8,786**	**2,620**
Exchange transactions	–	–	–	–
Non-exchange transactions	8,786	2,620	8,786	2,620
Total vested assets and development contributions transactions	**8.786**	**2,620**	**8,786**	**2,620**

There are no unfulfilled conditions and other contingencies attached to government grants recognised other than that relating to the government grant for housing discussed in Note 25.

The vested assets income relates to infrastructure assets vested to Council as part of the subdivision process. Development Contributions are recognised when invoiced.

OPERATING LEASES AS LESSOR

The Council leases its investment properties, Foxton Beach Endowment land and other property under operating leases.

The majority of the investment and endowment property leases are leases in perpetuity and therefore non-cancellable; the majority of the other property leases are cancellable. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council Actual 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Non-cancellable operating leases as lessor				
Less than one year	548	589	548	599
Later than one year but not more than five years	1,106	1,551	1,106	1,849
Later than five years	1,011	1,469	1,011	1,180
Total non-cancellable operating leases	**2,665**	**3,609**	**2,665**	**3,628**

Figures for later than five years are impracticable because most of the leases are in perpetuity. For the purposes of the above table, for any lease with a renewable clause the assumption adopted is there would be no option to renew, and if the lease is in perpetuity the assumption adopted is the lease would continue for over five years. The total annual lease amounts are expected to be at least those indicated above.

No contingent rents have been recognised in the statement of financial performance during the period.

3. PERSONNEL COSTS

Accounting Policy

SALARIES AND WAGES

Salaries and wages are recognised as an expense as employees provide services.

SUPERANNUATION SCHEMES

Defined contribution schemes

- Obligations for contributions to defined contribution superannuation schemes are recognised as an expense through surplus or deficit when incurred.

Defined Benefit Schemes

- The Council does not belong to any Defined Benefit Scheme.

	Council Actual $ 30 June 2026	Council Actual $ 30 June 2025
Chief Executives		
Monique Davidson		
Salary	399,803	374,607*
Vehicle (FBT value)	10,000	15,000
Total Chief Executive remuneration	**409,803**	**389,607**

* This includes cashed up annual leave of $6,862.16.

REMUNERATION OF ELECTED MEMBERS

	2026		2025	
	Remuneration	**Other Allowances**	**Remuneration**	**Other Allowances**
Mayor:				
B Wanden	155,927	4,355	146,526	4,761
Councillors:				
D Allen	68,545	4,164	71,331	5,340
S Jennings	54,242	2,044	54,547	1,496
M Barker	40,913	1,500	41,959	1,496
C Grimstone	47,832	1,500	41,959	1,496
N Hori Te Pa	45,777	1,500	41,959	1,496
P Olsen	44,750	1,500	41,959	1,496
A Young	40,913	1,500	41,959	1,496
J Mason	33,314	1,016	–	–
K Mitchell-Kouttab	26,395	1,016	–	–
L Ketu	26,395	1,016	–	–
M Gray	26,395	1,623	–	–
N Fox	26,395	2,018	–	–
R Brannigan	17,786	485	46,155	2,184
P H Tukapua	–	–	18,494	573
R Boyle	14,518	485	41,959	1,496
J Procter	14,518	485	41,959	1,496
J Tamihana	14,518	1,720	41,959	2,929
Total elected representatives remuneration	**699,133**	**27,927**	**672,725**	**27,755**

	2026		2025	
Foxton Beach Community Board	**Remuneration**	**Other Allowances**	**Remuneration**	**Other Allowances**
R Brannigan (Chair)	9,507	1,016	–	–
I Wakefield	5,076	1,016	–	–
J Davy	5,076	1,016	–	–
J Sanson	5,076	1,016	–	–
J Girling (Previous Chair)	4,536	485	13,884	1,985
D Roache	7,401	1,500	6,969	1,496
T Chambers	2,324	485	6,969	1,496
B Russell	2,324	485	6,969	1,496
N Fox	2,324	503	6,969	2,330
Total Te Awahou Foxton Community Board	**43,644**	**7,522**	**41,760**	**8,803**

During the year ending 30 June 2026, there were payments totalling $15,436 made to two independent members of the Risk and Assurance Committee.

COUNCIL EMPLOYEES

	Council Actual 2026	Council Actual 2025
Total annual remuneration by band		
<$60,000	33	103
$60,000 – $79,999	133	75
$80,000 – $99,999	48	52
$100,000 – $119,999	28	25
$120,000 – $139,999	23	23
$140,000 – $159,999	8	13
$160,000 – $179,999	6	3
$180,000 - $259,999	6	8
$260,000 – $419,999	3	1
Total Council employees (Count of people)	**288**	**303**

Total remuneration includes any non-financial benefits provided to employees.

At balance date, the Council employed 169 (2025: 187) full-time employees, with the balance of staff representing 51 (2025: 41.25) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

EMPLOYEE BENEFIT EXPENSES

	Council Actual 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Salaries and wages	22,613	22,376	22,613	22,376
Increase/(decrease) in employee entitlements	88	(102)	88	(102)
Other employee benefit expenses	689	472	689	472
Employer contributions to superannuation schemes	655	600	655	600
Total employee benefit expenses	**24,045**	**23,347**	**24,045**	**23,345**

SEVERANCE PAYMENTS

For the year ended 30 June 2026 the Council made no severance payments to employees.

4. FINANCE COSTS

Accounting Policy

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

	Council Actual 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Interest on borrowings	7,902	9,661	7,902	9,661
Interest rate swaps (presented net)	1,317	19	1,317	19
Total finance costs	**9,219**	**9,680**	**9,219**	**9,680**

5. OTHER EXPENSES

Accounting Policy

GRANT EXPENSES

The Council's grants awarded have no substantive conditions attached.

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as an expense when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receiving the grant application and are recognised as an expense when approved by the Council and the approval has been communicated to the applicant.

FINANCE LEASES

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the commencement of the lease term, the Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

OPERATING LEASES

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expenses over the lease term.

FEES INCURRED FOR SERVICES PROVIDED BY OUR AUDIT FIRM

The Council and group's financial statements and service performance information for the year ended 30 June 2026 (the "financial report") are audited by The Audit Office on behalf of the Auditor-General.

During the year, the following fees were incurred for services provided by our audit firm:

	Council Actual 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Audit of the financial report	376	341	376	341

The audit fee disclosed for the financial report represents the fee for the annual statutory audit engagement carried out under the Auditor-General's auditing standards, as described in the Independent Auditor's Report starting on page xxx. This fee also includes the audit of the summary annual report, also a statutory requirement, which is completed in conjunction with this engagement and not billed separately.

	Council Actual 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Audit or review related services				
Audit of the Long-Term Plan	–	–	–	–
Assurance engagement in relation to the Debenture Trust Deed	6	6	6	6
Other assurance services and other agreed-upon procedures engagements				
Local Water Done Well	–	16	–	16
Total fees incurred for services provided by the audit firm	**382**	**363**	**382**	**363**
Debtors written off	220	12	220	12
Impairment of receivables	297	164	297	164
Minimum lease payments under operating leases	175	174	175	174
Taxation compliance evaluation	36	30	36	30
Professional services	7,130	6,396	7,130	6,396
Asset maintenance contract expenditure	14,614	15,493	14,614	15,493
General grants	324	784	324	784
Expenditure on utilities	2,045	1,987	2,045	1,987
Costs for Central Districts WSCCO Establishment	2,705	–	2,705	–
Other	10,260	7,447	10,275	7,447
Total other operating expenses	**38,188**	**32,849**	**38,203**	**32,862**

FINANCE LEASES

Council does not have any finance leases (30 June 2025: nil).

OPERATING LEASES AS LESSEE

The Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	Council Actual $ 30 June 2026 $000	Council Actual $ 30 June 2025 $000	Group Actual $ 30 June 2026 $000	Group Actual $ 30 June 2025 $000
Non-cancellable operating leases as lessee				
Less than one year	330	345	330	347
Later than one year but not more than five years	103	391	103	419
Later than five years	–	–	–	–
Total non-cancellable operating leases	**433**	**736**	**433**	**766**

Leases can be renewed at the Council's option, with rents set by reference to current market rates of equivalent age and condition. The Council does have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on the Council by any of the leasing arrangements.

6. TAX

All the Council's sources of income are exempt from Income Tax under the provisions of the Income Tax Act 2007, and therefore no charge for income tax has been provided for.

7. CASH AND CASH EQUIVALENTS

Accounting Policy

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Breakdown of cash and cash equivalents and further information.

	Council Actual 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Cash at bank and in hand	14,234	15,192	14,291	15,240
Term deposit with maturities of less than three months	–	–	–	–
Total cash and cash equivalents	**14,234**	**15,192**	**14,291**	**15,240**
Cash and cash equivalents for the purpose of the statement of cash flows				
Cash at bank and in hand	14,234	15,192	14,291	15,240
Term deposits with maturities less than three months	–	–	–	–
Bank overdrafts	–	–	–	–
Total cash and cash equivalents for the purpose of the statement of cash flows	**14,234**	**15,192**	**14,291**	**15,240**

8. RECEIVABLES

Accounting Policy

RATES RECEIVABLE

The Council does not provide for Expected Credit Losses (ECL) on rates receivable. The Council has various powers under the Local Government (Rating)Act 2002 (LG(R)A) to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then the Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit. Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

The Chief Executive approved the write-off of rates receivable during the year under the LG(R)A as follows:

- Section 90A (Chief Executive may write off rates that cannot be recovered): $185,491.10 including a rates write-off from a property sale shortfall of $148,509.43 (2025: $14,654.28).
- Section 90B (Chief Executive may write off rates of deceased owners of Māori freehold land): $34,745.32 (2025: $35,864.57).
- Rates are "written off":
- when remitted in accordance with the Council's rates remission and postponement policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the LG(R)A.

Ratepayers can apply for payment plan options in special circumstances.

Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

OTHER RECEIVABLES

Trade and other receivables are initially measured at face value less any provision for impairment.

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

There is no concentration of credit risk with respect to receivables outside the group, as the group has a large number of customers.

As of 30 June 2025 and, 2026 all overdue receivables, except for rates receivables, have been assessed for impairment and appropriate provisions applied based on a general approach based on the aging of debt.

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

The Council and Group apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

Breakdown of receivables and further information

	Note	Council Actual 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Gross debtors and other receivables					
Rates receivables		5,568	5,126	5,568	5,368
Related party receivables	27	–	–	–	–
Prepayments		1,714	1,352	1,714	1,352
GST receivable		845	1,305	845	1,305
Other receivables		6,615	7,348	6,615	7,106
Total gross debtors and other receivables		**14,742**	**15,131**	**14,742**	**15,131**
Less provision for impairment of receivables		(1,219)	(923)	(1,219)	(923)
Net debtors and other receivables		**13,523**	**14,208**	**13,523**	**14,208**
Less non-current portion:		–	–	–	–
Total current portion debtors and other receivables		**13,523**	**14,208**	**13,523**	**14,208**
Receivables from non-exchange transactions – this includes outstanding amounts for rates, grants, infringements, and fees and charges for activities that are partly subsidised by rates.		13,432	14,161	13,432	14,161
Receivables from exchange transactions – this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates.		91	47	91	47
Total debtors and other receivables transactions		**13,523**	**14,208**	**13,523**	**14,208**

In measuring ECLs, receivables have been grouped into rates receivables and other receivables and assessed on a collective basis because they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on the aging buckets.

Movements in the provision for impairment of receivables are as follows:

	2026 $000	2025 $000
Opening balance adjustment due to adoption of PBE IPSAS 41	923	808
Individual Impairment	–	–
Collective Impairment	–	–
Increased Provision	297	115
Allowance for doubtful debts for trade receivable at 30 June	**1,220**	**923**

The ageing profile of receivables excluding property rates, for the year ended 30 June is outlined below:

	30 June 2026				30 June 2025			
	Gross $000	Expected Credit Loss %	Provision for impairment $000	Net $000	Gross $000	Expected Credit Loss %	Provision for impairment $000	Net $000
Not past due	91	0%	–	91	97	0%	–	97
1-30 days	904	0.71%	6	897	835	0.71%	6	829
31-60 days	240	9.56%	23	217	159	9.56%	15	144
61-90 days	24	25.63%	6	18	29	25.63%	7	21
> 90 days	1501	78.91%	1,184		1,289	69.40%	894	394
Total	**2,760**		**1,220**		**2,409**	**–**	**923**	**1,486**

9. INVENTORY

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Non-commercial: measured at cost, adjusted for any loss of service potential.
- Commercial: measured at the lower of cost and net realisable value.

PBE IPSAS 12.17,35 Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first. PBE IPSAS 12.16 Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition. PBE IPSAS 12.44.

Any write-down from cost to net realisable value or for the loss of service potential is recognised in surplus or deficit in the year of the write-down. PBE IPSAS 16.71.

When land held for development and future resale is transferred from investment property/property, plant, and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

PBE IPSAS 16.71 Costs directly attributable to the developed land are capitalised to inventory, except for infrastructural asset costs, which are capitalised to property, plant, and equipment.

10. NON-CURRENT ASSETS HELD FOR SALE

Accounting Policy

Assets held for sale are recognised when their carrying mount will be recovered principally through a sale transaction rather than through continuing use, and when a sale is considered highly probable within the next 12 months. Such assets are measured at the lower of their carrying amount and fair value less costs to sell. Accordingly, the amounts disclosed in the statement of financial position represent the net realisable value, after deducting estimated costs of disposal.

Any impairment losses for write-downs of non-current assets held for sale are recognised through surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses (net of depreciation) that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

	Council Actual 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Land & Buildings	3,351	1,942	3,351	1,942
Total assets held for sale	**3,351**	**1,942**	**3,351**	**1,942**

There are three assets held for sale as at 30 June 2026 (two assets for 30 June 2025).

They include:

1. Levin War Memorial Hall at 1A Chamberlain Street, 33, 35 and 37 Queen Street, Levin, and Levin Village Green at Salisbury Street, Levin.
2. The Warehouse Carpark, Levin.
3. The Bath Street and Salisbury Street Levin Carpark including 28 Durham Street, Levin.

The Levin War Memorial Hall has a signed conditional Sale and Purchase Agreement. Settlement will occur once the conditions have been satisfied.

The Warehouse Carpark, Levin has a signed conditional Sale and Purchase Agreement pending settlement.

The Bath Street and Salisbury Street Levin Carpark including 28 Durham Street, Levin, Sale and Purchase Agreement were in progress.

11. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

Accounting Policy

Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council's financing activities. In accordance with its treasury policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The resulting gains or losses are recognised in the surplus or deficit as the Council does not hedge accounts.

The portion of the fair value of an interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

Financial Instruments

The Council is party to financial instrument arrangements as part of its everyday operations. Revenue and expenses relating to financial instruments are recognised in the Statement of Comprehensive Income.

Financial instruments are comprised of:

- Financial assets – cash and cash equivalents, trade and other receivables, available for sale investments, derivative financial instruments
- Financial liabilities – trade creditors, borrowings, derivative financial instruments.

	Council Actual 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Asset				
Current asset				
Interest rate swaps	50	143	50	143
Non-current asset				
Interest rate swaps	411	159	411	159
Total derivative financial instrument asset	**461**	**302**	**461**	**302**
Liability				
Current liability				
Interest rate swaps	913	490	913	490
Non-current liability				
Interest rate swaps	619	983	619	983
Total derivative financial instrument Liability	**1,532**	**1,473**	**1,533**	**1,473**
Gain or loss on derivative financial instruments				
Opening balance	1,171	(1,177)	1,171	(1,177)
Closing balance	1,072	1,171	1,072	1,171
Derivative gain/(loss)	**99**	**(2,348)**	**99**	**(2,348)**

Fair value

The fair value of interest rate swaps have been derived using a discounted cash flows valuation technique based on quoted market prices.

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were $190.0m (2025: $178m and for the Group were $190m (2025: $178m). At 30 June 2026, the fixed interest rate of the cash flow interest rate swaps varied from 2.974% and 3.806% (2025 2.150% and 4.750%).

12. OTHER FINANCIAL ASSETS

Accounting Policy

INITIAL RECOGNITION AND MEASUREMENT

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through surplus or deficit (FVTSD).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of short-term receivables and payables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through surplus or deficit, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through surplus or deficit, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

The Group's financial assets include: cash and term deposits, receivables from exchange and non-exchange transactions, loans, investments in associates, CCOs & similar entities, unquoted financial instruments and derivative financial instruments. All unlisted shares have been valued at cost and not fair value.

SUBSEQUENT MEASUREMENT

For purposes of subsequent measurement, financial assets are classified into three categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains or losses (debt instruments)
- Financial assets at fair value through surplus or deficit.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains or losses are recognised in surplus or deficit when the asset is derecognised, modified or impaired. the Group's financial assets at amortised cost includes trade receivables from exchange transactions, receivables from non-exchange transactions, investments in associates, CCOs & similar entities, and term deposits.

FINANCIAL ASSETS AT FVOCI (DEBT INSTRUMENTS)

For debt instruments at FVOCI, interest income and impairment losses or reversals are recognised in the statement of financial performance and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income (OCI). Upon derecognition, the cumulative fair value change recognised in OCI is recycled to surplus or deficit.

The Group's debt instruments at FVOCI are derivative financial instruments.

FINANCIAL ASSETS AT FAIR VALUE THROUGH SURPLUS OR DEFICIT

A financial asset is measured at fair value through surplus or deficit unless it is measured at amortised cost or at fair value through other comprehensive revenue and expense. Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of financial performance.

DERECOGNITION

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

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

IMPAIRMENT

PBE IPSAS 41 requires the Group to record expected credit losses on all of its debt instruments classified at amortised cost or FVOCI. The Group recognises loss allowances for expected credit losses (ECLs) on financial assets at amortised cost, the allowances for receivables of exchange and non-exchange transactions are measured, using the simplified approach, at an amount equal to lifetime ECLs, while all other debt instruments classified at amortised cost are measured using the general approach.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis, based on historical experience, informed credit assessments, and including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group; or
- The financial asset is more than 90 days old.

The Group considers fixed interest and term deposit financial instruments to have low credit risk when its credit rating is equivalent to a credit rating of A+ or higher.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to the credit risk.

Debt instruments at amortised cost are held to maturity and may generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

	Council Actual 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Short-term deposits with maturities of 4 – 12 months	5,568	38,350	5,568	38,350
LGFA borrower note	2,233	1,219	2,233	1,219
Total current portion 4 – 12 months	**7,801**	**39,569**	**7,801**	**39,569**
Total Current portion	**7,801**	**39,569**	**7,801**	**39,569**
Non-current portion				
Short-term deposits non-current	–	5,000	–	5,000
Investment in CCOs and similar entities				
Unlisted shares in NZLGIC Limited	104	104	104	104
Unlisted shares in LGFA	100	100	100	100
Total investment in CCOs and similar entities	**204**	**204**	**204**	**204**
Investment in associates				
MW LASS	72	72	72	72
Total investment in associates	**72**	**72**	**72**	**72**
Other				
LGFA borrower notes	4,110	5,967	4,110	5,967
Community loans		–		–
Total other	**4,110**	**5,967**	**4,110**	**5,967**
Total non-current portion	**4,386**	**11,243**	**4,386**	**11,243**
Total other financial assets	**12,187**	**50,812**	**12,187**	**50,812**

Fair value

All unlisted shares have been valued at cost and not fair value. The carrying amount of term deposits and LGFA borrower notes approximates their fair value.

Maturity analysis and effective interest rates

	Council Actual 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Short-term deposits with maturities of 4–12 months	5,000	38,350	5,000	38,350
Average maturity	455 Days	358 Days	455 Days	358 Days
Weighted average effective interest rate	3.61%	4.32%	3.61%	4.32%
Investments maturing after 1 year but less than 5 years	**350**	**5,000**	**350**	**5,000**
Average maturity	365 Days	425 Days	365 Days	425 Days
Weighted average effective interest rate	3.90%	5.81%	3.90%	5.81%

IMPAIRMENT

There were no impairment provisions for other financial assets. None of the financial assets are past due date or impaired.

