Wai Hononga Water Services Limited

BOARD PACK

for

Wai Hononga | Board Meeting | Public Included | 23 Nov. 26 | 10-11

Monday, 23 November 2026

10:00 am (NZDT)

Held at:

NPDC

84 Liardet Street, New Plymouth Central, New Plymouth, New Zealand

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AGENDA

WAI HONONGA | BOARD MEETING | PUBLIC INCLUDED | 23 NOV. 26 | 10-11

Name:	Wai Hononga Water Services Limited
Date:	Monday, 23 November 2026
Time:	10:00 am to 11:00 am (NZDT)
Location:	NPDC, 84 Liardet Street, New Plymouth Central, New Plymouth, New Zealand
Board Members:	Anthony Wilson (Chair), Joshua Hitchcock, Kim Skelton, Onno Mulder, Sara Brownlie
Attendees:	Brent Manning , Courtney Crowther, Davina Woods , Dom Mitchell , Joy Buckingham , Mark Hall, Pete George, Shannon Bishop, Yin-Shan Welton

1. Public Session - Lead by Chair

1.1 Welcome and Apologies

10:00 am (3 min)

Anthony Wilson

For Noting

1.2 Opening Karakia

10:03 am (3 min)

Opening Karakia:

Kia uru uru mai a hau-ora
A hau-kaha, a hau-maia,
Ki runga, ki raro, ki roto, ki waho,
Rire rire hau Paimārire!

To join this way the vitality of wellness, of strength, of courage
Bind it spiritual above, physical below,
Spiritual inside and physical outside
By our breath of Goodness and Peace

1.3 Interests Register

10:06 am (2 min)

For Noting

Supporting Documents:

1.3.a	Interests Register	6

1.4 Confirm Agenda

10:08 am (2 min)

Anthony Wilson

For Noting

1.5 Minutes of the public section of the board meeting of 14 October 2026

10:10 am (5 min)

Anthony Wilson

For Decision

Supporting Documents:

1.5.a	Draft Minutes 16 October 2026 Board meeting Public Included v1.1.docx	9

2. Items for Information, Discussion and Approval - Lead by Chair

2.1 Establishment Programme Board Report

10:15 am (10 min)

Brent Manning

For Discussion

Supporting Documents:

2.1.a	Establishment Programme Board Report - October 2026.docx	12

2.2 Transfer Agreement - Impact of Delay

10:25 am (30 min)

Dom Mitchell , Pete George

Supporting Documents:

2.2.a	Transfer Agreement_February 2027 Adoption - Implications and Proposed Mitigations - November 2026.docx	22
2.2.b	Transfer Agreement - Impact of Delayed Adoption October 2026.pptx	31

2.3 NPDC Annual Report

10:55 am (10 min)

Joy Buckingham

For Noting

NPDC Annual Report Adopted by Council 29 October 2026

Supporting Documents:

2.3.a	NPDC Annual Report - October 2026.docx	37
2.3.b	ECM 9950854 Annual Report 2025_26 adopted by Council 29 Oct 2026.pdf	41

3. Resolution to Exclude the Public

3.1 Resolution to Exclude the Public

Anthony Wilson

Supporting Documents:

3.1.a	Resolution to Exclude the Public 23 November 2026.docx	215

4. Close of Public Session - Lead by Chair

4.1 Close of meeting

Next meeting: Wai Hononga | Board Meeting | Public Excluded | 23 Nov 26 | 11am to 2pm - 23 Nov 2026, 11:00 am