Other Gains/(Losses)

	Note	Council Actual 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Non–financial instruments					
Gain/(loss) on changes in fair value of forestry assets	18	(216)	(46)	(216)	(46)
Gain on disposal of property, plant and equipment		41	1	41	1
Loss on disposal of property, plant and equipment		(7,043)	(2,828)	(7,043)	(2,828)
Gain/(loss) on changes in fair value of investment property	19	25	(205)	25	(205)
Total non–financial instruments		**(7,193)**	**(3,078)**	**(7,193)**	**(3,078)**
Financial instruments					
Gain/(loss) on revaluation of financial liabilities		–	173	–	173
Gain/(loss) on revaluation of financial assets		(7)	21	(7)	21
Total financial instruments		**(7)**	**194**	**(7)**	**194**
Total gains/(losses)		**(7,200)**	**(2,884)**	**(7,200)**	**(2,884)**

13 INVESTMENT IN CCO'S, SIMILAR ENTITIES, AND ASSOCIATE

The Local Government Act 2002, Schedule 10 (28) requires Council to provide information with regard to organisations under the control of the Council.

Shannon Community Development Trust

NATURE AND SCOPE OF ACTIVITIES PROVIDED

The Shannon Community Development Trust has been set up for the benefit of residents of the Shannon Township. The purpose of the Trust is, but not limited to, education activities, including scholarships for education purposes, the alleviation of hardship, the provision of training and equipment for the protection of the community, and the provision of financial assistance for events recognising the involvement of community members.

POLICIES AND OBJECTIVES ON OWNERSHIP AND CONTROL

The Trust was established on 02 August 2012. The Trust has five Trustees (excluding Advisory Trustees). The current Councillor for Miranui Ward will automatically be one of the five.

The Trust is an exempt Council Controlled Organisation (CCO), as it has not been established for the purposes of making a profit and is not intended to be a CCO under the Local Government Act 2002. The Trust is exempt from reporting its performance under the Local Government Act 2002, schedule 10 (7) to 30 June 2027 as approved by Council on 30 October 2024.

The Council receives the Trust's annual report. The annual accounts are included in the Group financials for 30 June 2026.

MANAWATŪ-WHANGANUI LOCAL AUTHORITY SHARED SERVICES LIMITED (MW LASS)

Nature and scope of activities provided

MW LASS was formed in October 2008 by seven local councils to provide an "umbrella vehicle" for councils of the Manawatū-Whanganui region to investigate, procure, develop and deliver shared services.

POLICIES AND OBJECTIVES ON OWNERSHIP AND CONTROL

The company comprises of a Board of eight directors, seven CEOs of the shareholding councils and one Independent Director. The Board oversees the governance of MW LASS.

To date there has been one call on share capital and MW LASS is now trading. The Council owns one seventh or 14% of this company and has a $16,000 share capital.

The company is exempt from reporting its performance under the Local Government Act 2002, schedule 10 (7) to 30 June 2027 as approved by Council on 30 October 2024.

14 INVESTMENT IN JOINT OPERATIONS

ACCOUNTING POLICY

A joint arrangement is a binding arrangement that confers enforceable rights and obligations on the parties to the arrangement and that is subject to joint control. Joint control is the agreed sharing of control where decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as a joint operation or a joint venture. The classification depends on the rights and obligations of each party under the joint arrangement. The Council reviews the legal form, terms of the binding agreement, and other facts and circumstances relevant to its interest in determining the classification of the joint arrangement.

For joint operations, the Council and the Group recognise the direct right to the assets, liabilities, revenues, and expense of joint operations and its share of any jointly held or incurred assets, liabilities, revenue, and expenses. Assets, liabilities, revenues, and expenses relating to Council's interest in a joint operation are accounted for in line with Council's accounting policies and included in the relevant line items of the Council and the Group's financial statements

Council has no investment in joint operations.

15 PROPERTY, PLANT AND EQUIPMENT

Accounting policy

PROPERTY, PLANT AND EQUIPMENT CONSIST OF:

- ***Operational assets*** – These include land, buildings, library collections, plant and equipment and motor vehicles.
- ***Infrastructure assets*** – Infrastructure assets are fixed utility systems owned by the Council that provide core services to the community. Each asset class comprises all components required for the network to operate effectively. For example, the sewerage network includes reticulation pipes, pump stations, and associated land and buildings. Roading assets include the constructed road surface as well as associated infrastructure such as footpaths, kerb and channel, streetlights, signage, and other elements that support the transport network. Solid waste assets include landfills and waste transfer stations, along with the land and buildings necessary to support the collection, transfer, and disposal of waste.
- ***Restricted assets*** – Restricted assets are parks and reserves, cemeteries and endowment properties and associated built assets owned by the Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

ADDITIONS

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

Work in progress is recognised at cost less impairment and is not depreciated.

DISPOSALS

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included through the surplus or deficit.

When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

SUBSEQUENT COSTS

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

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

IMPAIRMENT OF PROPERTY, PLANT, AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increase the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus or deficit, a reversal of the impairment loss is also recognised in surplus or deficit. For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in surplus or deficit.

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

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

DEPRECIATION

The Council's depreciation is provided on a straight-line basis on all property, plant and equipment (other than land) at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The average useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

	Useful Life	Depreciation Rate
OPERATIONAL ASSETS		
Land	NA	0%
Buildings	25 to 100 years	1% to 4%
Other Improvements	5 to 100 years	1% to 20%
Library Collections	3 to 10 years	10% to 33.33%
Motor Vehicles	4 to 20 years	5% to 25%
Computer Equipment	3 to 10 years	10% to 33.33%
Furniture and Fittings	3 to 20 years	5% to 33.33%
Other Plant	3 to 50 years	2% to 33.33%
RESTRICTED ASSETS		
Land	NA	0%
Buildings	25 - 100 years	1% to 4%
Other Improvements	5 - 100 years	1% to 20%
INFRASTRUCTURE ASSETS		
Solid Waste:		
Land	NA	0%
Buildings	25 - 100 years	1% to 4%
Other Improvements	5 - 100 years	1% to 20%
Plant and Equipment	3 - 10 years	10% to 33.33%
Landfill Infrastructure	3 - 50 years	2% to 33.33%

	Useful Life	Depreciation Rate
Roading:		
Basecourse	50 - 70 years	1.43% to 2%
Berm	100 years	1%
Bridge	70 - 75 years	1.33% - 1.43%
Drainage	40 - 80 years	1.25% - 2.50%
Footpath	20 - 120 years	0.83% - 5.00%
Minor Structures	70 years	1.43% - 0.70%
Railings	20 - 50 years	2.00% - 5.00%
Retaining Walls	50 - 100 years	1.00% - 2.00%
Sealed Road Surfacing	8 - 20 years	5.00% - 12.50%
Shared Paths	20 - 70 years	1.43% - 5.00%
Signs	12 years	8.33% - 8.33%
Streetlights	20 - 50 years	2.00% - 5.00%
Surface Water Channel	50 - 90 years	1.11% - 2.00%
Unsealed Road Surfacing	2 - 5 years	20.00% - 50.00%
Stormwater Drainage:		
Storm Manhole	51 - 100 years	1% to 1.96%
Storm Service Line	26 - 100 years	1% to 3.85%
Plant Equipment	14 - 60 years	1.67% to 7.14%
Storm Main	12 - 116 years	0.86% to 8.33%
Storm Inlet	38 - 80 years	1.25% to 2.63%
Storm Channel	N/A	N/A
Storm Storage Basin	50 - 100 years	1% to 2%
Storm Valve	25 - 50 years	2% to 4%
Storm Meter	20 years	5% to 5%
Land	N/A	N/A
Building Component	55 - 71 years	1.41% to 1.82%
WASTEWATER TOTAL:		
Sewer Main	9 - 162 years	0.62% to 11.11%
Sewer Manhole	11 - 155 years	0.65% to 9.09%
Sewer Service Line	8 - 105 years	0.95% to 12.5%
Plant Equipment	9 - 65 years	1.53% to 11.11%
Sewer Valve	10 - 86 years	1.16% to 10%
Sewer Meter	19 - 48 years	2.08% to 5.26%
Land	N/A	N/A
Building Component	40 - 95 years	1.05% to 2.5%

	Useful Life	Depreciation Rate
WATER TOTAL:		
Sewer Main	100 years	1% to 1%
Sewer Manhole	80 - 100 years	1% to 1.25%
Sewer Service Line	100 years	1% to 1%
Water Hydrant	8 - 107 years	0.93% to 12.5%
Water Valve	8 - 130 years	0.77% to 12.5%
Water Main	8 - 137 years	0.73% to 12.5%
Water Meter	9 - 100 years	1% to 11.11%
Water Service Line	8 - 145 years	0.69% to 12.5%
Plant Equipment	10 - 106 years	0.94% to 10%
Water Miscellaneous	58 - 60 years	1.67% to 1.72%
Water Storage Unit	50 - 59 years	1.69% to 2%
Water Backflow	9 - 54 years	1.85% to 11.11%
Land	N/A	N/A
Building Component	47 - 90 years	1.11% to 2.13%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Critical Accounting Estimates and Assumptions

ESTIMATING THE FAIR VALUE OF LAND, BUILDINGS, AND INFRASTRUCTURE

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

Land (Operational, Restricted and Infrastructural)

- Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.
- Where there is a designation against the land or the use of the land is restricted because of reserve or endowment status, the valuation approach reflects the restriction in use. Such land is valued based on rural land value plus a location adjustment to reflect different zoning, which are based on the valuer's judgement.
- Restrictions on the Council's ability to sell land would not normally impair the value of the land because the Council has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Buildings (Operational and Restricted)

- Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.
- Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions used in the 30 June 2026 valuation include:
  - The replacement costs of the specific assets are adjusted where appropriate for optimisation due to over-design or surplus capacity. There have been no optimisation adjustments for the most recent valuations.
  - The replacement cost is derived from recent construction contracts of modern equivalent assets and property institute of New Zealand cost information.
- There are no significant asbestos issues associated with the buildings.
- The remaining useful life of assets is estimated after considering factors such as the condition of the asset, future maintenance and replacement plans, and experience with similar buildings.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

REVALUATION

Land and buildings (operational and restricted) and infrastructure assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

The carrying values of revalued assets are assessed annually to ensure that those values are not materially different from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The Council accounts for revaluations of property, plant and equipment on a 'class of asset' basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value is recognised in the surplus or deficit, it will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expense.

Those asset classes that are revalued are valued on a three-yearly valuation cycle on the basis described below. All other asset classes are carried at cost less accumulated depreciation and impairment losses.

INFRASTRUCTURAL ASSETS

There are a number of assumptions and estimates used when performing depreciated replacement cost (DRC) valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for assets that are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by the Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.

- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or underestimating the annual depreciation charge recognised as an expense through surplus or deficit. To minimise this risk the Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives the Council further assurance over its useful life estimates.

ESTIMATING THE REPLACEMENT COST OF THE ASSET

- The replacement cost of an asset is based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth, and location.
- Refer to Note 20 for the carrying value of these assets.

REVALUATION SCHEDULE

Description	Date of last full asset valuation	Valuation method used to assess fair value for 2025/26	Valuation performed by	Next full asset revaluation date
Operational assets				
Land and buildings	30 June 2025	The fair value assessment was performed internally by Council as at 30 June 2026. In determining fair value on assets with Optimised Depreciated Replacement Costs, Capital Goods Price Index – Commercial Buildings is considered appropriate, being a capture of cost movement as relates to building cost assessed under this approach. It best reflects the likely movement for the assets in use but with no direct sales market. In terms of market movement for Market Based properties, a market review of land sales over the period would be more appropriate for all land types, with acceptance of minimal recent evidence occurring but at least a more like with like approach. Given the nature of Council's operational land and buildings assets, the likelihood of regular sales and purchases is rare. Therefore an ORDC approach is taken and the recommended market movement conducted by Independent registered valuers at CBRE | Valuation & Advisory Services was adopted for market based properties, reflecting an overall trend accepting incompatible comparisons for the market approach. The 2025/26 accounts have not been adjusted for the fair value movement as it was not deemed material.	CBRE | Valuation & Advisory Services	30 June 2028
Infrastructural assets				
Water reticulation, sewerage reticulation and stormwater systems	30 June 2024	The fair value assessment was performed internally by Council's Local Water team as at 30 June 2026. The approach continues to be the Optimised Depreciated Replacement Cost approach. In determining fair value on reticulation assets, Capital Goods Price Index – Civil Construction is considered appropriate, being a capture of cost movement as relates to cost assessed under this asset type. It best reflects the likely movement for the assets in use. In terms of fair value on treatment assets, Capital Goods Price Index – Plant, Machinery, and Equipment is considered appropriate, being a capture of cost movement as relates to cost assessed under this asset type. The 2025/26 accounts have not been adjusted for the fair value movement as it was not deemed material.	Internally by Council's Local Water Team	01 February 2027
Land and building portion of treatment plants	30 June 2024	The fair value assessment was performed internally by Council's Local Water team as at 30 June 2026. In determining fair value on land and building portion of treatment plants, Capital Goods Price Index – Non-Residential Buildings is considered appropriate, being a capture of cost movement as relates to building cost assessed under this approach. It best reflects the likely movement for the assets in use but with no direct sales market. The 2025/26 accounts have not been adjusted for the fair value movement as it was not deemed material.	Internally by Council's Local Water Team	30 June 2027

Description	Date of last full asset valuation	Valuation method used to assess fair value for 2025/26	Valuation performed by	Next full asset revaluation date
Solid Waste: Landfill	30 June 2026	The valuation of Council's closed landfills was independently valued with an effective date of 30 June 2026 by Stantec. The assessment covers the following district landfills: Levin Landfill (both the old, unlined landfill which closed in May 2004 and the new lined landfill which was closed in October 2021); and small closed landfills at Shannon, Foxton, and Foxton Beach. The Levin Landfill was closed in 2021 when the existing footprint area encompassing Stages 1A, 2 and 3 was filled. Since then, Council has decided to close the current landfill for the disposal of municipal solid waste. This is commented on further in this report. The landfill has now been fully capped and remediated. All activities to maintain this status and meet existing resource consent conditions have been taken account of in this assessment. There has been a reduction in the Landfill provision valuation due to the exclusion of the borrow area rehabilitation costs; deferring the leachate BPO construction and operation by 5 years; reducing the costs of upgrading the leachate pump; and income from forestry harvesting. More details can be found in Notes to the Financial Statements under "Provisions".	Stantec	30 June 2027
Solid Waste: operational assets	30 June 2025	Independent registered valuers at CBRE | Valuation & Advisory Services have valued the land and buildings assets with an effective date of 30 June 2025. The valuation has been established on the basis of "Market value" and "Fair value" being synonymous. In determining fair value on improved properties, Income approach (Income Capitalisation), Market approach (Net Rate) and Cost Approach (Depreciated Replacement Cost) were utilised.	CBRE | Valuation & Advisory Services	30 June 2028
Roading	30 June 2024	The fair value assessment was performed internally by Council's Roading team as at 30 June 2026. The percentage increase is calculated based on the Stats NZ/NZTA Waka Kotahi index at financial year end June 2024. Movement was evaluated by comparing June indices from 2024 to 2026. The 2025/26 accounts have not been adjusted for the fair value movement as it was not deemed material.	Internally by Council's Roading team	30 June 2027
Land Under Roads	NA	Land under Roads is carried at cost and under Roads is not revalued.		
Restricted assets				
Parks, Cemeteries, Endowment Land and Building Assets	30 June 2025	The fair value assessment was performed internally by Council as at 30 June 2026. In determining fair value on assets with Optimised Depreciated Replacement Costs, Capital Goods Price Index – Commercial Buildings is considered appropriate, being a capture of cost movement as relates to building cost assessed under this approach. It best reflects the likely movement for the assets in use but with no direct sales market. In terms of market movement for Market Based properties, a market review of land sales over the period would be more appropriate for all land types, with acceptance of minimal recent evidence occurring but at least a more like with like approach. Given the nature of Council's operational land and buildings assets, the likelihood of regular sales and purchases is rare. Therefore an ORDC approach is taken and the recommended market movement conducted by Independent registered valuers at CBRE | Valuation & Advisory Services was adopted for market based properties, reflecting an overall trend accepting incompatible comparisons for the market approach. The 2025/26 accounts have not been adjusted for the fair value movement as it was not deemed material.	Internally by Council	30 June 2028

Description	Date of last full asset valuation	Valuation method used to assess fair value for 2025/26	Valuation performed by	Next full asset revaluation date
Others				
Forestry	30 June 2026	Independent registered valuers at Forme Consulting Ltd have valued the forestry assets with an effective date of 30 June 2026. The forests had been valued using various methodology such as the Current Replacement Cost (CRC) approach, Crop Expectation Value (CEV) approach, and Immediate Liquidation (IL) approach. More details can be found in Note 18.	Forme Consulting Ltd	30 June 2027
Commercial properties	30 June 2026	Independent registered valuers at CBRE | Valuation & Advisory Services have valued the commercial assets as at 30 June 2026. The valuation has been established on the basis of "Market value" and "Fair value" being synonymous. In determining fair value on improved properties, Income approach and Market approach were utilised. More details can be found in Note 18.	CBRE | Valuation & Advisory Services	30 June 2027

Economic and Remaining Lives

The economic life of an asset is the period of time beyond which it is economically worthwhile to replace rather than to continue to repair or maintain. The economic life varies for each asset. These have been calculated in accordance with the New Zealand Institute of Asset Management (NZIAM) guidelines and then further modified if local knowledge and experience suggest this is appropriate.

There are assets within the asset register that have already exceeded their assumed useful life. Therefore, to account for these assets it has been assumed that each asset has a minimum remaining useful life of five years for long life assets and two years for short life span assets. Pipe assets have been given a minimum useful life of 10% of their expected useful life.

There have been no changes in useful lives for reticulation and non-reticulation assets. Useful lives for the treatment plant asset dataset are however revised and in line with the assets.

Resource consents are included and valued using the term of the consent. Where a consent has expired, we have assumed it has been rolled over.

2026	Cost / revaluation 1-Jul-25 $000	Accumulated depreciation and impairment charges 1-Jul-25 $000	Carrying amount 1-Jul-25 $000	Additions $000	Vested assets $000	Found assets $000	Disposals at cost $000	WIP Write Off $000	Depreciation $000	Transfer to Assets held for sale $000	Revaluation $000	Cost transfer $000	Cost / revaluation 30-Jun-26 $000	Net accumulated depreciation and impairment charges 30-Jun-26 $000	Carrying amount 30-Jun-26 $000
Council operational assets															
Land	22,622	–	22,622	–	–	–	(449)	–	–	(2,811)			19,362	(91)	19,271
Buildings	54,803	–	54,803	390	–	–	(254)	(79)	(1,297)	(549)			54,311	(1,346)	52,965
Library books and other lending stock	2,624	(1,484)	1,140	219	–	–	–	–	(219)	–			2,843	(1,703)	1,140
Plant and equipment	11,676	(7,204)	4,472	561	–	–	(62)	(7)	(823)	–			12,168	(8,002)	4,166
Total operational assets	**91,725**	**(8,688)**	**83,037**	**1,170**	**–**	**–**	**(765)**	**(86)**	**(2,339)**	**(3,360)**	**–**	**–**	**88,684**	**(11,142)**	**77,542**
Council infrastructural assets															
Wastewater total	235,430	(6,245)	229,185	9,503	1,476	***2,757***	(87)	–	(6,311)	–			249,078	(12,550)	236,528
Water total	178,308	(4,388)	173,920	4,866	1,021	***1,020***	(5,795)	–	(4,500)	–			179,420	(8,323)	171,098
Stormwater drainage	101,810	(1,499)	100,311	2,309	466	***340***	(62)	–	(1,536)	–			104,863	(3,034)	101,829
Solid waste	9,156	–	9,156	466	–	–	–	(0)	(59)	–	456		10,078	(538)	9,540
Roads & Footpaths	274,960	(5,457)	269,503	6,097	–	–	(3,844)	(1,995)	(5,423)	–			274,960	(8,120)	267,098
Land under roads	28,581	–	28,581	2,780	–	–	–	–	–	–			31,361	–	31,361
Total infrastructural assets	**828,244**	**(17,589)**	**810,655**	**26,021**	**2,963**	**4,117**	**(9,788)**	**(1,995)**	**(17,828)**	**–**	**456**	**–**	**850,018**	**(32,565)**	**817,454**
Council restricted assets															
Cemeteries	2,537	–	2,537	–	–	–	–	–	(27)	–			2,537	(27)	2,510
Parks and reserves	80,662	–	80,662	2,055	–	–	–	(51)	(1,531)	–			82,666	(1,531)	81,135
Endowment properties	14,305	–	14,305	2	–	–	(305)	–	(2)	–			14,002	(2)	14,000
Total restricted assets	**97,504**	**–**	**97,504**	**2,058**	**–**		**(305)**	**(51)**	**(1,533)**	**–**	**–**	**–**	**99,205**	**(1,560)**	**97,645**
		–													
Total Council PPE	**1,017,473**	**(26,277)**	**991,196**	**29,248**	**2,963**	**4,117**	**(10,858)**	**(2,132)**	**(21,727)**	**(3,360)**	**456**	**–**	**1,037,907**	**(45,267)**	**992,640**

* A total of $3.351 million of land and building assets was transferred to assets held for sale. Refer to Note 10, Non-current assets held for sale. The value transferred out of property, plant and equipment reflects the carrying amount of those assets at 30 June 2026. The value shown in Note 10 reflects the fair value of those assets, after taking into account estimated costs to sell.

WORK IN PROGRESS	30-Jun-26	30-Jun-25
Buildings	$277,338	$214,081
Wastewater	$16,534,472	$8,427,937
Water	$6,894,111	$15,368,882
Parks	$497,114	$834,613
Plant & Equipment	$51,190	$183,343
Stormwater	$6,208,322	$6,797,779
Cemeteries	$70,589	$237,097
Roading	$918,599	$2,424,105
Land under roads	$5,748,023	$2,981,885
Total	**$37,199,758**	**$37,469,722**

The Work in Progress in the table is included in the above asset schedule.

Movements in Work in Progress during 2025/26 reflect the timing and progress of Council's capital work programme. Balances have reduced where projects have been completed and capitalised, while increases reflect expenditure on projects that remain under construction or are not yet ready for capitalisation at year end.

Multiple large infrastructure projects spanning financial years remain in progress at year end. Wastewater includes the Tokomaru Wastewater Treatment Plant resource consent, Levin and Shannon wastewater network renewals, and Tara-Ika wastewater projects, including the Inlet Pipe and North-South Wastewater Pipe. The decrease in Water is primarily due to the capitalisation of residential water meter expenditure, with the remaining balance related to ongoing projects still under development or construction, including the Poads Reservoir consent and Levin water network renewal and upgrade projects. Stormwater decreased slightly following the capitalisation of the Coley Pond project, with the remaining balance relating to stormwater projects including the Levin Stormwater Network Device, Okarito Stormwater Connection and consenting projects for Levin and Foxton Beach, which remain in progress at year end. Land Under Roads work in progress relates entirely to land associated with the Tara-Ika development, with expenditure remaining in progress pending completion of the relevant land acquisition processes.

Restrictions on Title

There are no pledges or restrictions on titles for any properties, plant or equipment as per the accounting policies for restricted assets.

Replacement Cost of Infrastructural Assets

	Council Closing Book value 2026 $000	Council Transferred additions 2026 $000	Council Actual 2026 $000	Council Actual 2025 $000
Water other	171,098	1,021	283,650	279,096
Water treatment plant and facilities	–	–	6,175	6,001
Total Water	171,098	1,021	289,825	285,097
Waste water treatment plant and facilities	236,528	1,476	443,913	437,987
Wastewater other	–	–	15,109	14,682
Total Wastewater	236,528	1,476	459,022	452,669
Stormwater	101,829	486	152,823	149,520
Solid waste	9,540	–	17,157	16,482
Roading and footpaths	267,098	–	449,828	432,470
Total replacement cost of core infrastructure assets	**786,093**	**2,963**	**1,078,830**	**1,336,237**

Capital Commitments

	Council Actual 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Wastewater other	317	1,592	317	1,592
Water treatment	520	–	520	–
Stormwater	–	–	–	–
Roading	1,432	445	1,432	445
Buildings	302	–	302	–
Intangible	20	–	20	–
Parks	545	27	545	27
Total PPE capital commitments	**3,136**	**2,064**	**3,136**	**2,064**

2025	Cost / revaluation 1-Jul-24 $000	Accumulated depreciation and impairment charges 1-Jul-24 $000	Carrying amount 1-Jul-24 $000	Additions $000	Vested assets - restated $000	Disposals at cost $000	WIP Write Off $000	Depreciation $000	Revaluation $000	Cost transfers $000	Cost / revaluation - 30-Jun-25 $000	Accumulated depreciation and impairment charges 30-Jun-25 $000	Carrying amount 30-Jun-25 $000
Council operational assets													
Land	24,856	–	24,856	–	–	–	(1,401)	–	(833)	–	22,622	–	22,622
Buildings	50,130	(1,857)	48,273	743	–	(5)	(733)	(910)	1,520	5,915	54,803	–	54,803
Library books and other lending stock	2,410	(1,267)	1,143	315	–	(100)	–	(217)	–	–	2,624	(1,484)	1,140
Plant and equipment	14,279	(6,475)	7,804	1,245	–	(1)	–	(728)		(3,847)	11,676	(7,203)	4,472
Total operational assets	**91,674**	**(9,599)**	**82,075**	**2,303**	**–**	**(106)**	**(2,134)**	**(1,856)**	**687**	**2,068**	**91,725**	**(8,688)**	**83,037**
Council infrastructural assets													
Wastewater Total	230,164	–	230,164	6,114	424	(1,232)	–	(6,245)	–	(39)	235,430	(6,245)	229,185
Water supply Total	168,992	–	168,992	8,945	446	(74)	–	(4,388)	–	–	178,308	(4,388)	173,920
Stormwater drainage	100,200	–	100,200	1,787	55	(232)	–	(1,499)	–	–	101,810	(1,499)	100,311
Solid waste	8,980	(1,737)	7,243	44	–	–	–	(541)	2,409	–	9,156	–	9,156
Roads & Footpaths	269,300	–	269,300	7,326	–	(1,665)	–	(5,457)	–	–	274,960	(5,457)	269,503
Land under roads	25,785	–	25,785	2,797		–	–	–	–	–	28,581	–	28,581
Total infrastructural assets	**803,420**	**(1,737)**	**801,683**	**27,012**	**924**	**(3,203)**	**–**	**(18,130)**	**2,409**	**(39)**	**828,244**	**(17,589)**	**810,655**
Council restricted assets													
Cemeteries	2,385	(40)	2,345	270	–	–	–	(24)	(54)	–	2,537	–	2,537
Parks and reserves	80,063	(2,931)	77,132	1,658	–	–	–	(1,894)	3,700	66	80,662	–	80,662
Endowment properties	19,115	(629)	18,486	185	–	(274)	–	(341)	(1,617)	(2,134)	14,305	–	14,305
Total restricted assets	**101,563**	**(3,600)**	**97,963**	**2,113**	**–**	**(274)**	**–**	**(2,259)**	**2,029**	**(2,068)**	**97,504**	**–**	**97,504**
Total Council PPE	**996,655**	**(14,936)**	**981,719**	**31,428**	**924**	**(3,583)**	**(2,134)**	**(22,245)**	**5,125**	**(39)**	**1,017,473**	**(26,277)**	**991,196**

Restrictions on Title

There are no pledges or restrictions on titles for any properties, plant or equipment as per the accounting policies for restricted assets.

No items of any properties, plant or equipment were impaired, lost or given up.

16. INTANGIBLE ASSETS

Accounting policy

SOFTWARE ACQUISITION AND DEVELOPMENT

Acquired computer software licences are capitalised at cost, which includes all expenditure directly attributable to bringing the software into use.

Expenditure incurred in maintaining software is recognised as an expense when it is incurred.

Expenditure directly attributable to the development of internally used software is recognised as an intangible asset when the asset meets the recognition criteria. Directly attributable costs include software development costs, employee costs, and a proportionate share of relevant overheads.

Training costs are expensed as incurred. Similarly, costs associated with the development and maintenance of the Council's website are recognised as expenses when incurred.

SOFTWARE-AS-A-SERVICE (SAAS) ARRANGEMENTS

SaaS arrangements are treated as service contracts that provide the Council with access to cloud-based application software over the contract term.

Costs incurred to configure or customise SaaS applications, along with subscription fees and other ongoing access costs, are recognised as operating expenses when the related services are received.

However, where configuration or customisation activities result in the development of software code that enhances, modifies, or adds capability to existing on-premise systems, and the criteria for recognising an intangible asset are met, these costs are capitalised. Capitalised software assets are amortised on a straight-line basis over their estimated useful life. Useful lives are reviewed at the end of each financial year, and any change is accounted for prospectively as a change in accounting estimate.

EASEMENTS

Easements are recognised at cost, being the costs directly attributable in bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised but are instead tested for impairment annually.

LIFE OF EASEMENTS

Easements have been assessed as having an indefinite useful life because they provide the Council with access to infrastructural assets in perpetuity.

CARBON CREDITS

Purchased carbon credits are recognised at cost on acquisition and revalued to the market value annually at 30 June. Free carbon credits received from the Crown are recognised at fair value on receipt and revalued annually after that based on the market price for carbon credits. They are not amortised but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Carbon units have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit for as long as the Emissions Trading Scheme is in place.

AMORTISATION

The Council's carrying value of an intangible asset with a finite life is amortised on a 'straight-line' basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised through the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as:

Software licences - 3 to 10 years 10% to 33.3%

Internally generated intangible assets 3 to 10 years 10% to 33.3%

IMPAIRMENT OF INTANGIBLE ASSETS

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

For further details, refer to the policy for impairment of property, plant, and equipment in Note 15. The same approach applies to the impairment of intangible assets.

2026	Cost / revaluation 1-Jul-25 $000	Accumulated amortisation and impairment charges 1-Jul-25 $000	Carrying amount 1-Jul-25 $000	Additions 2025/26 $000	Vested assets 2025/26 $000	Disposals at Cost 2025/26 $00	Amortisation 2025/26 $000	Revaluation 2025/26 $000	Cost transfers 2025/26 $000	Cost / revaluation 2025/26 $000	Accumulated amortisation and impairment charges 30-Jun-26 $000	Carrying amount 30-Jun-26 $000
Council intangible assets												
Easements	284	–	284	–	–	–	–		–	284	–	284
Carbon credits	787	–	787	–	–	–	–	(75)	–	712	–	712
Computer software	5,291	(4,976)	315	5	–	–	(111)		–	5,296	(5,087)	209
Total council intangible assets	**6,362**	**(4,976)**	**1,387**	**5**	**–**	**–**	**(111)**	**(75)**	**–**	**6,291**	**(5,087)**	**1,204**

2025	Cost / revaluation 1-Jul-24 $000	Accumulated amortisation and impairment charges 1-Jul-24 $000	Carrying amount 1-Jul-24 $000	Additions 2024/25 $000	Vested assets 2024/25 $000	Disposals at Cost 2024/25 $00	Amortisation 2024/25 $000	Revaluation 2024/25 $000	Cost transfers 2024/25 $000	Cost / revaluation 2024/25 $000	Accumulated amortisation and impairment charges 30-Jun-25 $000	Carrying amount 30-Jun-25 $000
Council intangible assets												
Easements	284	–	284	–	–	–	–	–	–	284	–	284
Carbon credits	680	–	680	–	–	–	–	108	–	787	–	787
Computer software	5,101	(4,868)	233	85	–	–	(108)	–	105	5,291	(4,976)	315
Total council intangible assets	**6,065**	**(4,868)**	**1,197**	**85**	**–**	**–**	**(108)**	**108**	**105**	**6,362**	**(4,976)**	**1,386**

Restrictions

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

Impairment

EASEMENTS

Good practice Easements are not cash generating in nature, because they give the Council the right to access private property where infrastructural assets are located. As such, impairment of an easement is determined by considering the future service potential of the easement. No impairment losses have been recognised for easements, because they all have ongoing service potential.

Easements have been assessed as having an indefinite useful life because they provide the Council with access to infrastructural assets for an indefinite time.

CARBON CREDITS

The Council considers that there is no impairment of carbon credits held, because they are revalued annually.

17. DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY

	Council Actual $ 2026 $000	Council Actual $ 2025 $000
Community support	13	9
Regulatory services	27	27
Community facilities	1,494	1,475
Community infrastructure	1,301	1,498
Property	613	754
Roading	5,423	5,457
Solid waste	59	541
Stormwater	1,536	1,499
Wastewater	6,310	6,245
Water supply	4,500	4,379
Council operating assets	563	484
Total	**21,840**	**22,368**

Total depreciation includes Intangible amortisation of $111,257.69 which is outside of Note 15.

18. FORESTRY ASSETS

Accounting policy

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised through surplus or deficit.

The costs to maintain the forestry assets are included through surplus or deficit.

	Note	Council and Group Actual $ 2026 $000	Council and Group Actual $ 2025 $000
Balance at 01 July		1,446	1,411
Gains / (losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	12	(216)	(46)
Purchase of trees		–	80
Harvest of trees at the POT		–	–
Total Forestry assets		**1,230**	**1,446**

Council owns 135.7 hectares of Pinus radiata forest and other harvestable trees at varying stages of maturity, ranging from one to 22 years. This comprises Ferry Reserve (11.9 ha), Hōkio Landfill (37.3 ha), Target Reserve (15.3 ha), and The Pot Forest (71.2 ha).

Critical Accounting Estimates and Assumptions

FAIR VALUE OF FORESTRY ASSETS

Financial Risk Management Strategies

The forestry assets were independently valued by registered valuers, Forme Consulting Ltd, as at 30 June 2026. A storm event in February 2026 caused damage across several forestry sites. The impact of this event has been reflected in the assessment of the forestry assets, resulting in a reduction of 11.2 hectares in net stocked area compared with the previous valuation. Valuation assumptions adopted in determining the fair value of the forestry assets include:

- a pre-tax discount rate of 7.8% has been used in discounting the present value of expected cash returns;
- the value of the land, cost of owning the land, and isolated trees retained as shelterbelts are excluded from the valuation;
- Assessment of aerial and satellite imagery, updated stand map documentation and/or on-site evaluation has been used to confirm net stocked forest areas
- 12 quarter trend log pricing has been used reflecting the age of the various stands

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

There are no restrictions on titles and liabilities for forestry.

19 INVESTMENT PROPERTY

Accounting policy

Properties leased to third parties under operating leases are classified as investment property, unless the property is held to deliver Council services rather than to earn rental income or for capital appreciation.

Investment Property is measured initially at cost, including transaction costs.

After initial recognition, all investment property is measured at fair value. Fair value is determined annually by an independent valuer in accordance with PBE IPSAS 16 Investment Property.

Gains or losses arising from a change in the fair value of investment property are recognised through surplus or deficit in the period in which they arise.

The value in use for cash-generating is the present value of expected future cash flows.

	Note	Council and Group Actual $ 2026 $000	Council and Group Actual $ 2025 $000
Balance at 01 July		3,015	2,500
Additions from acquisitions		–	720
Additions from subsequent expenditure		–	–
Disposals		–	–
Transfer from / (to) assets held for sale		–	–
Fair value gains / (losses) on valuation	12	25	(205)
Total Investment property		**3,040**	**3,015**

The Council's investment properties are revalued annually to fair value as at 30 June 2026, in accordance with PBE IPSAS 16. For the year ended 30 June 2026, the fair value was assessed at $3.040 million (2025: $3.015 million).

Valuations were undertaken by registered valuers Bruce Lavender (FNZIV, FPINZ) and Taylor Archibald (BBS (VPM), MPINZ) from CBRE, experienced valuers with extensive market knowledge in the types of investment properties owned by Horowhenua District Council.

In determining fair value for improved investment properties, the following valuation approaches were applied:

- Income Approach predicted on the conversion of actual net income.
- Market Approach, involving comparison with identical or similar properties.

There are no title restrictions or liabilities associated with these investment properties.

As at 30 June 2026, the Council had contractual obligations of $57,000 in relation to capital or operating expenditure on investment properties (2025: $126,000).

Revenue and expenditure

	Council and Group Actual $ 2026 $000	Council and Group Actual $ 2025 $000
Rental revenue	297	246
Direct operating expenses from Investment property generating revenue	(231)	(107)
Direct operating expenses from Investment property not generating revenue	–	(4)
Contractual obligations for capital expenditure	–	–
Contractual obligations for operating expenditure	(8)	(9)
Surplus / (deficit) from investment property	**57**	**126**

20. PAYABLES AND DEFERRED REVENUE

Accounting policy

Short-term creditors and other payables are recorded at their face value.

	Council Actual $ 2026 $000	Council Actual $ 2025 $000	Group Actual $ 2026 $000	Group Actual $ 2025 $000
Trade payables	6,951	9,092	6,062	9,092
Retentions	827	645	827	645
Deposits and bonds	577	794	577	794
Accrued expenses	1,370	3,500	1,370	3,500
Rates and other revenue in advance	2,929	3,744	2,929	3,744
Other	847	898	847	880
Term deposit held for Shannon Community Trust	350	350	350	350
Total payables and deferred revenue	**13,851**	**19,023**	**12,961**	**19,005**
Exchange transactions	12,290	16,303	11,399	16,285
Non-exchange transactions	1,561	2,720	1,562	2,720
Total payables and deferred revenue transactions	**13,851**	**19,023**	**12,901**	**19,005**

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

21. BORROWINGS AND OTHER FINANCIAL LIABILITIES

Accounting policy

INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities at amortised cost are classified, at initial recognition and include loans and borrowings, or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include payables under exchange transactions and loans and borrowings.

SUBSEQUENT MEASUREMENT

After initial recognition, interest-bearing loans and borrowings or payables are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains or losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of financial performance.

DERECOGNITION

A financial liability is derecognised when the obligation under the liability is discharged, waived, cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of financial performance.

BORROWINGS AND ALL OTHER FINANCIAL LIABILITIES

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings due to be settled within 12 months of balance date are treated as current liabilities. All other borrowing is classified as long term liabilities.

FINANCIAL GUARANTEE CONTRACTS

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

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined, liability is only recognised when it is probable there will be an outflow under the guarantee. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the higher of:

1. The estimated amount determined if it is probable there will be an outflow to settle the guarantee; and
2. The amount initially recognised less, when appropriate, cumulative amortisation as revenue.

	Council Actual $ 2026 $000	Council Actual $ 2025 $000	Group Actual $ 2026 $000	Group Actual $ 2025 $000
Current				
Bank overdraft	–	–	–	–
Secured loans	85,151	59,000	85,151	59,000
Total current borrowings	**85,151**	**59,000**	**85,151**	**59,000**
Non-current				
Secured loans	118,000	181,000	118,000	181,000
Unsecured loans	4,003		4,003	
Total non–current borrowings	**122,003**	**181,000**	**122,003**	**181,000**
Total borrowings	**207,154**	**240,000**	**207,154**	**240,000**

The Council manages its borrowings in accordance with its funding and financial policies, including a liability management policy, which has been adopted as part of the Council's Long Term Plan (LTP).

FIXED RATE DEBT

The Council's secured debt of $59,000,000 (2025: $54,000,000) is issued at rates of interest fixed at time of issue. $14,000,000 of secured debt is on Commercial Paper issued on a discount to par basis.

FLOATING RATE DEBT

The Council has $143,000,000 of secured debt on current floating rate (2025: $172,000,000). The interest rate is reset quarterly based on the 90-day bill rate plus a margin for credit risk.

OTHER RATE DEBT

The Council has $4,003,077 of unsecured debt with NIFF, on a 0% interest rate with a default interest rate of 10%.