Interests Register

Wai Hononga Water Services Limited

As of: 23 Nov 2026

Person	Organisation	Active Interests	Notice Date
Anthony Wilson	Beca	Anthony's Daughter works for Beca (Wellington) in the Three Waters Division	2 Sept 2026
	Engineering New Zealand	Distinguished Fellow and Past President	14 Jul 2026
	Infrastructure and Water Consultancy Services Limited	Director and Shareholder	14 Jul 2026
	Water New Zealand	Honorary Life Member	14 Jul 2026
	Water New Zealand	Previous National President	21 Jul 2026
	Willerby Trust	Settler of Family Trust	14 Jul 2026
Brent Manning	5WWCT Regimental Association	Current Chair, an incorporated society with charitable status, for past military members and veterans.	3 Sept 2026
	Bespoke Planning Solutions Ltd	2. My wife (Jacqui Manning) is a director which operates within NZ and includes NPDC amongst its council clients. I have no pecuniary interest in her company.	3 Sept 2026
	Cairocat Enterprises Ltd (Trading As B-Spoke Engineering Solutions)	Director: Company is registered as a Supplier for NPDC and has traded 2024-2026 with NPDC (in my Civil Defence & Emergency Management contracted capacity, now ended)	3 Sept 2026
	City Care Ltd (NP and Stratford) May-September 2024	Previously contracted, as temporary contracts or operations manager. I have had no further direct involvement since.	3 Sept 2026
	Downer NZ Ltd (NP depot) April-August 2022	Previously contracted, as temporary contracts or operations manager. I have had no further direct involvement since.	3 Sept 2026

	Water New Zealand	Past President (2014-16), Life Member	3 Sept 2026
Joshua Hitchcock	Ka Uruora Aotearoa Trustee Limited	Director	29 Jan 2026
	Ka Uruora Trustee Limited	Director	29 Jan 2026
	Ngāmotu District Growth Advisory Panel	Member	29 Jan 2026
	Te Kotahitanga o Te Atiawa - Pou Iho Tū	General Manager - Economic Development & Operations	29 Jan 2026
	Venture Taranaki Trust	Deputy Chair	29 Jan 2026
Kim Skelton	Solas Consulting Ltd	Director and shareholder	30 Jan 2026
	Taranaki Regional Housing Fund GP Ltd	Director	28 Aug 2026
	Te Atiawa (Taranaki) Holdings Limited	Director	30 Jan 2026
	Te Atiawa Iwi Corporate Trustee Ltd	Director	30 Jan 2026
	Te Atiawa Iwi Holdings Management Limited	Director	30 Jan 2026
	Te Kotahitanga o Te Atiawa Trust	Trustee	30 Jan 2026
	Te Rau o Rongo Charitable Trust	Chair	30 Jan 2026
Onno Mulder	Citycare Limited	Ex CEO - Resigned Nov 2020	2 Feb 2026
	Coast Waters Limited	Director	29 Jun 2026
	EA Networks	CEO	29 Jan 2026
	Mulder Consultants	Director and shareholder	29 Jan 2026
	VFM Family Trust	Family Trust	2 Feb 2026
Sara Brownlie	Catalyst Cloud Ltd	Sister company to Catalyst.net Ltd so related interests	2 Feb 2026
	Catalyst.net Ltd	Director	2 Feb 2026

	Department of Internal Affairs	Ex contractor implementing finance and payroll systems	2 Feb 2026
	Education NZ	Director of Crown Entity	18 Feb 2026
	Enable NZ	Director of Crown Subsidiary to Health NZ providing disability equipment and services	2 Feb 2026
	Fargher Woods Ltd	Director and Shareholder	2 Feb 2026
	Fargher Woods Trust 1 & 2	Settlor - no conflict	2 Feb 2026
	Human Rights Commission	Part-time contract CFO	2 Feb 2026
	Porirua City Council	Contract financial training to Councillors concluded 31 March 2026	2 Feb 2026
	Tiaki Wai	Contract financial advisor to Wellington region water services entity concluded 30 June 2026	2 Feb 2026
	Treasury, Public Service Commission and DPMC	Ex employee as CFO for central agencies	2 Feb 2026
	Upper Hutt City Council	Previous Independent Member for the Risk and Assurance Committee 2020-2025	2 Feb 2026

Person	Organisation	Recently Closed Interests	Closing Date
Neil Holdom	TX1 Insight	Principal - Management Consultancy. No conflicts.	18 Nov 2026

DRAFT – PUBLIC

Wai Hononga Water Services Limited
Minutes

Board meeting	Public session
Date	16 October 2026
Venue	Ngamotu Room, NPDC Civic Centre, 84 Liardet Street and Teams
Time	10.00am

Attendance		
Board of Directors	**Management**	**Guests**
Anthony Wilson – Chair Joshua Hitchcock Kim Skelton Onno Mulder Sara Brownlie	Brent Manning (Chief Executive) Neil Holdom Mark Hall Pete George Joy Buckingham Dominika Mitchell Davina Woods Shannon Bishop (Secretariat)	Sarah Downs (NPDC Board Observer)

Item	**Opening of Meeting**
1.	• The Chair opened the meeting with Karakia lead by Joshua Hitchcock. No members of the public were present. Two Council staff members were noted as attending (online). • The Chair noted that this meeting is open to the public, as required under the Local Government Official Information and Meetings Act 1987 (LGOIMA) which applies to water organisations such as the Company, which have been established pursuant to the Local Government (Water Services) Act 2025. However, there are some agenda items which are required to be discussed in confidence by the board, in order to protect, for instance, the privacy of individual staff members or commercially sensitive information. The agenda for this meeting is therefore in two parts – the first part deals with items that can be discussed in public and the second deals with items which need to be discussed with the public. **Interests Register and Agenda**

	• The Board reviewed the Interests Register and it was taken as read with no changes. No conflicts of interest were declared in relation to matters on the agenda. **Minutes of the Public Section of the Board Meetings on 14 September 2026** • The Board considered the draft minutes of the public session held on 14 September 2026 and agreed to two amendments, namely to record that no members of the public attended the 14 September 2026 board meeting; and to clarify the Policies for Approval minute concerning the Conflict of Interest Policy so that removal of director/governance references does not imply Directors are outside conflict-of-interest requirements, noting separate Board coverage was intended. **RESOLVED:** The minutes were confirmed as a true and accurate record, subject to the amendments above.
	Items for Information, discussion and approval
2.	**Establishment Workstream Report** The report was taken as read. • Management advised that the programme continued to progress across all six workstreams, with increasing focus on Day 1 dependencies. The Transfer Agreement remained a key area of attention and Service Agreement scopes were being developed with NPDC. Coordination had improved as the NPDC Transition Manager embedded into the role, supported by regular check-ins between Wai Hononga and NPDC. • The Board discussed technology and cyber readiness. Management confirmed that the initial cyber work was under way (by NPDC), with scope agreed between Wai Hononga and Council and Council to commission and lead the work. A separate digital preparedness/scoping exercise was being commissioned through Spark, with Council sponsoring and funding the work and Wai Hononga as beneficiary. • The Board discussed opportunities to collaborate with other water CCOs on shared back-office services. The Chair and Chief Executive agreed to raise the opportunity through their respective sector forums. Existing shared-service examples, including Manawatu local authority arrangements, were noted as useful reference points. **NOTED:** The Establishment Programme Board Report was received.
3.	**Significance and Engagement Policy** • The Board received the community feedback report. Management reported that 18 submissions had been received and were being assessed jointly with Council, with proposed responses and policy changes being developed. Council approval is required before the Wai Hononga policy can be adopted, and the intended pathway is to the 26 November 2026 Council meeting, requiring an out-of-cycle Board approval beforehand. • The Board discussed the detailed feedback received, including submissions from Puketapu hāpu / Nga Kaitiaki and the Ratepayers Alliance. Management is working with Council and Levi Rona (Wai Hononga) on assessment and proposed