OVERDRAFT

The Council has an operating overdraft facility with BNZ of $3m.

CUSTOMISED AVERAGE RATE LOAN FACILITY

The Council has a CARL (Customised Average Rate Loan) of $7m with BNZ. Of the $7m BNZ CARL facility, $0 was drawn down as at 30 June 2026 (2025: $0)

The Council has a standby credit facility of $20m with LGFA which has not been included in the financial statements.

CREDIT CARD

The Council has a Visa card facility of $50,000 with BNZ. There were seven credit cards issued during the financial year ended 30 June 2026 utilising $35k of the available facility.

The current balances of the cards on issue are recorded in the financial statements, but the remaining balance of the total facility are not recorded in the financial statements.

SECURITY

All the Council's secured loans are secured under the terms of the Debenture Trust Deed between the Council and Covenant Trustee Services Ltd as Trustee. Security is by a charge over the Council's ability to levy rates in favour of the Trustee.

Pursuant to the Debenture Trust Deed, the Council has issued to its bankers' security certificates totalling $222m to secure the various bank loan facilities and guarantees issued on behalf of the Council and other general banking facilities.

An additional $26,550m of security certificates have been issued as part of the LGFA agreement to jointly secure debt issues with other shareholding councils.

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

	Secured Loans Actual $ 2026 $000	Secured Loans Actual $ 2025 $000	Bank Overdraft Actual $ 2026 $000	Bank Overdraft Actual $ 2025 $000
Less than one year	85,151	59,000	–	–
Effective weighted average interest rate	3.36%	3.52%	–	–
Later than one year but not more than five years	118,734	181,000	–	–
Effective weighted average interest rate	3.29%	3.52%	–	–
Later than five years	3,269	–	–	–
Effective weighted average interest rate	–	–	–	–
Total borrowings	**207,151**	**240,000**	**–**	**–**

The effective weighted average interest rate excludes the $4.003 million loan from NIFF at nil interest.

RECONCILIATION OF MOVEMENTS IN LIABILITY ARISING FROM FINANCIAL ACTIVITIES

	Borrowing $000	Derivative (Market to market movements) $000	Other $000
Balance at 1 July 2025	240,000	701	–
Cash inflows	7,000	–	–
Cash outflows	(40,997)	–	–
Non-cash changes	–	(99)	–
Balance at 30 June 2026	**206,003**	**602**	**–**
Balance at 1 July 2024	202,000	(1,647)	–
Cash inflows	67,000	–	–
Cash outflows	(29,000)	–	–
Non-cash changes	–	2,348	–
Balance at 30 June 2025	**240,000**	**701**	**–**

These figures exclude interest payable as at balance date accruals.

FAIR VALUE OF BORROWINGS

The carrying amounts and the fair values of borrowings are as follows:

	CARRYING AMOUNTS		FAIR VALUES	
	Actual $ 2026 $000	Actual $ 2025 $000	Actual $ 2026 $000	Actual $ 2025 $000
Secured Loans	202,000	240,000	202,000	240,000
Total secured borrowings	**202,000**	**240,000**	**202,000**	**240,000**

The carrying amounts of borrowings repayable within one year approximate their fair value. The fair values are based on cash flow using a rate based on the weighted borrowing rates ranging from 1.0700% to 5.1700% (2025: 1.0700% to 5.1700%). The weighted borrowing rates exclude the NIFF loan of $4.003 million, refer Note 25, Unsecured Loans.

Internal borrowings

Information about internal borrowings per activity is provided on the activity funding impact statements within the Activity updates.

LGFA COVENANT COMPLIANCE

	Council Limits	LGFA Lending Policy	Actual 30 June 2026	Actual 30 June 2025
Net debt to total operating revenue	< 250%	< 250%	207%	199%
Net interest to total operating revenue	< 20%	< 20%	8%	9%
Net interest to annual rates revenue	< 25%	< 25%	10%	12%
Available financial accommodation to external indebtedness	> 110%	> 110%	123%	136%

With significant growth on the horizon, and an investment in three waters infrastructure still requiring investment from Council and growing significantly, we are maintaining our debt limit at 250% of operating income. Our debt is primarily driven by capital expenditure, and with growth comes a need to fund new infrastructure. In the longer term, when our water services are delivered by a new entity, we would likely reduce this limit to 225% which will still provide adequate borrowing in the event of a natural disaster and for investment in community infrastructure.

22. EMPLOYEE ENTITLEMENTS

Accounting policy

Employee benefit liabilities are calculated based on estimate of individual staff members reaching the long service leave milestones based on current salaries.

Short-Term Employee Entitlements

Employee benefits, that the Council expects to be settled within 12 months after the end of period in which the employee renders the related service, are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

The Council recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-Term Employee Entitlements

Entitlements that are payable beyond 12 months after the end of period in which the employee renders the related service, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

1. The likely future entitlements accruing to staff (based on years of service), years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
2. The present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability. Nonvested retirement and long service leave expected to be settled within 12 months of balance date are also classified as a current liability. All other employee entitlements are classified as a non-current liability

	Note	Council Actual $ 2026 $000	Council Actual $ 2025 $000	Group Actual $ 2026 $000	Group Actual $ 2025 $000
Accrued pay		746	648	746	648
Annual leave		1,538	1,422	1,538	1,422
Long service leave		469	496	469	496
Retirement gratuities		–	–	–	–
Total employee benefit liabilities		**2,753**	**2,566**	**2,753**	**2,566**
Comprising:					
Current		2,256	2,070	2,256	2,070
Non-current		496	496	496	496
Total employee benefit liabilities		**2,752**	**2,566**	**2,752**	**2,566**

Critical Accounting Estimates and Assumptions

ESTIMATING LONG SERVICE LEAVE OBLIGATIONS

Long service leave is calculated based on estimate of individual staff members reaching the long service leave milestones based on current salaries. Non-current employee benefit liabilities of $469k relates to Long service leave.

23. PROVISIONS

Accounting policy

The Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

	Council Actual $ 2026 $000	Council Actual $ 2025 $000	Group Actual $ 2026 $000	Group Actual $ 2025 $000
Current provisions are represented by:				
Landfill aftercare	1,018	2,190	1,018	2,190
Total current provisions	**1,018**	**2,190**	**1,018**	**2,190**
Non-current provisions are represented by:				
Landfill aftercare	12,210	12,621	12,210	12,621
Total non-current provisions	**12,210**	**12,621**	**12,210**	**12,621**
Total provisions	**13,228**	**14,811**	**13,228**	**14,811**
Landfill aftercare				
Opening balance	14,811	10,597	14,811	10,597
Additional provisions made during the year	(911)	5,018	(911)	5,018
Amounts used during the year	(672)	(804)	(672)	(804)
Closing landfill aftercare balance	**13,228**	**14,811**	**13,228**	**14,811**

Provision for financial guarantees

The Council is listed as sole guarantor to a community organisation's bank loan.

The Council is obligated to make loan payments in the event the organisation defaults on a loan arrangement. The exercising of guarantees will be dependent upon the financial stability of the community organisation, which will vary over time; it is not considered to be necessary to make any provision as at 30 June 2026 (30 June 2025: $Nil). Refer to Note 25.

Critical accounting estimates and assumptions

ESTIMATING THE LANDFILL AFTERCARE COST

The Council gained resource consent in 2002 to operate a landfill near Levin. The Council has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill now that it is closed.

Cash outflows for landfill post-closure costs are now being incurred for closed cells, (a cell is a set area of the landfill), since the landfill has been fully closed since October 2021. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

The estimated future cash flows have been adjusted using the Treasury's CPI assumptions, ranging from 1.96% to 2.70% (2025: 1.98% to 2.10%), and discounted using rates ranging from 2.97% to 5.85% (2025: 3.14% to 5.99%). The estimated gross undiscounted cost was $23.2 million (2025: $24.8 million).

The management of the landfill will influence the timing of recognition of some liabilities – for example a liability relating to each cell will only be created when that cell is commissioned and when refuse begins to accumulate in the cell.

The provision was estimated by P Landmark of Stantec New Zealand as at 30 June 2026 (2025: P Landmark of Stantec New Zealand). P Landmark of Stantec New Zealand is an independent engineer and valuer.

Assumptions have been made that additional remediation, including repairs to the clay capping, is required and that environmental monitoring will be altered. It has also been assumed that pumping operations will need to continue for a period of at least 30 years after the closure of the landfill and post-closure costs have been assumed from information presented in the Ministry for the Environment (MfE) Closed Landfills Guideline. During the 2022/2023 financial year, the decision was made that the Levin Landfill will remain closed and alternative uses will be investigated for the site. As the site is now permanently closed there is no remaining capacity and there is no remaining useful life.

During the 2024/25 financial year, following consultation with Stantec New Zealand, the Council determined that trade-waste costs associated with landfill aftercare should be included in the provision. These costs had previously been excluded because they were considered internal charges. Further analysis established that they represent costs incurred by the Council in fulfilling its landfill aftercare obligations. At 30 June 2026, approximately $3.2 million of the provision relates to trade-waste costs.

24. CONSTRUCTION CONTRACTS

Accounting policy

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract, and an allocation of overhead expenses incurred in connection with the Group's construction activities in general.

An expected loss on construction contracts is recognised immediately as an expense in surplus or deficit.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred. When it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised surpluses less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus surpluses less losses, the net amounts are presented as a liability.

Council has no Construction Contracts.

25. CONTINGENCIES

Accounting policy

GUARANTEES

The value of guarantees disclosed as contingent liabilities reflects The Council's assessment of the undiscounted portion of financial guarantees that are not recognised in the statement of financial position. See Note 23 Provisions, for information on recognised financial guarantees.

A condition of the sale of residential housing to Compassion Horowhenua was that the suspensory loan from Housing NZ (HNZ) to build the Cambridge St flats will transfer to Sisters of Compassion, but Council will issue security stock as guarantee for the loan. The maximum financial exposure Council is open to of $5,219k. The HNZ loan comprises two components being a development loan of $3.1m expiring 17 December 2028 and a modernisation loan of $2.1m expiring on 16 March 2029.

	Note	Council Actual $ 2026 $000	Council Actual $ 2025 $000	Group Actual $ 2026 $000	Group Actual $ 2025 $000
Guarantees		5,219	5,219	5,219	5,219
Government grant		–	–	–	–
Total contingencies		**5,219**	**5,219**	**5,219**	**5,219**

Riskpool

The Council was previously a member of the New Zealand Mutual Liability Riskpool Scheme ("Riskpool"), through which it obtained public liability and professional indemnity cover. Riskpool operated as a mutual fund under which members made annual contributions to obtain cover. The Scheme is now in wind-down; however, the Council has an ongoing obligation to contribute to the Scheme should a funding call be made in respect of historical claims, to the extent that those claims are not covered by reinsurance or where recovery from reinsurers is delayed, and to fund the ongoing operation of the Scheme.

During the 2025/26 financial year:

1. A Deed of Amendment and Restatement was executed by the trustee, Local Government Mutual Funds Trustee limited, and Civic Financial Services Limited, dated 11th March 2026.
2. The Council paid a Riskpool funding call of $3,832.21, including GST. The Council continues to obtain its current insurance cover through an insurance broker.

The likelihood of further calls in respect of historical claims diminishes over time as limitation periods expire. However, following the Supreme Court's August 2023 decision in Local Government Mutual Funds Trustee Limited v Napier City Council [2023] NZSC 97 concerning claims involving a mixture of weathertightness and non-weathertightness defects, a number of proceedings against Riskpool have progressed. Two of these proceedings were heard by the High Court during September and October 2025, with judgment awaited at the date of Riskpool's most recent update. These proceedings are expected to provide greater clarity regarding the scope of Riskpool's historical obligations and the interpretation of the Scheme documentation.

Reinsurance remains Riskpool's principal source of funding for settled or accepted claims. If reinsurance recoveries are delayed or unavailable, Riskpool may require further contributions from its members. As at 30 June 2026, Riskpool did not have sufficient information to determine whether a further funding call would be required during the 2026/27 financial year. Accordingly, no provision has been recognised by the Council. The timing and amount of any potential future call are uncertain, and the Council's potential liability cannot be reliably quantified.

LGFA

The Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of A+/Negative/A-1.

The Council is one of 31 local authority shareholders and 72 local authority guarantors of the NZLGFA. In that regard it has uncalled capital of $100k. When aggregated with the uncalled capital of other shareholders, $20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2026, NZLGFA had borrowings totalling $26,550m (2025: $25,530m).

Financial reporting standards require the Council to recognise the guaranteed liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Building Act claims

The Building Act of 2004 imposes certain obligation and liabilities on local authorities in respect to the issue of building consents and inspections of work done. There are currently no open claims.

Legal

Council has several ongoing legal proceedings. At this stage we are not anticipating any significant financial liability from these proceedings.

Leases

The leases for Waitārere Beach Motor Camp and Levin Holiday Park include provisions for Council to buy back the lessee's fixtures and improvements in certain circumstances totalling $1,590,000 (2025: $1,480,000). This estimate has been based on district rating valuations.

Personal grievances claims

Personal grievances claims represent amounts claimed by employees for personal grievances cases. There are two open personal grievances claims as at 30 June 2026 (2025: 0 personal grievances claims).

Contingent assets

Third parties including sports clubs and community groups are able to construct facilities (e.g. club rooms) on The Council owned land. The third parties control the use of these facilities and the Council will only gain control of the asset if the third party vacates the facility. Unless, and until, such event occurs these assets are not recognised as assets in the statement of financial position. As at 30 June 2026 including contingent liabilities, there were 17 facilities having an approximate net value of $29.785m (2025: 16 facilities, $26.59m). This estimate has been based on district rating valuations.

The Council also has a contingent asset in the land sold to the Foxton Medical Trust, which, should the Foxton Medical Trust sell the land, Council will receive the market value at the time of transfer.

Unsecured loan

Council has a loan agreement with NIFF previously known as Crown Infrastructure Partners Limited. As at 30 June 2026 the loan funding received by Council is $4,003,077. The loan agreement allows for a term of 15 years term at 0%, with a default rate of 10%. The loan is unsecured and is amortised over the life of the loan, with the first amortisation starting 31 October 2028.

The loan is through the COVID Response and Recovery Fund shovel ready project initiative aimed at unlocking a significant area of developable land and accelerating the overall supply of housing in Horowhenua district.

The Council has treated this as a loan as there must be mutual agreement that the terms of the loan have been met in order for each amortisation to occur.

26. EQUITY

Accounting policy

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into to the following components.

1. Retained earnings;
2. Asset revaluation reserves; and
3. Other reserves.

Asset Revaluation Reserves

This reserve relates to the revaluation of property, plant and equipment to fair value.

	Council Actual $ 2026 $000	Council Actual $ 2025 $000	Group Actual $ 2026 $000	Group Actual $ 2025 $000
Retained earnings				
As at 01 July	236,757	245,812	237,821	246,210
Transfers to:				
Special funds	(640)	(903)	(1,297)	(903)
Changes in PBE IPSAS standards	–	–	–	–
Adjustment	–	–	–	–
Additions adjustment	(1,946)	–	(1,946)	–
Disposals	3,551		3,551	
Transfers from:				
Special funds	102	306	102	306
Surplus / (deficit) for the year	3,405	(8,458)	3,403	(8,450)
As at 30 June	**241,228**	**236,757**	**241,634**	**237,163**
Other reserve funds (refer to Statement of Reserve Funds below)				
As at 01 July	9,999	9,402	9,999	9,402
Transfers to:				
Retained earnings	(102)	(306)	(102)	(306)
Transfers from:				
Retained earnings	641	903	641	903
As at 30 June	**10,538**	**9,999**	**10,538**	**9,999**
Asset revaluation reserves				
As at 01 July	555,002	549,773	555,007	549,775
Revaluation gains / (losses)	385	5,228	381	5,232
Transfers to:				
Asset revaluation reserve on disposals	(3,552)	–	(3,551)	–
As at 30 June	**551,836**	**555,002**	**551,837**	**555,007**

	Council Actual $ 2026 $000	Council Actual $ 2025 $000	Group Actual $ 2026 $000	Group Actual $ 2025 $000
Asset revaluation reserves consist of				
Operational assets				
Land & Buildings and Carbon Credits	36,082	36,930	36,082	36,930
Infrastructural assets				
Sewerage system	145,043	145,083	145,043	145,083
Water system	113,145	115,388	113,145	115,388
Stormwater drainage system	71,881	71,880	71,881	71,880
Solid waste	5,319	5,360	5,319	5,360
Roading network	124,718	124,718	124,718	124,718
Restricted assets				
Cemeteries	762	762	762	762
Parks and reserves	43,265	43,265	43,265	43,265
Endowment property	11,621	11,621	11,621	11,621
Total asset revaluation reserves	**551,835**	**555,007**	**551,835**	**555,006**
Total equity	**803,602**	**801,758**	**804,009**	**802,166**

Other Reserves

This reserve relates to restricted reserves which are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council. The details of the reserve funds can be found on the Statement of Reserve Funds.

Restricted reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by the Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Statement of Reserve Funds

Reserves are held to ensure that funds received for a particular purpose are used for that purpose, and any surplus created is managed in accordance with the reason for which the reserve was established. Surpluses held in reserve are credited with interest. Council holds 18 reserves, with four being restricted reserves. During the 2024/25 financial year, Council created two new reserve funds being the Waste Minimisation levy fund and the Adverse Event Fund.

Restricted reserves are reserves that have rules set by legal obligation that restrict the use that Council may put the funds towards. The remaining Council-created reserves are discretionary reserves which Council has established for the fair and transparent use of monies. Reserve balances are not separately held in cash, and the funds are managed as part of Council's treasury management.