	responses. The intention is to provide the Board with a summary of themes, proposed responses and a tracked-change policy for feedback, followed by interim approval between meetings and formal sign-off at the next Board meeting. Feedback is also intended to be taken back to relevant submitters and Nga Kaitiaki. • The Board emphasised that the Council report should be clear and minimise ambiguity between Council and Wai Hononga policy application, and noted the importance of keeping the Wai Hononga and Council policies aligned as far as practicable. **NOTED:** The Community Feedback on the Significance and Engagement Policy report was received.
4.	**Delegations Policy Update** • The Board considered the proposed amendments following review by the Audit, Finance and Risk Committee. The Board agreed that the financial limit for agreements should be made explicit by adding “up to $500,000”. • The Board also discussed item 2.4. It was noted that committees have no standing authority unless delegated by the Board. The agreed drafting approach was to replace the relevant reference to approval by the People, Safety and Culture Committee Chair with endorsement by the People, Safety and Culture Committee, and to reflect CE authority with PSC endorsement where applicable. An identified committee-reference typo was also to be corrected. **APPROVED:** The amended Delegations Policy, effective 9 November 2026, subject to the amendments agreed at the meeting.
5.	**Resolution to exclude the public** At approximately 10.34 am, the Board formally resolved to exclude the public for the matters and statutory grounds set out in the agenda paper.
6.	**Meeting Close** There being no further public business, the Chair closed the public session 10:35am.

Wai Hononga Water Services Limited

Establishment Programme Board Report

Reporting period: **31 October 2026**

Board Meeting Date **23.11.2026**

Prepared for Wai Hononga Board – Governance use only

Purpose

The purpose of this report is to:

1. Provide the Board with an updated overview of progress during October, key priorities, upcoming milestones and delivery confidence across the Wai Hononga Establishment Programme.
2. Highlight key matters requiring Board awareness, discussion, direction or decision.
3. Provide an update on programme delivery, key dependencies and progress towards organisational readiness for Day-1.

Background / Context

This report provides an update on progress across the Wai Hononga Establishment Programme and its six workstreams, including key achievements, upcoming priorities and matters requiring Board awareness or attention.

The programme is being managed through an integrated programme plan, supported by rolling eight-week planning cycles. This provides visibility of workstream activities, key milestones, dependencies, sequencing and delivery confidence, while allowing priorities and future activities to be refined as the programme progresses toward Day-1.

This report should be read alongside the Wai Hononga Establishment Programme Risk Report and Establishment Programme Resource Report, which together provide a broader view of programme delivery, risk, capability and resourcing requirements.

Supporting information:

- Attachment 1 - Critical Activity Roadmap
- Attachment 2 - Critical Activity Decision Table
- Attachment 3 - Programme Workstream Status Report
- Attachment 4 - Workstream and Functional Delivery Model

Executive Summary

The Establishment Programme continues to progress across all six workstreams, with increasing focus on the work and decisions required to achieve Day 1 readiness. While good progress is being made, a number of important agreements, dependencies and resource requirements are becoming clearer and will require continued attention from both Wai Hononga and NPDC.

Key progress during the period included receipt of NPDC's legal markup of the Transfer Agreement, development of five priority Service Agreements for NPDC review, further development of the Water Services Strategy and supporting financial model, progression of organisational design and recruitment, and completion of the initial Technology, Data and Reporting business requirements. Work has also progressed on contract transition, customer readiness, and decisions by NPDC on mock billing.

The Transfer Agreement remains the most significant programme issue, with the timing of agreement and adoption affecting the time available for staff transfer and other Day 1 activities. The Service Agreements are also becoming a key area of focus, particularly the need to agree the scope, duration, pricing methodology and responsibilities between the two organisations. These matters will need to be worked through alongside the financial implications for both parties.

Over the coming period, the focus will be on progressing the Transfer Agreement and Service Agreements with NPDC, advancing the Water Services Strategy and financial assumptions, confirming the remaining organisational and programme capability required through to Day 1, and progressing the operational,

technology, customer and contract transition arrangements. A review of the remaining programme work, resources and establishment budget forecast will also be undertaken to inform the next stage of delivery.

Key progress during the reporting period:

- The Transfer Agreement continues to be the most significant programme risk and is the top priority for management. Contingency planning is underway focusing on legal advice, stakeholder coordination, and preparation for council consideration. NPDC has provided Wai Hononga its formal legal markup of the Transfer Agreement for Wai Hononga consideration and the legal team have started reviewing the proposed changes.
- Significant progress has been made with drafting the Water Services Strategy chapters; six chapters have been completed so far and four are under development. Support continues to be provided by the cross-organisational working group.
- Five priority Service Agreements have been developed and provided to NPDC for business-owner review and input, and the team continue to work on the lower priority Service Agreements. Development of the priority Service Agreements is progressing with input from NPDC. The next focus is on working through the scopes with NPDC and seeking early agreement on the proposed duration, pricing methodology and commercial principles that will apply across the agreements.
- The Board discussed and provided direction on the baseline revenue assumptions and key drivers at its 29 September workshop. The financial model was updated to incorporate the Boards feedback on the capital expenditure work programme and operating cost assumptions alongside changes from the recent Management review. The Delegations Policy as approved by the Board comes into effect from 9 November.
- Progressed development of the Contract Transition Plan, setting out the approach for reviewing, prioritising and transitioning contracts through to Day-1. The treatment of some contracts will include discussion where stormwater is included, per the future arrangements for the Networks Maintenance contract.
- Following the Council decision on mock billing on 21 October 2026 the first of two mock bills is planned for April/May 2027 covering January–March 2027 and will include indicative pricing from the consultation pricing for the Water Services Strategy consultation. A media release was published from NPDC on 22 Oct 2026 to clarify Council votes for more time for water charging structure and mock bills. The June 2027 quarter mock bills are expected to be issued by NPDC in July or August; hence important that the first bills (for payment) from Wai Hononga are not issued until after 30 September to avoid overlap and minimise potential for confusion for customers.
- Following the October Board consideration of the organisational design, work has progressed on the recruitment and workforce roadmap, including the sequencing of priority roles and the capability required through to Day 1.
- A detailed Internal Communications and Engagement timetable was through to Day-1, providing a coordinated communications approach to staff transition, organisational change, NPDC interfaces and readiness communications, with clear review and approval pathways.
- The Technology, Data and Reporting business requirements have been provided to NPDC for consideration and assessment of solution options. NPDC's Digital Enablement team is leading a review and gap assessment of the digital capability required for Wai Hononga. Separately, a cybersecurity assessment of Operational Technology (digital and radio telecommunications for critical operational and compliance data) is underway, with completion expected within six weeks. The outcomes will help inform the technology solutions, service arrangements and capability required for Day 1.

Key Items for Board awareness or attention

The following matters require ongoing Board visibility and management attention:

- The timeframe for completing the Transfer Agreement and Master Services Agreement remains challenging. NPDC has provided their legal review markup of the Transfer Agreement and Initial Wai Hononga review has identified several matters requiring further discussion and negotiation between the parties. Wai Hononga is still waiting for formal feedback on the Master Services Agreement. A revised pathway and timing will need to be agreed with NPDC. Any resulting impacts on dependent Day-1 activities will need to be actively managed. The risks arising from delays in finalising the Transfer Agreement and securing the necessary approvals are addressed in the Establishment Programme Risk Report.
- Wai Hononga continues to require regular and consistent visibility of delivery performance for critical NPDC projects that underpin Day-1 readiness, including Universal Water Metering (UWM) and the ERP Technology One upgrade. A watching brief will be maintained. The Wai Hononga Chief Executive sits on the governance group for these NPDC-led projects.
- Coordination with NPDC continues to improve, with joint planning now underway across a number of activities. The next focus is on confirming delivery responsibilities, required resources, dependencies and timing, particularly where NPDC activities are critical to the Day 1 readiness of Wai Hononga.
- As the remaining establishment activities and Day 1 requirements become clearer, management is reviewing the programme capability, resources and budget required to complete the work. This includes the impacts of recruitment and workstream leadership changes, the capacity required to deliver the remaining activities and the extent of support needed from NPDC. The outcomes will inform an updated resource plan and establishment budget forecast, with any matters requiring Board consideration reported separately.