Below is a list of current reserves outlining the purpose for holding each reserve and the Council activity to which each reserve relates, together with summary financial information across the year of the annual report:

2026	Opening Balance 2025 $000	Deposits for the year $000	Withdrawals for the year $000	Closing Balance 2026 $000
FOXTON BEACH FREEHOLDING FUND (PROPERTY)*				
Accumulated cash reserves from the Foxton Beach Endowment land sales under the separate Act gifting the land for the benefit of Foxton Beach inhabitants.	5,040	274	(100)	5,214
RESERVE LAND RESERVE (PARKS AND RECREATION)				
To hold funds derived from the sale of surplus reserve land to be spent on the future development of reserves under the Reserves Act.	231	9	–	240
ROAD UPGRADE RESERVE (ROADING ACTIVITY)				
To fund transport network improvements as approved by Council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.	980	36	–	1,016
WAIRARAWA STREAM WALKWAY				
To hold funds for the construction of a walkway along the Wairarawa stream.	69	3	–	72
Total restricted reserves	**6,320**	**322**	**(100)**	**6,542**
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR ROADING (ROADING ACTIVITY)				
To fund transport network improvements, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	107	5	–	112
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR WATER SUPPLIES (WATER SUPPLY ACTIVITY)				
To fund water supply improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	712	26	–	738
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR WASTEWATER SCHEMES (WASTEWATER ACTIVITY)				
To fund Wastewater Scheme improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	175	6	–	181
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR PARKS AND RESERVES (PARKS AND RECREATION ACTIVITY)				
To fund Parks and Reserves improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	821	31	–	852
ELECTION FUND (REPRESENTATION AND GOVERNANCE ACTIVITY)				
To smooth the rating impact of election costs and to fund any by-election.	30	1	–	31
CAPITAL PROJECTS FUND (ALL ACTIVITIES)				
To provide funds for strategic capital projects with the last $250,000 as a disaster relief working capital fund.	1,086	41	–	1,127
FOXTON CITIZENS FUND (COMMUNITY SUPPORT ACTIVITY)				
To provide a fund for awards in recognition of community service in Foxton.	5	–	–	5
HOCKEY TURF REPLACEMENT FUND (PARKS AND RECREATION - SPORTS GROUNDS)				
To fund the replacement of the water turf at Donnelly Park on behalf of the Turf Trust.	27	27	(2)	52

2026	Opening Balance 2025 $000	Deposits for the year $000	Withdrawals for the year $000	Closing Balance 2026 $000
ESPLANADE FUND (PARKS AND RECREATION) To provide a fund to construct or provide for possible public accessways to esplanade reserves created under the Resource Management Act.	166	7	–	173
SHANNON RAILWAY STATION FUND (PROPERTY ACTIVITY) Set aside from grants to preserve the historic Shannon Railway Station.	32	1	–	33
MAYORAL RELIEF FUND Set aside for use in a future disaster event.	87	3	(18)	72
LEVIN TOWN CENTRE PROJECT To fund identified projects within the Levin Town Centre Transformation programme of work.	131	165	–	296
WASTE MINIMISATION LEVY FUND (SOLID WASTE ACTIVITY) To fund waste minimisation initiatives in the Solid Waste activity	252	117	–	369
ADVERSE EVENT FUND To respond to Civil Defence Emergency Management (CDEM) events as they arise	48	2	(50)	–
Total Council-created reserves	**3,679**	**432**	**(70)**	**4,041**
Total all reserve funds	**9,999**	**754**	**(170)**	**10,583**

2025	Opening Balance 1 July 2024 $000	Deposits for the year $000	Withdrawals for the year $000	Closing Balance 30 June 2025 $000
FOXTON BEACH FREEHOLDING FUND (PROPERTY)* Accumulated cash reserves from the Foxton Beach Endowment land sales under the separate Act gifting the land for the benefit of Foxton Beach inhabitants.	5,036	287	(283)	5,040
RESERVE LAND RESERVE (PARKS AND RECREATION) To hold funds derived from the sale of surplus reserve land to be spent on the future development of reserves under the Reserves Act.	222	9	–	231
ROAD UPGRADE RESERVE (ROADING ACTIVITY) To fund transport network improvements as approved by Council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.	942	38	–	980
WAIRARAWA STREAM WALKWAY To hold funds for the construction of a walkway along the Wairarawa stream.	66	3	–	69
Total restricted reserves	**6,266**	**337**	**(283)**	**6,320**
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR ROADING (ROADING ACTIVITY) To fund transport network improvements, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	103	4	–	107
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR WATER SUPPLIES (WATER SUPPLY ACTIVITY) To fund water supply improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime	684	28	–	712

2025	Opening Balance 1 July 2024 $000	Deposits for the year $000	Withdrawals for the year $000	Closing Balance 30 June 2025 $000
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR WASTEWATER SCHEMES (WASTEWATER ACTIVITY) To fund Wastewater Scheme improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime	**168**	**7**	**–**	**175**
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR PARKS AND RESERVES (PARKS AND RECREATION ACTIVITY) To fund Parks and Reserves improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime	**789**	**32**	**–**	**821**
ELECTION FUND (REPRESENTATION AND GOVERNANCE ACTIVITY) To smooth the rating impact of election costs and to fund any by-election	**29**	**1**	**–**	**30**
CAPITAL PROJECTS FUND (ALL ACTIVITIES) To provide funds for strategic capital projects with the last $250,000 as a disaster relief working capital fund	**1,044**	**42**	**–**	**1,086**
FOXTON CITIZENS FUND (COMMUNITY SUPPORT ACTIVITY) To provide a fund for awards in recognition of community service in Foxton	**5**	**–**	**–**	**5**
HOCKEY TURF REPLACEMENT FUND (PARKS AND RECREATION - SPORTS GROUNDS) To fund the replacement of the water turf at Donnelly Park on behalf of the Turf Trust	2	25	–	27
ESPLANADE FUND (PARKS AND RECREATION) To provide a fund to construct or provide for possible public accessways to esplanade reserves created under the Resource Management Act	160	6	–	166
SHANNON RAILWAY STATION FUND (PROPERTY ACTIVITY) Set aside from grants to preserve the historic Shannon Railway Station.	31	1	–	32
MAYORAL RELIEF FUND Set aside for use in a future disaster event.	107	3	(23)	87
LEVIN TOWN CENTRE PROJECT To fund identified projects within the Levin Town Centre Transformation programme of work	17	114	–	131
WASTE MINIMISATION LEVY FUND (SOLID WASTE ACTIVITY) To fund waste minimisation initiatives in the Solid Waste activity	–	252	–	252
ADVERSE EVENT FUND To respond to Civil Defence Emergency Management (CDEM) events as they arise	–	48	–	48
Total Council-created reserves	**3,138**	**566**	**(23)**	**3,679**
Total all reserve funds	**9,402**	**903**	**(306)**	**9,999**

Capital Management

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

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

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

The Act requires Council to make adequate and effective provision in its LTP and its annual plan (where applicable) to meet the expenditure needs identified in those plans and the Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the financial policies in the Council's LTP.

27. RELATED PARTY TRANSACTIONS

Accounting policy

MANAWATŪ/WHANGANUI LOCAL AUTHORITIES SHARED SERVICES LIMITED (MW LASS)

This company was set up in 2008 by seven local councils to investigate the possibilities of economies of scale by joint procurement.

To date there has been one call on share capital, and the company is now trading. The Council owns one-seventh or 14% of this company and has a $16,000 share capital.

The company is considered to be a Council Controlled Organisation under the Local Government Act 2002, but the member councils have resolved that it is exempt for the purposes of section 6(4)(i) of that Act for 2025/2026, 2024/2025, 2023/2024, 2022/23 and 2021/22.

	Council Actual $ 2026 $000	Council Actual $ 2025 $000
Total MW LASS related party transactions	**173**	**116**

SHANNON COMMUNITY DEVELOPMENT TRUST

The Council holds $350,000 (2025: $350,000) on deposit on behalf of the Shannon Community Development Trust.

KEY MANAGEMENT PERSONNEL

During the year key management personnel (the Mayor, Councillors and senior managers) were involved in minor transactions with the Council (e.g. payment of rates, purchase of rubbish bags, and registration of dogs) as part of a normal customer relationship.

All related party transactions during the year were conducted on normal commercial terms and at arm's length.

In addition, the following transactions were conducted with key management personnel that are approved by the Office of the Auditor General:

	Council Actual $ 2026 $000	Council Actual $ 2025 $000
EM SERVICES (2020) LIMITED - in which Cr Ross Brannigan is a director / shareholder (without tax)	188	177
The Horowhenua Company Limited - in which Sarah Everton is a director / shareholder Payments of:	784	–
The Horowhenua Company Limited - in which Sarah Everton is a director / shareholder Revenue of:	(4)	
McLeods Book Centre (1965) Limited - in which Mayor Bernie Wanden is a director / shareholder	16	10
Total transactions with key management personnel	**984**	**187**

No provision has been required, nor any expense recognised, for impairment of receivables for any related party (2025: $Nil).

TE AWAHOU FOXTON COMMUNITY BOARD MEMBERS

There were no transactions carried out with related parties for the year ending 30 June 2025 and 30 June 2026.

KEY MANAGEMENT PERSONNEL COMPENSATION

	Council Actual $ 2026	Council Actual $ 2025
Remuneration		
Councillors *	$742,780	$714,485
Senior management team, including the Chief Executive	$1,949,579	$1,678,281
Total key management personnel remuneration	**$2,692,359**	**$2,392,767**
Full–time equivalent key management personnel		
Councillors**	25	12
Senior management team, including the Chief Executive***	7	7
Total full–time equivalent key management personnel	**32**	**19**

* The remuneration is exclusive of allowances.

** Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors. During the 2026 financial year Council elections resulted in some changes to the Councillors and Board members. The number of Councillors includes these changes. Additionally for the 2023 triennium, there were 2 additional Councillors for Māori ward, and 2 additional independent members for the Risk and Assurance Committee.

*** There is a total of 7 in the current senior management team. This includes the Group Manager of the Organisation Performance group who was seconded to CD Waters from 1 December 2025. This group will drive continuous improvement, innovation, and digital transformation, while also building Council's leadership capacity and supporting cross-functional ways of working. It will help the Council moves quickly to tackle challenges, deliver projects, and build a strong improvement culture within the organisation.

For the purposes of this table key management personnel comprise the Chief Executive Officer and other senior executives, and the mayor and councillors.

28. EVENTS AFTER BALANCE DATE

There have been no events after 30 June 2026 that have impacted the accounts.

With the establishment of Central District Waters (refer Note 31) Three Waters Reform/Central District Waters work has continued with the planning for the transfer of related assets and financial debt as from 01 July 2027.

The Government is progressing reforms to simplify the structure of local government in New Zealand and align local government arrangements with changes to the resource management and planning system. The reforms contemplate changes to the current structure and functions of territorial and regional authorities, including the potential establishment of unitary authorities (refer Note 32).

29A. FINANCIAL INSTRUMENT CATEGORIES

The following tables are comparisons of carrying amounts of the Group's financial assets and liabilities in each of the financial instrument categories.

	Note	Council Actual $ 2026 $000	Council Actual $ 2025 $000	Group Actual $ 2026 $000	Group Actual $ 2025 $000
Financial assets					
Mandatorily measured at FVTSD					
Derivative financial assets – not hedge accounted					
LGFA borrower notes	12	6,344	7,186	6,344	7,186
Interest rate Swap		461	302	461	302
Total Derivative financial assets		**6,805**	**7,488**	**6,805**	**7,488**
Amortised cost					
Cash and cash equivalents	7	14,234	15,192	14,291	15,240
Receivables (excluding GST receivables, prepayment and rates debtors)	8	13,523	14,208	13,523	14,208
Term deposits	12	5,568	43,350	5,568	43,350
Total at amortised costs		**33,325**	**72,750**	**33,382**	**72,750**
FVTOCRE					
FVOCRE due to irrevocable election – Listed and unlisted shares		204	204	204	204
Total at FVTOCRE		**204**	**204**	**204**	**204**
Total financial assets		**40,334**	**80,442**	**40,334**	**80,490**
Financial Liabilities					
Mandatorily measured at FVTSD					
Interest rate swap		1,533	1,473	1,533	1,473
Total mandatorily measured at FVTSD		**1,533**	**1,473**	**1,533**	**1,473**
Amortised cost					
Creditors and other payables	20	13,852	19,023	13,503	18,664
Borrowings and other financial liabilities	21	207,154	240,000	207,154	240,000
Total amortised cost		**221,006**	**259,023**	**220,657**	**258,664**
Total financial liabilities		**222,539**	**260,496**	**222,190**	**260,137**

29B. FAIR VALUE HIERARCHY

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

- **Level 1** – Quoted market price – Financial instruments with quoted prices for identical instruments in active markets.
- **Level 2** – Valuation technique using observable inputs – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- **Level 3** – Valuation techniques with significant no n-observable inputs – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

	Note	Council 2026 $000	Council 2025 $000	Group 2026 $000	Group 2025 $000
Financial assets					
Swap derivatives	11	461	302	461	302
Financial liabilities					
Swap derivatives	11	1,533	1,473	1,533	1,473

There were no transfers between the different levels of the fair value hierarchy.

VALUATION TECHNIQUES WITH SIGNIFICANT NON-OBSERVABLE INPUTS (LEVEL 3)

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements.

	2026 $000	2025 $000
LGFA Borrower notes **Balance at 1 July**	7,186	4,162
Gain and losses recognised in surplus or deficit	(7)	172
Sales	(869)	–
Purchases	–	2,852
Balance at 30 June	**6,310**	**7,186**

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

29C. FINANCIAL INSTRUMENT RISKS

The Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Council and The Group have a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. The Council has established Council-approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered.

Market Risk

PRICE RISK

Price risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices. The Council is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through equity. This price risk arises due to movements in fair value of unlisted securities. This price risk is managed by a prohibition of further share investment in the Council's Investment Policy.

The Council holds unlisted equity instruments in Civic Financial Services Limited, which are not publicly traded. If the fair value of the shares had moved plus or minus 5%, the effect would have been to increase/decrease the fair value through equity reserve by $5,206 (2025: $5,206).

CURRENCY RISK

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Council is not exposed to currency risk, as it does not enter foreign currency transactions.

INTEREST RATE RISK

The interest rates on the Council's investments are disclosed in Note 19 and on the Council's borrowings in Note 21.

FAIR VALUE INTEREST RATE RISK

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates exposes the Council to fair value interest rate risk. The Council's liability management policy outlines the level of borrowing that is to be secured using fixed rate instruments. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk arising where the Council has borrowed at fixed rates. In addition, investments at fixed interest rates expose the Council to fair value interest rate risk.

CASH FLOW INTEREST RATE RISK

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Council to cash flow interest rate risk.

The Council manages its cash flow interest rate risk on borrowings by borrowing primarily at fixed rates and taking out swap contracts.

Generally, the Council raises long-term borrowings at floating rates. The Council liability management policy requires it to maintain at least 40% to 100% (0-2 years), 25% -80% (2-4years) and 0%-60% (4-8 years) of its borrowings at fixed rates of interest. To achieve this, the Council use interest rate swaps. Interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if the Council borrowed at fixed rates directly. Under the interest rate swaps, the Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts. The proportion of gross borrowing at a fixed interest rate of the year ended 30 June 2026 21.3% (2025: 40.8%).

CREDIT RISK

Credit risk is the risk that a third party will default on its obligation to the Council, causing the Council to incur a loss. Debtors and other receivables mainly arise from the Council's statutory functions, therefore there are no procedures in place to monitor or report the quality of debtors and other receivables with reference to internal or external credit ratings. The Council has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

The Council is exposed to credit risk as a guarantor of all LGFA's borrowings. Information about this exposure is explained in Note 25.

The Council invests funds only in government-guaranteed instruments, deposits with registered banks and local authority stock and its Investment Policy limits the amount of credit exposure to any one institution or organisation. Investments in other local authorities are secured by charges over rates. Accordingly, the Council does not require any collateral or security to support these financial instruments.

MAXIMUM EXPOSURE TO CREDIT RISK

The Council's maximum credit exposure for each class of financial instrument is as follows:

	Note	Council Actual $ 2026 $000	Council Actual $ 2025 $000	Group Actual $ 2026 $000	Group Actual $ 2025 $000
Cash at bank and term deposits	7, 12	19,802	58,542	19,859	58,590
Debtors and other receivables	8	13,523	14,208	13.523	14,208
Total credit risk		**33,324**	**72,750**	**33,381**	**72,798**

The Council is exposed to credit risk as a guarantor of all the LGFA's borrowings. Information about this exposure is explained in Note 21.

CREDIT QUALITY OF FINANCIAL ASSETS

The gross carrying amount of financial assets, excluding receivables, by reference to Standard and Poor's credit rating are provided below:

COUNTERPARTIES WITH CREDIT RATINGS

	Note	Council Actual $ 2026 $000	Council Actual $ 2025 $000	Group Actual $ 2026 $000	Group Actual $ 2025 $000
Cash at bank and term deposits:					
A+	7, 12	19,802	58,542	19,859	58,590
Total cash at bank and term deposits		**19,802**	**58,542**	**19,859**	**58,590**

Liquidity Risk

MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Council aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months.

The Council manages its borrowings in accordance with its funding and financial policies, which includes a liability management policy. These policies have been adopted as part of the Council's LTP.

The maturity profiles of the Council's interest-bearing investments and borrowings are disclosed in Notes 12 and 21 respectively.

The Council has a maximum amount that can be drawn down against its operational overdraft facility of 3 million (2025: 3 million). There are no restrictions on the use of this facility.

The Council also entered an arrangement with the LGFA, which provides a revolving credit line of $20 million to the Council. This facility has not been drawn against and has no restrictions on use.

CONTRACTUAL MATURITY ANALYSIS OF FINANCIAL LIABILITIES

The table below analyses the Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest rate payments on floating rate debt are based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows.

	Note	Carrying Amount $000	Contractual Cash Flow $000	<1 Year $000	1–2 Years $000	2–5 Years $000	>5 Years $000
Council 2026							
Creditors and other payables	20	13,852	13,852	13,852	–	–	–
Secured loans	21	203,151	203,151	85,151	59,000	59,000	–
Unsecured loans	21	4,003	4,003	–	–	733	3,270
Swap derivatives	11	1,533	1,533	–	1,533	–	–
Total		**222,539**	**222,539**	**99,003**	**60,533**	**59,733**	**3,270**
Group 2026							
Creditors and other payables	20	13,503	13,503	13,503	–	–	–
Secured loans	21	203,151	203,151	85,151	59,000	59,000	–
Unsecured loans		4,003	4,003	–	–	733	3,270
Swap derivatives	11	1,533	1,533	–	1,533	–	–
Total		**222,190**	**222,190**	**98,654**	**60,533**	**59,733**	**3,270**

	Note	Carrying Amount $000	Contractual Cash Flow $000	<1 Year $000	1–2 Years $000	2–5 Years $000	>5 Years $000
Council 2025							
Creditors and other payables	20	19,023	19,023	19,023	–	–	–
Secured loans	21	240,000	248,570	61,203	72,654	114,713	–
Swap derivatives	11	1,473	1,473	–	1,473	–	–
Total		**260,496**	**269,066**	**80,226**	**74,127**	**114,713**	**–**
Group 2025							
Creditors and other payables	20	18,664	18,664	18,664	–	–	–
Secured loans	21	240,000	248,570	61,203	72,654	114,713	–
Swap derivatives	11	1,473	1,473	–	1,473	–	–
Total		**260,137**	**268,707**	**79,867**	**74,127**	**114,713**	**–**

The Council is also exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 25.

CONTRACTUAL MATURITY ANALYSIS OF FINANCIAL ASSETS

The table below analyses the Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Note	Carrying Amount $000	Contractual Cash Flow $000	<1 Year $000	1–2 Years $000	2–5 Years $000	>5 Years $000
Council 2026							
Cash and cash equivalents	7	14,234	14,234	14,234	–	–	–
Debtors and other receivables	8	13,523	13,523	13,523	–	–	–
Other financial assets:							
Term deposits	12	5,568	5,568	5,568	–	–	–
Community loan	12	–	–	–			
Total		**33,324**	**33,324**	**33,324**	**–**	**–**	**–**
Group 2026							
Cash and cash equivalents	7	14,291	14,291	14,291	–	–	–
Debtors and other receivables	8	13,523	13,523	13,523	–	–	–
Other financial assets:							
Term deposits	12	5,568	5,568	5,568	–	–	–
Community loan	12	–	–	–			
Total		**33,381**	**33,381**	**33,381**	**–**	**–**	**–**

	Note	Carrying Amount $000	Contractual Cash Flow $000	<1 Year $000	1–2 Years $000	2–5 Years $000	>5 Years $000
Council 2025							
Cash and cash equivalents	7	15,192	15,192	15,192	–	–	–
Debtors and other receivables	8	14,208	14,208	14,208	–	–	–
Other financial assets:							
Term deposits	12	43,350	43,350	43,350	–	–	–
Community loan	12	–	–	–	–	–	–
Total		**72,750**	**72,750**	**72,750**	**–**	**–**	**–**
Cash and cash equivalents							
Debtors and other receivables	7	15,240	15,240	15,240	–	–	–
Other financial assets:	8	14,208	14,208	14,208	–	–	–
Term deposits							
Community loan	12	43,350	43,350	43,350	–	–	–
Total	12	–	–	–	–	–	–
Total		**72,798**	**72,798**	**72,798**	**–**	**–**	**–**

Sensitivity Analysis

The tables below illustrate the potential profit and loss (excluding retained earnings) for reasonably possible market movements, with all other variables held constant, based on the Council's financial instrument exposures at the balance date.

INTEREST RATE RISK

	2026 –100bps	2026 +100bps
Council 2026		
Financial assets		
Cash and cash equivalents	(143)	143
Financial liabilities		
Borrowings	1,480	(1,480)
Group 2026		
Financial assets		
Cash and cash equivalents	(143)	143
Financial liabilities		
Borrowings	1,480	(1,480)
Council 2025		
Financial assets		
Cash and cash equivalents	(152)	152
Financial liabilities		
Borrowings	1,810	(1,810)
Group 2025		
Financial assets		
Cash and cash equivalents	(152)	152
Financial liabilities		
Borrowings	1,810	(1,810)

Cash and cash equivalents include deposits at call totalling $13,600,000 (2025: $15,240,000) which are at floating rates. A movement of interest rates of plus or minus 1% influences interest income of $136,000 (2025: $152,400). The interest rate sensitivity is based on reasonable possible movement in interest rates, with all other variables held constant, measured as a basis point (bps) movement. For example, a decrease in 100bps is equivalent to a decrease in interest rate of 1%.