Forward look, dependencies and delivery confidence

Over the next month, the programme will focus on progressing:

- Progressing Transfer Agreement and Master Services Agreement negotiations with NPDC, including the elected member workshop scheduled for 19 November 2026. A key focus will be resolving outstanding matters, agreeing a revised pathway and timeframe for approval, and assessing the impacts of delays on dependent Day 1 activities.
- Progressing the Contract Transition Plan jointly with NPDC, including a joint planning session to agree the overall approach, process, roles and responsibilities, and resources required to manage the transition. This will provide the basis for progressing contract reviews and due diligence, agreeing the treatment of individual contracts, prioritising activities and coordinating supplier engagement to support an orderly transition and Day 1 service continuity. An overview of the proposed approach will also be presented to the Board for input before progressing into detailed implementation.
- Continuing the development of the priority Service Agreements with NPDC while progressing the next group of Service Agreements. A key priority will be reaching early agreement with NPDC on the duration of each agreement, pricing methodology and commercial principles, while detailed scope development continues in parallel.
- Progressing the Significance and Engagement Policy through the remaining approval process with NPDC and Council.
- Presenting options for a Wai Hononga Remuneration Policy via the People Safety and Culture Committee.

- Continuing development of the Water Services Strategy (WSS) and supporting financial model, including refining key assumptions and preparing for wider engagement and public consultation. First draft of WSS expected for Board review in December.
- Progressing recruitment of priority roles, including the Customer Services Lead and Manager Partnerships & Performance (interviews for both in November), and Chief Financial Officer (early 2027), In parallel, reviewing the workforce roadmap and the timing of other roles required for Day 1. Noting the Manager People starts 1 December.
- Progressing organisational change and business readiness planning, including staff transition, operational processes, responsibilities and the arrangements required to support Day 1.
- Working with NPDC to progress the digital capability review and gap assessment, along with the Operational Technology cybersecurity assessment. The findings will inform the solutions, services and implementation activities required for Day 1. In parallel, progress the implementation of Wai Hononga email addresses for the existing team.
- Reviewing the outcomes of the joint Wai Hononga and NPDC risk workshop, confirming shared risk ownership and actions, and incorporating agreed changes into programme risk management and reporting.
- Progressing priority organisational policies and identifying the key processes and procedures required for Day 1, including responsibilities for their development and implementation.
- Reviewing the remaining establishment programme work, dependencies, delivery timelines and specialist capability required through to Day 1. This will inform an updated resource plan and establishment budget forecast, including any changes to priorities, sequencing or delivery arrangements.
- Preparing induction and Day One materials for new staff, contractors and suppliers.

Programme Planning and Delivery

Throughout October, regular planning and review sessions have focused on tracking progress against the integrated programme plan, confirming priorities, identifying emerging work and actively managing milestones, dependencies and sequencing across the workstreams.

The integrated planning approach is also being used to assess the impacts of delays to the Transfer Agreement on downstream activities, including staff and contract transfers, Service Agreements and other Day 1 requirements. This is informing a wider review of the remaining programme activities, delivery timelines and resources required, helping to identify potential gaps and where priorities or delivery arrangements may need to change.

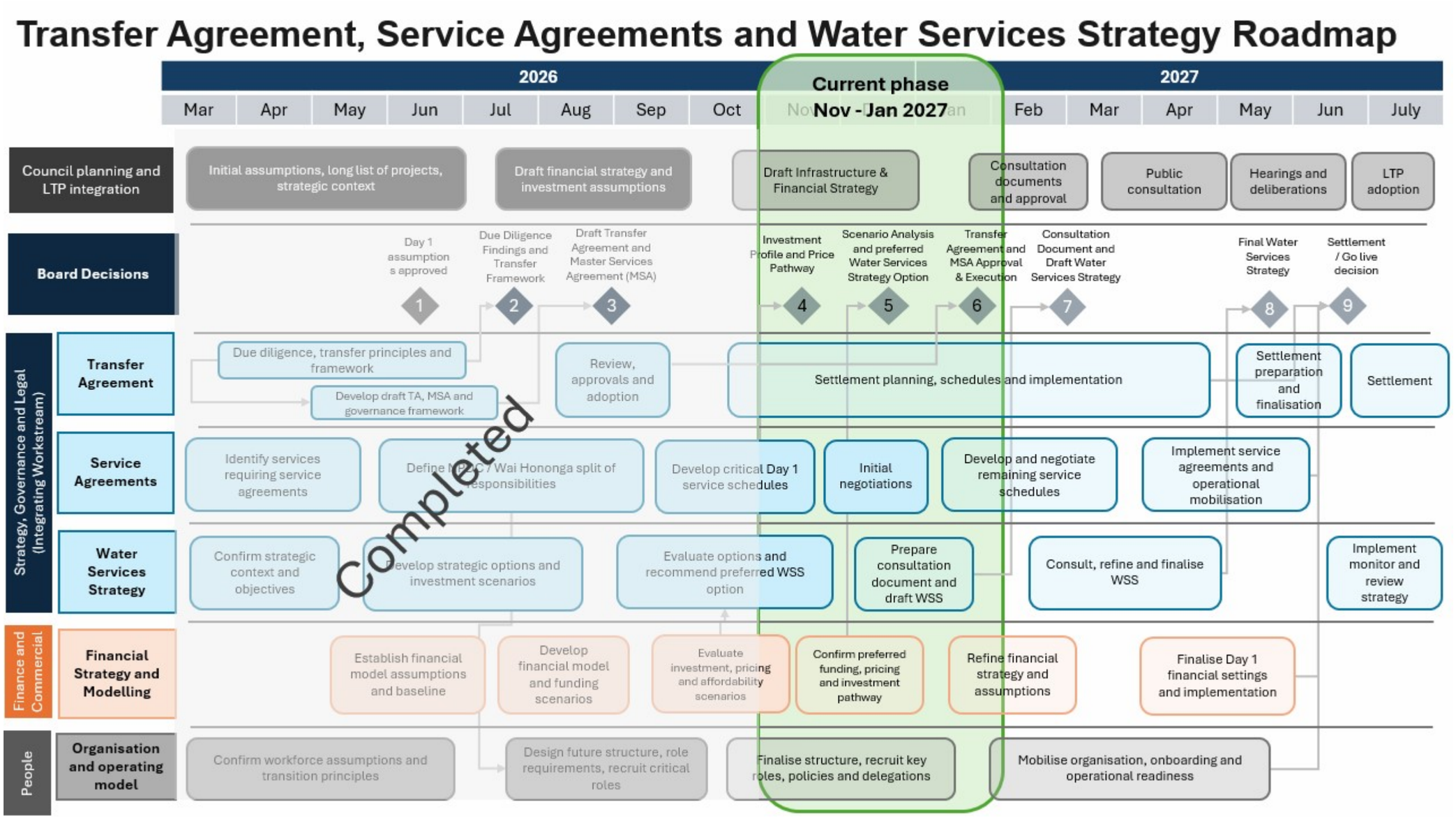
Preparation is underway for the next eight-week planning cycle in early December. This will bring the workstreams together to review progress, challenge priorities and delivery assumptions, and confirm the activities, dependencies and resources required with particular focus on identifying and addressing the specialist capability and capacity required to complete the work.

This approach is providing the coordination, visibility and discipline needed to manage the volume and complexity of establishment work, maintain focus on critical activities and support Day 1 readiness.