Borrowings include total debt of $148,000,000 (2025: $181,000,000) on current floating rates.

30. RECONCILIATION OF SURPLUS WITH CASHFLOWS FROM OPERATING ACTIVITIES

	Council Actual $ 2026 $000	Council Actual $ 2025 $000	Group Actual $ 2026 $000	Group Actual $ 2025 $000
Surplus (deficit)	3,403	(8,458)	3,401	(8,450)
Add/(less) non-cash items:				
Depreciation and amortisation	21,839	22,368	21,839	22,368
Other including vested and donated assets	(2,962)	(924)	(2,962)	(924)
Other including found assets	(4,115)		(4,115)	
(Gain)/Losses in Fair value of forestry assets	216	46	216	46
(Gain)/Losses in value of Investment property	(25)	205	(25)	205
Increase / (Decrease) on Landfill provision	(911)		(911)	–
Movement in value of financial assets	–	(173)	–	(173)
(Gain)/Losses on derivative financial instruments	(99)	2,348	(99)	2,348
(Gain)/Losses on other investment	7	(194)	7	(194)
Add / (less) items classified as investing or financing activities:				
(Gain)/Losses on disposal of property, plant & equipment	7,002	2,827	7,002	2,827
Add/(less) movements in working capital:				
(Increase)/decrease in accounts receivable	1,048	(3,403)	1,048	(3,403)
(Increase)/decrease in prepayments	(362)	47	(362)	47
(Increase)/decrease in stock on hand	(117)	(101)	(117)	(101)
Increase/ (decrease) in accounts payable	(5,355)	2,344	(5,355)	2,344
Increase/ (decrease) in employee entitlements	186	83	186	83
Increase/ (decrease) in provisions	(1,580)	4,212	(1,580)	4,212
Increase /(decrease) in other working capital items	910	(4,990)	910	(4,981)
Net cash flows from operating activities	**19,085**	**16,237**	**19,094**	**16,254**

31 THREE WATERS REFORM/CENTRAL DISTRICT WATERS

In December 2023, the New Zealand Government announced a new direction for water services (drinking water, wastewater and stormwater services) policy and legislation which it has called Local Water Done Well.

This is being implemented in three stages namely:

- **Stage 1** – repealing the previous affordable water reforms (completed in February 2024);
- **Stage 2** – enacting the Local Government (Water Services Preliminary Arrangements) Act 2024 (the Preliminary Arrangements Act) which received Royal Assent on 2 September 2024; and
- **Stage 3** – establishing enduring settings through the Local Government (Water Services) Act and Local Government (Water Services) (Repeals and Amendments) Act, which received Royal Assent on 26 August 2025.

The Preliminary Arrangements Act required the Council to submit a Water Services Delivery Plan (WSDP) to the Secretary of Local Government, by 3 September 2025. In broad terms, the WSDP identifies the current state of the Council's water services and show how the Council will deliver those services in a way that:

- meets relevant regulatory quality standards for stormwater, wastewater and water supply networks;
- is financially sustainable;
- ensures compliance with drinking water quality standards; and
- supports the Council's housing growth and urban development objectives.

Palmerston North City Council, Horowhenua and Rangitīkei District Councils have developed a joint plan for delivering water services to residents and businesses across the sub-region through a new organisation with new funding and governance arrangements. The Central Districts Water Services Delivery Plan was approved by the three councils in August 2025 and was submitted to the Government on 21 August 2025. The plan was accepted by the Secretary for Local Government on 10 November 2025. The plan is based on establishing a new multi-council-owned water organisation. The new organisation, Central Districts Water (CDW), is expected to take over from the individual council water operations on 1 July 2027. Councils' drinking water, wastewater and stormwater operations, and related assets and liabilities, are anticipated to transfer to CDW from this date. The rights and responsibilities of shareholding councils are documented in CDW's Constitution and Shareholders' Agreement which were ratified in December 2025.

Since the agreement to transfer water services, related assets and liabilities is yet to be finalised, there is uncertainty over the financial impact on future financial statements. The Council is still working through the financial implications of the transfer however, the more significant impacts are expected to include:

- derecognition of water assets and liabilities (including any associated debt) in the 2027/28 reporting period;
- While the final assets and liabilities to be transferred have not yet been determined, assets reported within the Council's water supply, wastewater and stormwater asset classes have a carrying value of approximately $507.6m at 30 June 2026. In addition, water-related assets under construction totalled approximately $509.4m at balance date. Refer to Note 15 Property, Plant and Equipment (page 173) for further information on the values of PP&E associated with these activities. Certain land, building and other supporting assets associated with water services may also transfer to CDW; however, the extent of these transfers remains subject to further assessment and agreement.
- a transfer between revaluation reserves and retained earnings resulting from the derecognition of water assets;
- recognition of the Council's investment in CDW;
- appropriate disclosure of the guarantee arrangement between Shareholder Councils and CDW;
- disclosure of discontinued water operations in the 2027/28 reporting period. Due to the nature of the transfer, water infrastructure assets are not classified as non-current assets held for sale since their carrying value will not be principally recovered through a sale transaction;
- transfer of certain water-related capital commitments to CDW. At 30 June 2026, the Council had approximately $2.3m of contracted capital expenditure relating to water supply, wastewater and stormwater activities. Refer to Note 15 Property, Plant and Equipment (page 173) for further information on capital commitments. The final treatment of these commitments remains subject to completion of the transfer arrangements. At the reporting date, no material lease commitments are expected to transfer to CDW;
- a reduction in rates revenue and a similar level of cost savings. The revenue will then be charged by CDW, who will also incur the expenditure relating to water services. While the final financial impacts of the transfer remain uncertain, the scale of the activities affected can be seen in the Council's water services Funding Impact Statements. During the year ended 30 June 2026, water supply, wastewater and stormwater activities generated revenue of approximately $27.6m and incurred operating expenditure of approximately $20.3m and capital expenditure of $7.26m. Refer to the Funding Impact Statements for further information on these activities. The Council has also considered the impact of the expected transfer on the going concern basis of preparation.
- The Council is not currently aware of any material contingent assets or contingent liabilities specifically attributable to water services that are expected to transfer to CDW; and
- The Council has also considered the impact of the expected transfer on the going concern basis of preparation. While there will be a significant decrease in the future revenue stream of the Council (since approximately $26.5m of current rates revenue relates to water services which will form part of CDW after the transfer), this will be offset by an approximately equivalent saving in the associated costs of providing water services. The Council therefore considers the going concern basis of preparation to still be appropriate.

On 14 August 2026, the Shareholders Committee approved the Statement of Expectations for CDW. This can be found on the link here Statement of Expectations for Central Districts Water and on our website www.pncc.govt.nz/Council/About-Council/Our-partners/Council-controlled-organisations (CCOs).

32 SIMPLIFYING LOCAL GOVERNMENT REFORM

The Government is progressing reforms to simplify the structure of local government in New Zealand and align local government arrangements with changes to the resource management and planning system. The reforms contemplate changes to the current structure and functions of territorial and regional authorities, including the potential establishment of unitary authorities.

During 2026, the Government established a voluntary Head Start pathway, enabling groups of councils to submit proposals for alternative local government arrangements ahead of the wider reform process.

Horowhenua District Council did not submit a formal Head Start proposal. In August 2026, Council agreed with Palmerston North City Council to jointly signal to the Government their intention to proactively explore future local government arrangements, including what a future unitary authority with regional functions could look like. This response did not meet the requirements of, and was not submitted as, a formal Head Start proposal. It does not represent a decision to amalgamate or determine any future governance structure.

The Government has advised that areas which do not progress through the Head Start pathway will be considered through a backstop process. The detailed design of that process has not yet been determined. The Government has indicated that decisions on the backstop process are expected in early 2027 and that structural changes arising from the wider reform programme are intended to take effect in connection with the 2028 local government elections.

As at the date these financial statements were authorised for issue, the outcome, nature and timing of any local government reform affecting Horowhenua District Council remains uncertain. No final decisions have been made about the future structure of the Council, its boundaries, functions, assets, liabilities or service delivery arrangements.

On 24 September 2026 the Government put a pause on the consideration of Head Start proposals until after the General Election to be held on 7 November 2026.

Accordingly, it is not currently possible to reliably determine the financial effect, if any, of the reforms on Council.

Given the uncertainty regarding both the outcome and timing of the reforms, the financial statements have been prepared on a going concern basis.

33 COST ALLOCATION

Reconciliation between the Funding Impact Statement for the Whole of Council and the Statement of Comprehensive Revenue and Expense

ACCOUNTING POLICY

The cost of service for each significant activity/group of activities of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers, and floor area.

There have been no changes to the cost allocation methodology during the year.

Reconciliation between the Funding Impact Statement for the Whole of Council and the Statement of Comprehensive Revenue and Expense

	Annual Report Actual 2025 $000	Long Term Plan 2026 $000	Actual 2026 $000
Revenue			
Statement of comprehensive revenue and expense			
Total operating revenue	90,227	89,070	103,963
Summary funding impact statement			
Sources of operating funding			
Total operating funding as per Group of activities - Community Facilities	11,432	11,873	11,884
Total operating funding as per Group of activities - Community Infrastructure	6,956	7,192	7,362
Total operating funding as per Group of activities - Community Support	4,765	5,039	5,494
Total operating funding as per Group of activities - Land Transport	7,522	7,424	7,447
Total operating funding as per Group of activities - Planning & Regulatory Services	8,552	7,899	7,924
Total operating funding as per Group of activities - Property	2,212	2,011	2,119
Total operating funding as per Group of activities - Representation and Community Leadership	5,434	5,683	5,268
Total operating funding as per Group of activities - Solid Waste	6,481	5,444	6,388
Total operating funding as per Group of activities - Stormwater	2,781	3,081	2,764
Total operating funding as per Group of activities - Treasury & Support	40,533	42,314	40,808
Total operating funding as per Group of activities - Wastewater	10,529	13,818	14,007
Total operating funding as per Group of activities - Water Supply	8,198	10,106	10,832
Remove Sources of Operating Funding			
Internal charges and overheads recovered	(36,374)	(39,695)	(34,280)
Sources of Operating Funding			
Total Operating Funding	79,020	82,188	88,014
Add Sources of Capital Funding			
Subsidies and grants for capital expenditure	8,392	5,566	6,155
Development and financial contributions	1,696	2,166	1,709
Other gains	195	–	(7)
Add Vested Assets	924	–	2,962
(Increase) / decrease in Landfill Provision		–	911
Gain on derivative financial instruments			99
Found assets	–	–	4,115
Total Revenue	**90,227**	**89,070**	**103,960**

	Annual Report Actual 2025 $000	Long Term Plan 2026 $000	Actual 2026 $000
Expenditure			
Statement of comprehensive revenue and expense			
Total operating expenditure	**98,685**	**91,682**	**100,558**
Summary funding impact statement			
Total applications of operating funding as per Group of activities - Community Facilities	11,432	11,873	10,633
Total applications of operating funding as per Group of activities - Community Infrastructure	6,956	7,192	6,269
Total applications of operating funding as per Group of activities - Community Support	4,765	5,039	4,365
Total applications of operating funding as per Group of activities - Land Transport	7,522	7,424	6,900
Total applications of operating funding as per Group of activities - Planning & Regulatory Services	8,552	7,899	7,224
Total applications of operating funding as per Group of activities - Property	2,212	2,011	1,569
Total applications of operating funding as per Group of activities - Representation and Community Leadership	5,434	5,683	5,768
Total applications of operating funding as per Group of activities - Solid Waste	6,481	5,444	4,194
Total applications of operating funding as per Group of activities - Stormwater	2,781	3,081	3,450
Total applications of operating funding as per Group of activities - Treasury & Support	25,022	29,612	38,486
Total applications of operating funding as per Group of activities - Wastewater	10,529	13,818	10,106
Total applications of operating funding as per Group of activities - Water Supply	8,198	10,106	6,769
Remove Applications of Operating Funding			
Internal charges and overheads applied	(34,008)	(39,695)	(34,280)
Total application of operating funding	65,875	69,489	71,451
Loss on derivative financial instruments	2,348	–	–
Other losses	3,079	–	7,266
Increase(decrease) in Landfill Provision	5,015	–	–
Add Depreciation and Amortisation Expense	22,368	24,179	21,839
Other FIS to financial statement adjustments	–	1,986	–
Total expenditure	**98,685**	**91,682**	**100,556**

Other Legislative Disclosures

1.1.1 Funding Impact Statement for Whole of Council
Horowhenua District Council Funding Impact Statement for the year ended 30 June 2026

	Annual Report Actual 2025 $000	Actual 2025 $000	Annual Plan 2026 $000	Actual 2026 $000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	19,786	19,874	19,306	19,363
Targeted rates	42,336	42,807	49,388	50,435
Subsidies and grants for operating purposes	4,752	3,854	3,344	3,224
Fees and charges	3,997	5,234	5,213	6,099
Interest and dividends from investments	6	2,274	–	2,216
Local authorities fuel tax, fines, infringement fees, and other receipts	4,771	4,976	4,937	6,678
Total operating funding (A)	**75,648**	**79,020**	**82,188**	**88,015**
Applications of operating funding				
Payments to staff and suppliers	58,081	56,195	59,637	62,232
Finance costs	7,624	9,680	9,852	9,219
Other operating funding applications	–	–	–	–
Total applications of operating funding (B)	**65,705**	**65,875**	**69,489**	**71,451**
Surplus /(deficit) of operating funding (A–B)	**9,943**	**13,145**	**12,699**	**16,564**
Sources of capital funding				
Subsidies and grants for capital expenditure	10,169	8,392	5,566	6,155
Development and financial contributions	2,150	1,696	2,166	1,709
Increase (decrease) in debt	16,311	38,000	24,741	(33,997)
Gross proceeds from sale of assets	2,533	–	2,533	518
Lump sum contributions	–	–	–	–
Other dedicated capital funding	–	–	–	–
Total sources of capital funding (C)	**31,163**	**48,088**	**35,006**	**(25,615)**
Applications of capital funding				
Capital expenditure				
– to meet additional demand	22,485	12,211	21,159	12,422
– to improve the level of service	4,482	8,279	4,427	4,039
– to replace existing assets	15,526	11,823	22,155	12,390
Increase (decrease) in reserves	(1,795)	4,895	(655)	974
Increase (decrease) of investments	408	24,025	619	(38,875)
Total applications of capital funding (D)	**41,106**	**61,233**	**47,705**	**(9,050)**
Surplus/ (deficit) of capital funding (C–D)	**(9,943)**	**(13,145)**	**(12,699)**	**(16,565)**
Funding balance ((A–B)+(C–D))				
Depreciation	**23,385**	**22,368**	**23,386**	**21,839**

1.1.2 Rating base information

The following rating base information for the Council is disclosed based on the rating base information at the end of the preceding financial year

Rateable properties	30 June 2026	30 June 2025
Total properties	19,617	19,649
Total land value	$7,764,260,500	$8,827,706,050
Total capital value	**$14,490,096,850**	**$15,703,360,000**

1.1.3 Insurance of assets

	Council Actual 2026 $000	Council Actual 2025 $000
Total value of assets covered by insurance contracts	**155,367**	**166,681**
Maximum amount of insurance	150,000	374,165
Total value of assets covered by financial risk sharing arrangements	**389,097**	**728,276**
Maximum amount available under those arrangements	155,639	291,311
Total value of assets that are self-insured	**109,655**	**88,414**
The value of funds maintained for that purpose	–	–

During the preparation of the 30 June 2026 financial statements, Council reviewed the methodology used to calculate the insurance and financial risk-sharing disclosures in this note.

The review identified that the asset values used in previous years had not been determined on a consistent basis. Historical calculations incorporated a combination of asset carrying values (book values) and insurance replacement values, depending on the asset category and the underlying source information. Insurance replacement values represent the estimated cost of replacing an asset and are therefore not directly comparable with the carrying values reported in Council's financial statements.

For the 30 June 2026 disclosure, Council has standardised the methodology and uses the written-down/book value of the relevant assets as at 30 June 2026 for determining:

- assets covered by insurance contracts;
- assets covered by financial risk-sharing arrangements; and
- assets that are self-insured.

The underlying asset populations have been identified using Council's Authority Capital Value Register (CVR) and IPS asset records and assessed against the relevant insurance schedules and financial risk-sharing arrangements.

Under the revised methodology, the value of assets covered by insurance contracts represents the carrying value of the assets identified as being covered by Council's commercial insurance policies. The maximum amount of insurance is separately disclosed based on the applicable policy limits.

For the financial risk-sharing arrangement, the value of assets represents the carrying value of Council's underground water, wastewater and stormwater reticulation assets subject to the arrangement. The maximum amount under the arrangement represents Council's 40% share of qualifying restoration costs. It is anticipated (but cannot be guaranteed) that under the terms contained in the Guide to the Civil Defence Emergency Plan, central government may fund 60% of the qualifying cost of reinstating essential infrastructure assets in the event of a major disaster.

Assets identified as not covered by the relevant insurance or financial risk-sharing arrangements are classified as self-insured and are measured using their carrying value. No specific reserve or fund has been identified as being maintained for the purpose of self-insurance as at 30 June 2026.

The change in methodology results in significant differences between the current-year disclosure and amounts reported in previous years. These differences principally arise from the change from a mixed valuation basis to a consistent book-value basis, together with the more detailed reconciliation of Council's asset records to its current insurance and financial risk-sharing arrangements. The change should therefore not be interpreted, in isolation, as evidence of a corresponding change in the level of insurance cover or in the underlying assets held by Council.

Employee Band Workings

DISCLOSURE WORKINGS

Clause 32A of Schedule 10 of the LGA requires that, if the number of employees in any band is five or fewer, the number for that band must be combined with the next highest band.

The groupings below show the number of employees in each band prior to combining bands of five or fewer.

	Council Actual 2026	Council Actual 2025
Total annual remuneration by band		
<$60,000	33	103
$60,000 – $79,999	133	75
$80,000 – $99,999	48	52
$100,000 – $119,999	28	25
$120,000 – $139,999	23	23
$140,000 – $159,999	8	13
$160,000 – $179,999	6	3
$180,000 - $199,999	2	2
$200,000 - $219,999	–	–
$220,000 – $239,999	1	3
$240,000 - $259,000	3	3
$260,000 – $419,999	3	1
Total Council employees	**288**	**303**

Because there are five or fewer employees in the $180,000–$199,999 band, $200,000-$219,000, $220,000-$239,999 and $240,000-$259,000, these bands are combined with the next highest band to them each, until there are more than five employees in the band. Combining of bands upwards ceases at that point.

	Council Actual 2026	Council Actual 2025
Total annual remuneration by band		
<$60,000	33	103
$60,000 – $79,999	133	75
$80,000 – $99,999	48	52
$100,000 – $119,999	28	25
$120,000 – $139,999	23	23
$140,000 – $159,999	8	13
$160,000 – $179,999	6	6
$180,000 - $259,999	6	3
$260,000 – $419,999	3	3
Total Council employees	**288**	**303**

Benchmarks Disclosure Statement
For the year ended 30 June 2026

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

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

RATES AFFORDABILITY BENCHMARKS

The Council meets the rates affordability benchmark if:

- Its actual rates income equals or is less than each qualified limit on rates; and
- Its actual increases equal or are less than each qualified limit on rates increases.

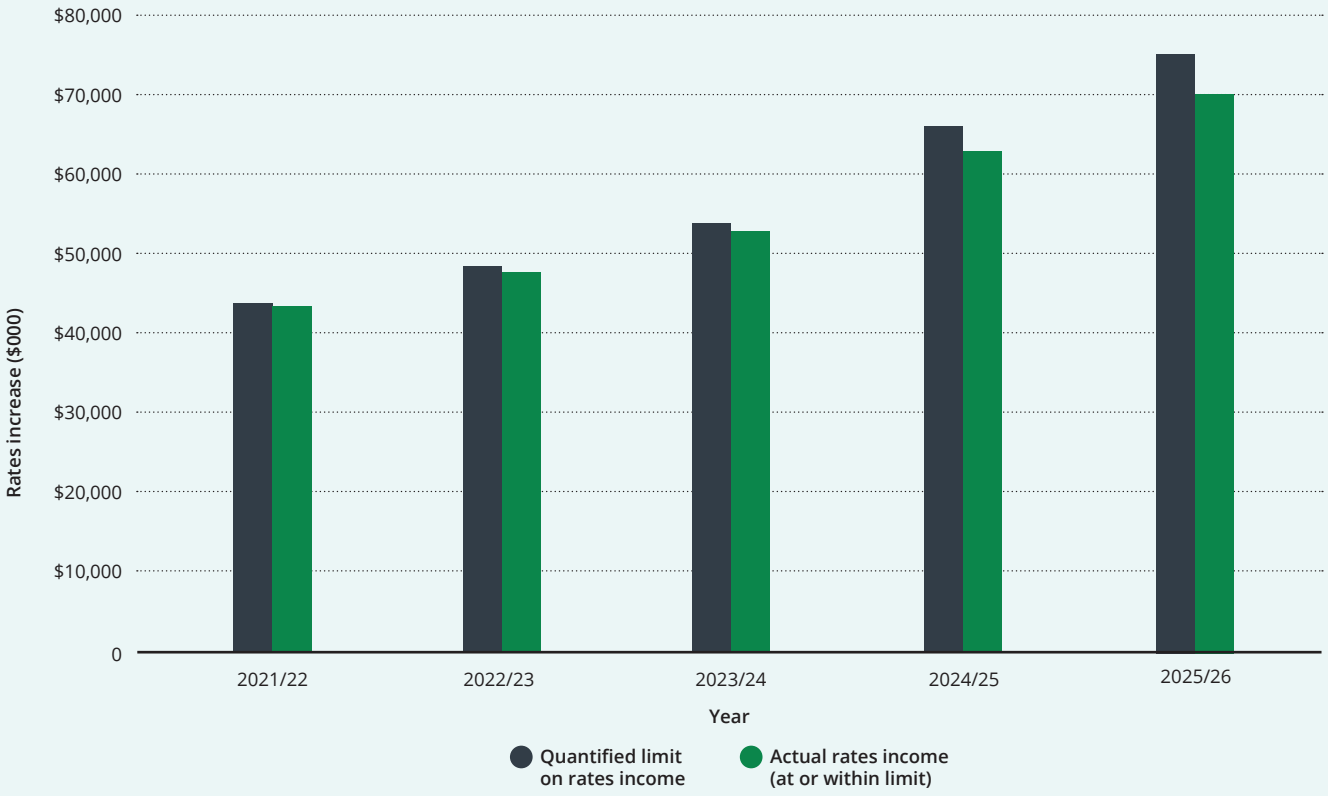
1. Rates (Income) Affordability

The following graph compares Council's actual rates income with a quantified limit on rates contained in the financial strategy included in Council's Long-Term Plan (LTP).

The quantified limit is $43,514,000 (2021/22), $48,104,000 (2022/23), $53,711,000 (2023/24), $65,585,000 (2024/25) and $74,955,000 (2025/26)

Actual rates income is the total net rates income after rates penalties and remission, including water by meter rates revenue.

RATES (INCOME) AFFORDABILITY

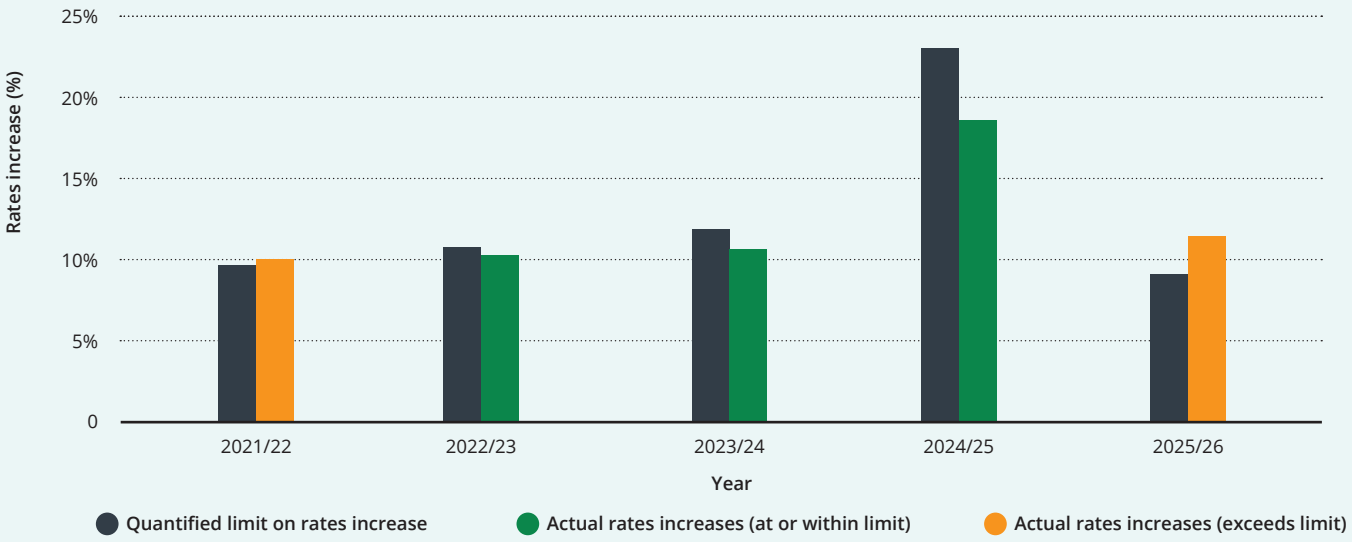


2. Rates (Increases) Affordability

The following graph compares Council's actual rate increase with a quantified limit on rates increases included in the financial strategy in Council's annual plan.

The quantified limits are 6.54% (2020/21), 9.71% (2021/22), 10.76% (2022/2023), 11.87% (2023/24) 23% (2024/25) and 9.71% (2025/26) including growth.

RATES (INCREASE) AFFORDABILITY



When Council adopted the 2020/21 annual plan, the impacts of Covid-19 were very much unknown, so a rate decrease was decided on to lessen the burden of rates on rate payers.

Whilst 2021/22 shows a rates increase exceeding limit, this is by a margin of 0.3% due to lower water by meter rates billed, which was based on water consumption.

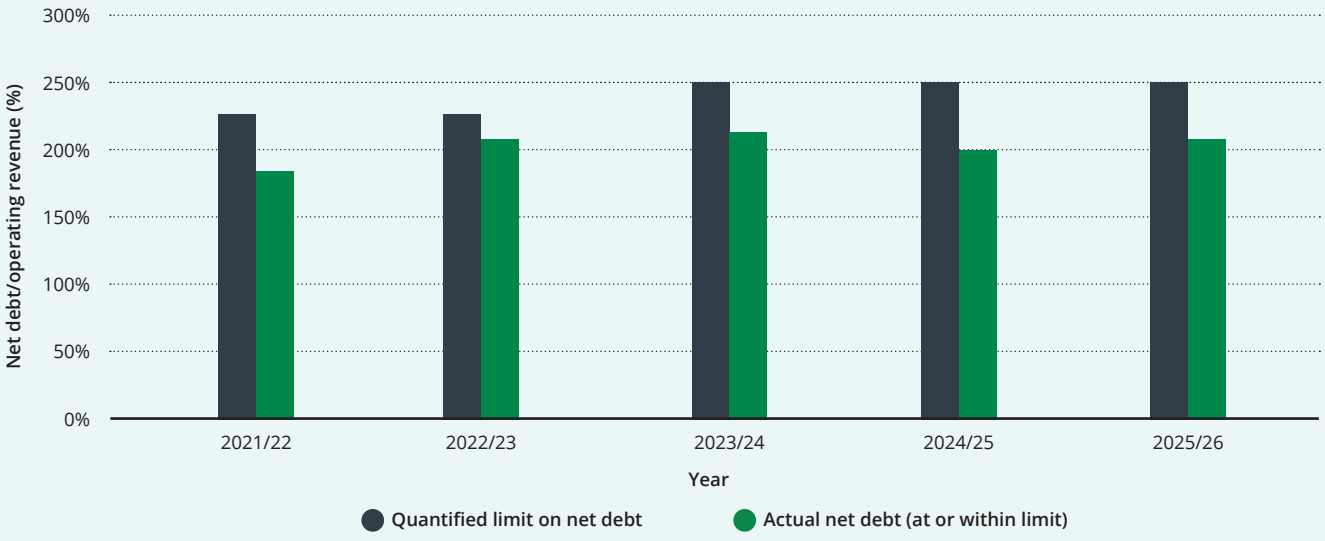
DEBT AFFORDABILITY BENCHMARK

Council meets the debt affordability benchmark for a year if actual borrowing is within each quantified limit on borrowing.

1. Net Debt to Operating Revenue

The following graph compares Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in Council's LTP. The quantified limits are net debt to operating revenue should be below 250%, this was increased from 175% to 195% in the 2018/38 LTP then increased to 225% in the 2021/41 LTP and subsequently increased to 250% in the 2021/41 LTPA.

NET DEBT TO OPERATING REVENUE

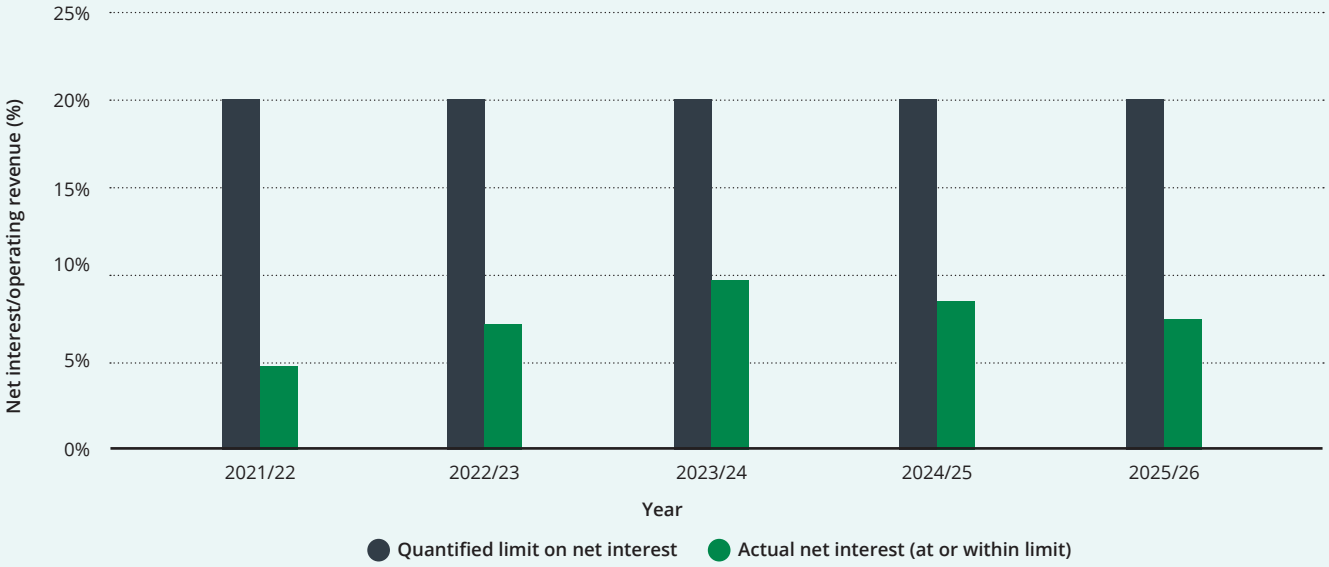


Total revenue is defined as cash earnings from rates, grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets). Net debt is defined as total debt less liquid financial assets and investments.

2. Net Interest to Operating Revenue

The following graph compares Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in Council's LTP. The quantified limits are net interest to operating revenue should be below 20%.

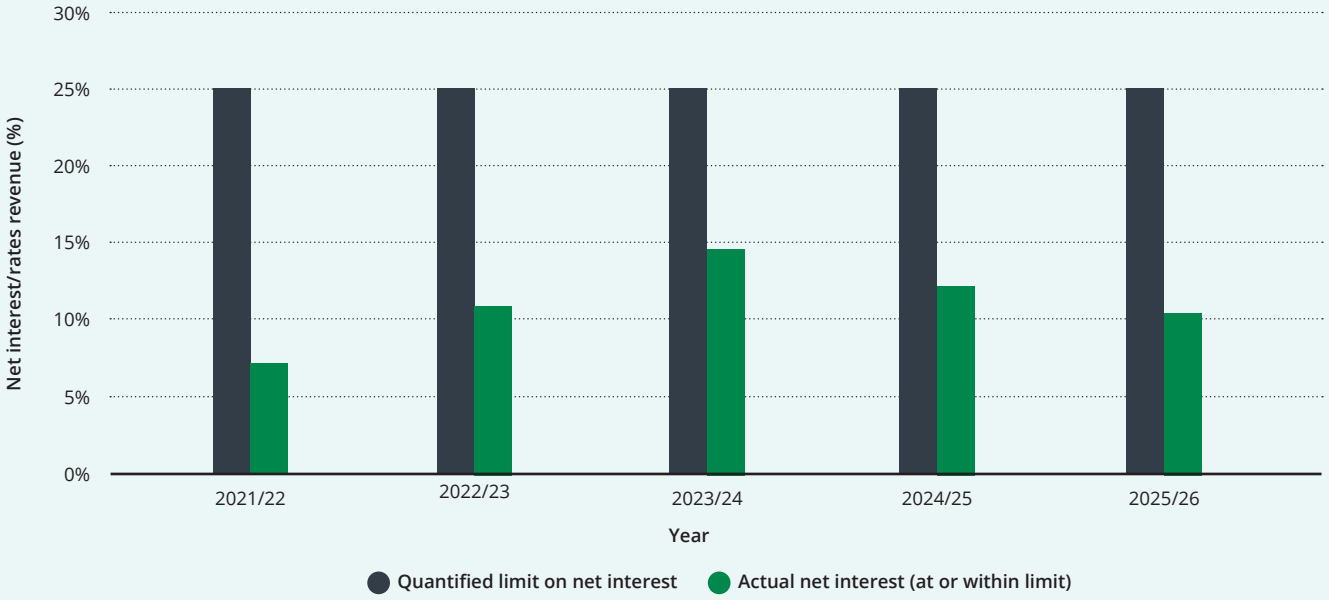
NET INTEREST TO OPERATING REVENUE



3. Net Interest to Rates Revenue

The following graph compares Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in Council's LTP. The quantified limits are net interest to annual rates revenue should be below 25%.

NET INTEREST TO RATES REVENUE

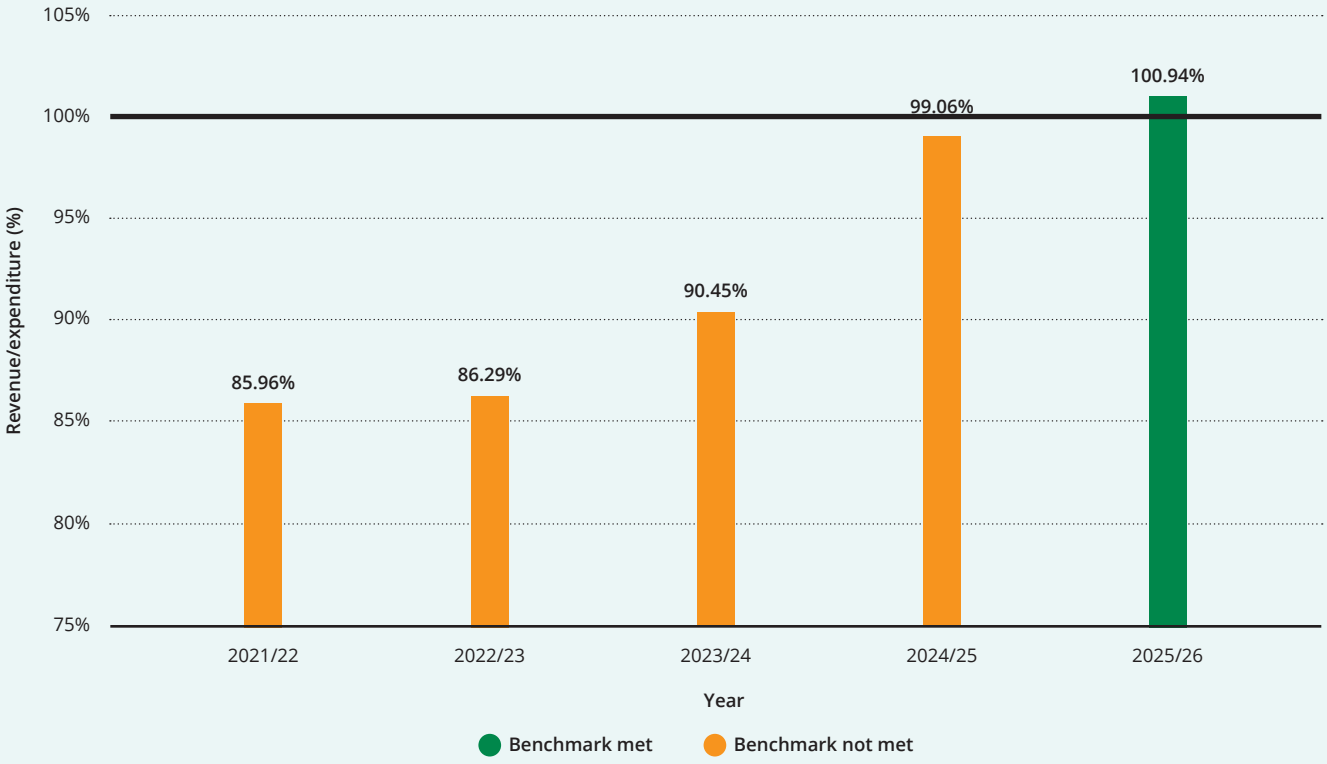


BALANCED BUDGET BENCHMARK

The following graph displays Council's revenue excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment, as a proportion of operating expenses, excluding losses on derivative financial instruments and revaluations of property, plants or equipment.

Council meets this benchmark if its revenue equals, or is greater than, it's operating expenses.

BALANCED BUDGET



In order to keep the level of rate increases to an affordable level, Council has, for some years, not been fully funding depreciation. Funding depreciation creates a reserve to cover the cost of replacing Council's assets, especially infrastructural assets. Underfunding this reserve is possible only in the short term. Council has been progressively increasing the funding of depreciation since the 2009/10 financial year. The major cause of Council's above inflation rate increases has been the need to increase depreciation funding. The underfunding of depreciation is the major reason for Council not meeting this benchmark exacerbated by the above budget expenditure variances described under the Statement of Comprehensive Revenue and Expense. The benchmark was met in the 2020/21 year due to the significant increase in external capital funding from the Crown.

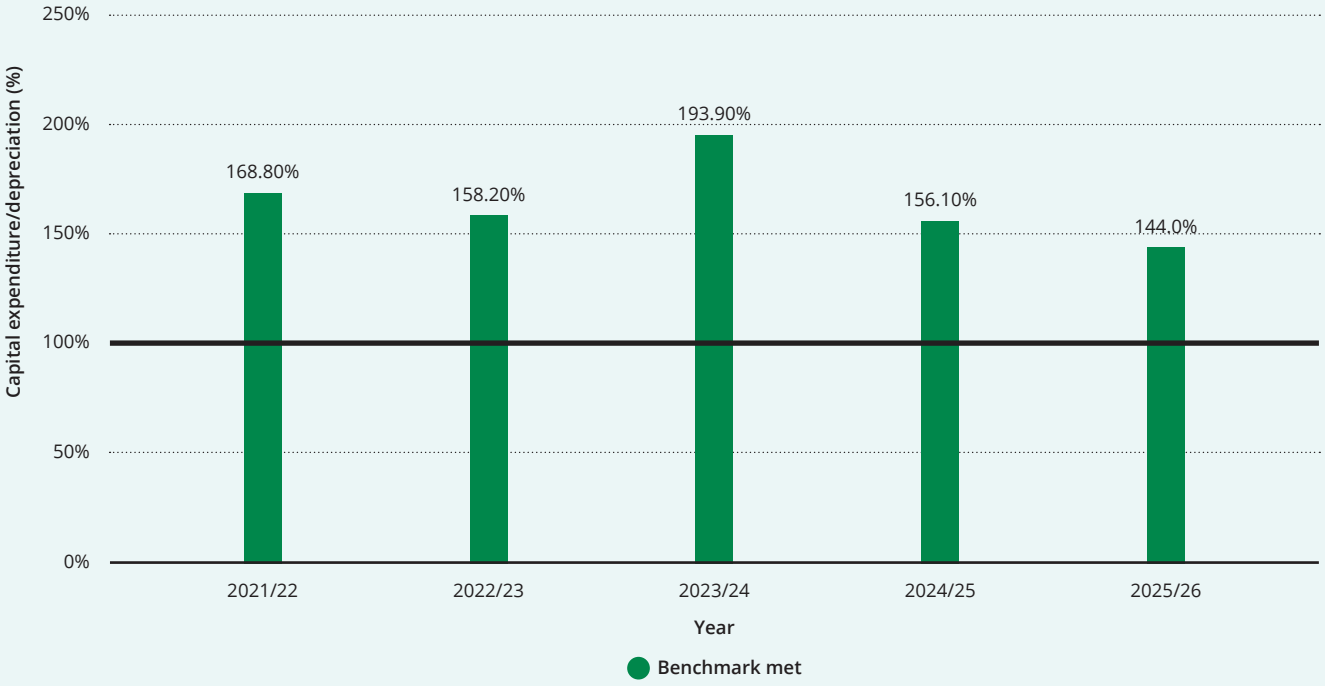
ESSENTIAL SERVICES BENCHMARK

The following graph displays Council's capital expenditure on network services as a proportion of depreciation on network services. Capital work includes both renewals of existing infrastructure and new capital works undertaken.

Council meets this benchmark if its capital expenditure on network services equals or is greater than deprecation on network services.

Network services is defined in the regulations as infrastructure relating to water supply, sewage and the treatment and disposal of sewage, stormwater drainage, flood protection and control works and the provision of roads and footpaths. Council owns no infrastructure relating to flood protection and control work.

ESSENTIAL SERVICES

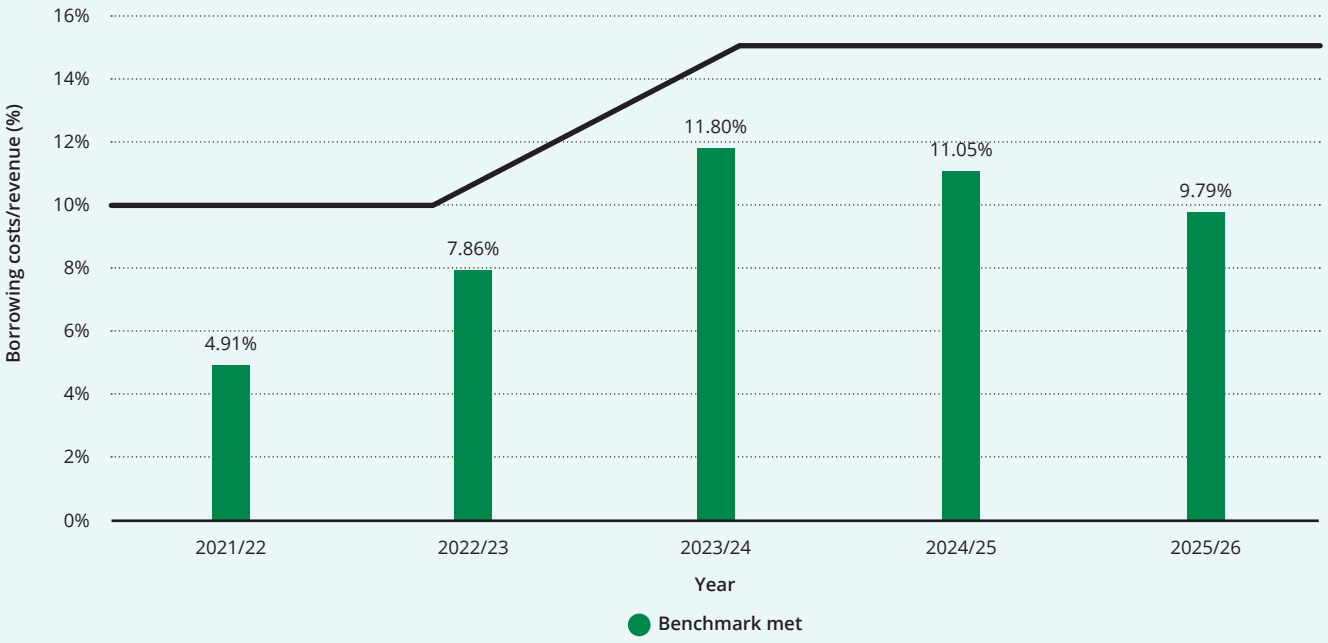


DEBT SERVICING BENCHMARK

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the Horowhenua population will grow more quickly than the national population growth rate, it meets the debt control benchmark if its borrowing costs are equal or less than 15% of its revenue, (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment). During the 2021/22 financial year the rohe grew faster than the national population growth rate so a 15% limit has been used.

DEBT SERVICING

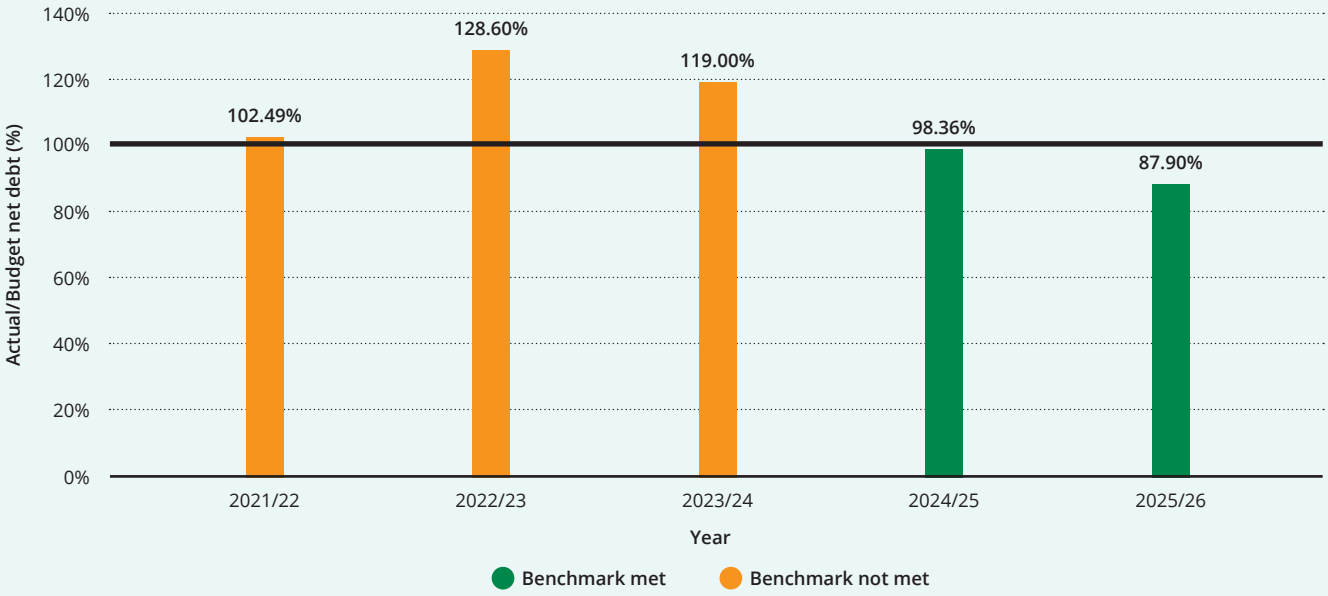


DEBT CONTROL BENCHMARK

The following graph displays Council's actual net debt as a proportion of planned net debt. In this statement, net debt is financial liabilities less financial assets (excluding trade and other receivables).

Council meets the debt control benchmark if its actual net debt is less than or equal to the net debt planned for the year in its LTP.

DEBT CONTROL



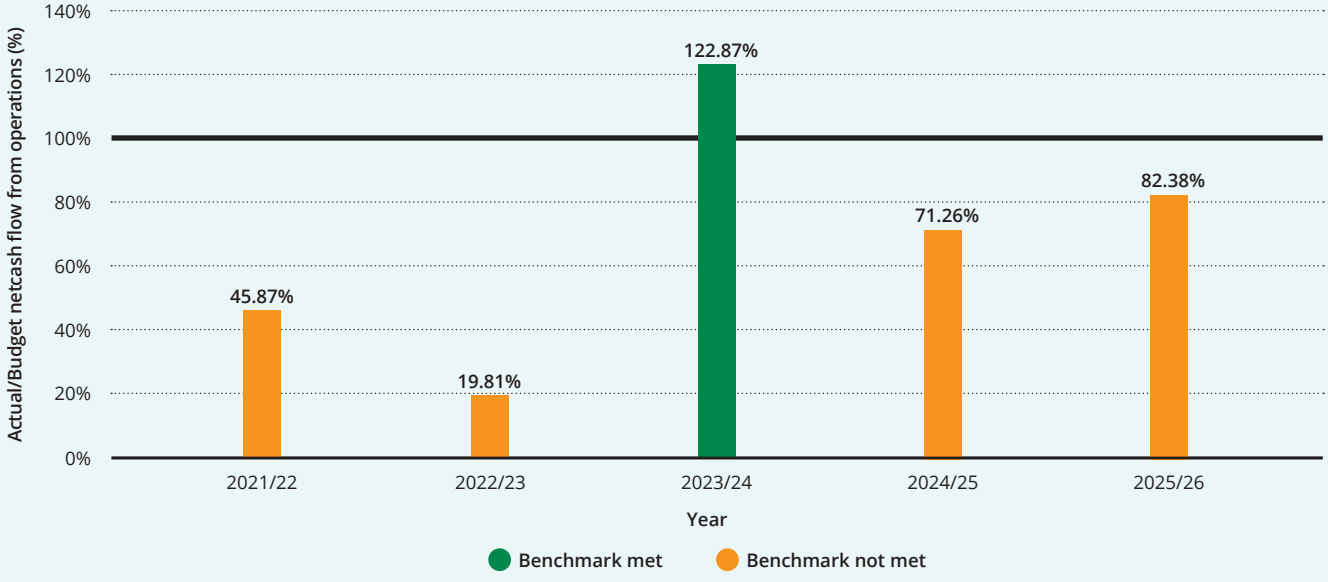
The benchmark was not met in the 2021/2022, 2022/23 and 2023/24 year as planned asset proceeds did not occur as planned.

OPERATIONS CONTROL BENCHMARK

This graph displays Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

OPERATIONS CONTROL



The reason for not meeting the benchmark in the 2021/22 financial year is due to not receiving capital grant funding for the Tara-Ika project as a result of it being moved out to future years.

The reason for not meeting the benchmark in the 2022/2023 financial year is due to not receiving capital grant funding for the Tara-Ika project and more expenditure than budget in professional services and asset maintenance contracts.

The 2022/23 results have been restated. They were reported as –43.75%. This restatement in benchmark graph is a result of the restatement of the 2022/23 cashflow statement. Refer to note 39 of 2023/24 annual report for further information for the restatement of 30 June 2023 results.

The reason for not meeting the benchmark in the 2024/25 financial year is largely due to reduced funding from NZTA Waka Kotahi, and a delay in funding from NIFF with changes in the timing of the associated capital projects.

The Audit Office
Te Mana Arotake

Independent Auditor's Report

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

The Auditor-General is the auditor of Horowhenua District Council (the Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Clint Ramoo, using the staff and resources of The Audit Office, to carry out the audit on his behalf.

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

We are also required to report on:

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

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

Opinion on the audited information

Unmodified opinion on the audited information

In our opinion:

- the financial statements on pages 137 to 220 present fairly, in all material respects, the Council and Group's financial position as at 30 June 2026, and the results of the operations and cash flows for the year ended on that date, in accordance with Public Benefit Entity Standards;
- the statement of service provision (reported as Activity Updates) for the year ended 30 June 2026 on pages 34 to 48; 52 to 59; 62 to 67; 70 to 75; 78 to 81; 84 to 88; 91 to 97; 100 to 103; 106 to 113; 116 to 125; 128 to 134:
    - is appropriate and meaningful and prepared in accordance with the Council's measurement bases or evaluation methods and Public Benefit Entity Standards; and

- presents fairly, in all material respects, the Council's actual levels of service for each group of activities, including the levels of service achieved compared with the intended levels of service, whether any intended changes to levels of service were achieved, and the reasons for any significant variation between the levels of service achieved and the intended levels of service.

- the funding impact statement for the year ended 30 June 2026 on page 218 has been prepared, in all material respects, in accordance with clause 30 of Schedule 10;

- the funding impact statements for each group of activities for the year ended 30 June 2026 on pages 50; 60; 68; 76; 82; 89; 98; 104; 114; 126 & 135 have been prepared, in all material respects, in accordance with clause 26 of Schedule 10; and

- the statements comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2026 on pages 51; 61; 69; 77; 83; 90; 99; 105; 115; 127 & 136 have been prepared, in all material respects, in accordance with clause 24 of Schedule 10.

Report on the disclosure requirements

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of Schedule 10 for the year ended 30 June 2026; and

- the Council's disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2026 are complete and accurate.

Emphasis of matters

Without modifying our opinion, we draw attention to the following disclosures.

Local water done well reforms

Note 31 on page 213 outlines how the future changes in delivery of water services will affect the Council.

Simplifying Local Government reform

The government has announced it wants to simplify local government, including reducing the number of local authorities by amalgamations within regions. As described in Note 32, in early August 2026, the Council agreed to support the submission of a Head Start proposal with Palmerston North City Council. The eventual outcome for the Council is dependent on future Cabinet decisions and enactment of enabling legislation. Because of the significant uncertainty about the outcome and timing of any future reorganisation, the financial statements have continued to be prepared on a going concern basis.

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

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

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

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

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

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

This includes:

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

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

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

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

Responsibilities of the auditor

Responsibilities for the audited information

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

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

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

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

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

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

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

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

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

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Council and the

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

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

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

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

Responsibilities for the disclosure requirements

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

- the Council has made all of the disclosures required by Part 3 of Schedule 10 to the Act and Part 2 of the Regulations; and

- the disclosures required by Part 2 of the Regulations accurately reflect information drawn from the audited information and, where applicable, the Council's long-term plan and annual plans.

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

Other information

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

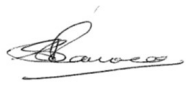
Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

In addition to the audit, we have carried out a limited assurance engagement related to the Council's debenture trust deed, Other than the audit and the limited assurance engagement we have no relationship with, or interests in, the Council or the Group.



Clint Ramoo
The Audit Office
On behalf of the Auditor-General
Wellington, New Zealand
28 October 2026

Glossary

These are short definitions of some terms that are used in this Annual Report.

Advocate	The Council acts as an advocate when it represents the views and interests of the community to a range of organisations including Central Government, Government Agencies and the Regional Council.
Asset	An asset is an item of value owned by the Council on behalf of the people of Horowhenua. Examples are bank accounts, amounts owing by debtors, parks, roads, land, buildings, vehicles, computers and the water, wastewater and stormwater networks.
Asset Management Plan (AMP)	This is a long-term plan for managing an asset to ensure that capacity to provide a service is kept up, and that costs over the life of the asset are kept to a minimum. The plans cover things like service standards, maintenance regimes and future developments. Council has AMPs for all of its major assets including roading, water supply, wastewater disposal, parks and solid waste assets.
Capital Expenditure	Money spent with effect on the long-term rather than the short term. Examples are money used to buy or build a new asset, or to improve the potential of an existing asset. Capital expenditure is generally expected to lead to a higher level of service to the community.
Community Outcomes	Statements of the community's vision and goals for the future of the district. They are defined by the Local Government Act 2002, and it is intended that these outcomes inform and coordinate the activities and planning of all sectors of the community (including the Council).
Council Controlled Organisation (CCO)	An organisation that manages facilities and/or provides services on behalf of the Horowhenua community, in which the Council directly or indirectly controls more than 50% of either the votes or the appointments of directors or trustees.
Debt	The amount owed for borrowed funds.
Depreciation	The allocation of the cost of an asset over its estimated useful life.
District Plan	The plan prepared by the Council under the Resource Management Act that manages, through rules, potential adverse impacts of subdivisions and land use on the environment.
Financial Year	The Council's financial year starts on 01 July and ends on 30 June of the following year.
Projected Financial Statement	The 20-year plan for the Council's revenue and expenditure, cash flows and borrowing.
Funding Impact Statement	An explanation of how the Council's funding requirements are planned to be met through various mechanisms including rates.
Governance	The system of rules, practices, and processes by which a council is directed and controlled. The 'governors' are the Mayor and Council and they govern by making decisions at a strategic level and those they are empowered to make under the Local Government Act 2002, other legislation, and following the requirements and processes in those Acts and other documents such as Standing Orders.
Hāpori	Community

Infrastructure	Assets that form inalienable physical links between or within communities. Examples are roading, water supply systems, wastewater disposal systems and stormwater drainage systems.
Land Value	The value of land, excluding any improvements. For rating purposes, the Council contracts Quotable Value New Zealand to assess the land value of all properties every three years.
Liability	Present obligation arising from past events. Current liabilities are those due for payment within one financial year, and non-current liabilities are those due in the longer term.
Long Term Plan (LTP)	A Long-Term (for a minimum of 10 years) plan (reviewed every three years) that sets out the strategic direction and budget for that period, including community outcomes and the Activities of the Council and provides a long-term focus for the decisions and activities of the Council. The Council currently prepares a 20-year Long Term Plan.
Mahi	Work
Operating Costs	The costs of running the Council in the short term. Examples are the costs of maintaining assets, employing staff and the interest costs of loans.
Performance Target	A measure that shows how well the Council is doing in achieving the goals that it set for itself.
Rates	Paid by all property units to fund general council services as per the Council's Revenue and Financing Policy in the LTP. This includes targeted rates, general rates and commercial rates.
Renewal Expenditure	The cost of replacing components of existing assets to restore them to their original condition. Examples are the replacement of old water mains and the resealing of roads.
Revenue	The amount earned from operations: Examples are rates, dog registration fees, building permit fees, subsidies, rental revenue and interest on investments.
Rohe	District
Significance	The degree of importance of an issue under consideration, as assessed by the Council, in terms of its likely consequences for the current and future wellbeing of the community as determined by the Significance and Engagement Policy.
Stormwater	Rain that runs off properties and roads.
Sustainability	The use of natural, social and physical resources in such a way that takes care of current needs and allows for the ongoing use of those resources for future generations.
Targeted Rates	Any rate other than a general rate, targeted at users or beneficiaries of a particular service. Examples are rates for solid waste, water supply and wastewater. All are set out in the Council's Revenue and Financing Policy in the Long Term Plan.
Uniform Annual General Charge (UAGC)	A fixed-sum rate payable by all properties as part of their contribution to general rates. There are statutory rules whereby the UAGC is not payable on contiguous properties – where two or more properties are next to each other, owned by the same ratepayer, used for a common purpose.
Wastewater	The liquid waste from a property. Examples are sewage, grey water and trade waste.

Horowhenua
DISTRICT COUNCIL

enquiries@horowhenua.govt.nz
horowhenua.govt.nz
HorowhenuaDC
06 366 0999
Private Bag 4002, Levin 5540
126 Oxford St, Levin 5510