Attachment 1 – Critical Activity Roadmap: Transfer Agreement, Service Agreements and Water Services Strategy Roadmap

The Critical Activity Roadmap provides the Board with a high-level view of progress and the pathway for the critical activities required to deliver the Water Services Strategy, Transfer Agreement and Service Agreements. It shows key milestones, dependencies, sequencing and Board and Council decision points through to Day-1. Timeline slippage has occurred on the Transfer Agreement and MSA approval, and this is requiring timeline adjustments. Impacts caused by the timeline delay was provided to the October Board meeting. The roadmap is intended to provide an indicative view of the critical pathway rather than the detailed programme plan. Detailed activities, dependencies and timings are managed through the integrated programme plan, while the key decisions and forecast timing are set out in Attachment 2 – Critical Activity Decision Table.

Detailed workstream progress and upcoming priorities are provided in Attachment 3 – Programme Workstream Status Report.



Attachment 2 – Critical Activity Decision Table

The Critical Activity Decision Table provides a high-level overview of the key Board and Council decisions required to progress the critical programme activities and when these decisions are currently forecast to occur. It should be read alongside the Critical Activity Roadmap and will be updated as timings and decision requirements are refined. Timeline slippage has occurred on the Transfer Agreement and MSA approval, and this is requiring timeline adjustments. Impacts caused by the timeline delay was provided to the October Board meeting.

Current stage Next decision

	2	3	4	5	6	7	8	9	10
Gate	Due Diligence Findings and Transfer Framework	Draft Transfer Agreement and MSA	Preferred Investment Profile and Price Pathway	Preferred Water Services Strategy Option	Transfer Agreement and MSA Approval & Execution	Consultation Document and Draft WSS	Final Water Services Strategy	Settlement / Go-Live Decision	Completion
Description	Board receive due diligence findings and endorses recommendations and transfer framework	Board approves draft Transfer Agreement and MSA and approach to execution	Board approves investment profile and revenue / price pathway	Board approves preferred WSS option	Board approval, authorises execution and recommends adoption by Council.	Board approves consultation document and draft WSS for consultation	Board approves final Water Services Strategy following consultation	Board recommends settlement and go-live	Washup process and agreement, NPDC audited annual report
Target Date	Jul 2026	Aug 2026	Nov 2026	Dec 2026	Unconfirmed 2026	Feb 2027	May 2027	Jul 2027	Dec 2027
Board input / decision	Endorse	Approve	Approve	Approve	Resolve	Approve	Review	Recommend	Approve
NPDC input / decision	Validate findings	Review and provide SME input	Financial and operational input	Technical and operational input	Review and recommend	Review final draft	Confirm operational readiness	Confirm readiness	Provide wash-up / audit inputs
Council input / decision	Inform	Inform	Provide strategic feedback	Provide strategic feedback	Adopt / approve	Inform an align with LTP decisions	Inform	Stakeholder oversight	Approve

Completed

This pathway highlights the key governance decisions. Detailed programme scheduling and dependencies are managed through the integrated programme roadmap. Gate 1 has been excluded as completed

Attachment 3 – Programme Workstream Status Report

This dashboard provides an indicative view of progress across the Establishment Programme, including key deliverables, milestones and sequencing by workstream. Together with the Critical Activity Roadmap, it provides the Board with a high-level pathway to Day-1. Detailed activities, dependencies and timings are managed through the integrated programme plan.

The integrated programme plan currently includes more than 800 activities, with detailed activities, dependencies, milestones and progress managed through Microsoft Plan 3. The programme is managed through rolling eight-week planning cycles, providing greater accuracy and visibility of near-term delivery while allowing future activities, dependencies and sequencing to be progressively refined as detailed planning progresses.

This report should be read alongside the Wai Hononga Risk Report and Establishment Programme Resource Report. The dashboard focuses on workstream progress, key dependencies and delivery confidence. Detailed programme and workstream risks are reported through the Risk Report, while programme capability, recruitment and future resource requirements are reported through the Resource Report.

Wai Hononga Establishment Programme - Workstream Key Work Activity

Pathway to Full Establishment (1 July 2027)

Updated Sunday, 15 November 2026

Purpose: This workplan provides a high-level view of the key in-progress deliverables, milestones and information on dependencies required to deliver the Wai Hononga establishment. A detailed programme plan underpins this report

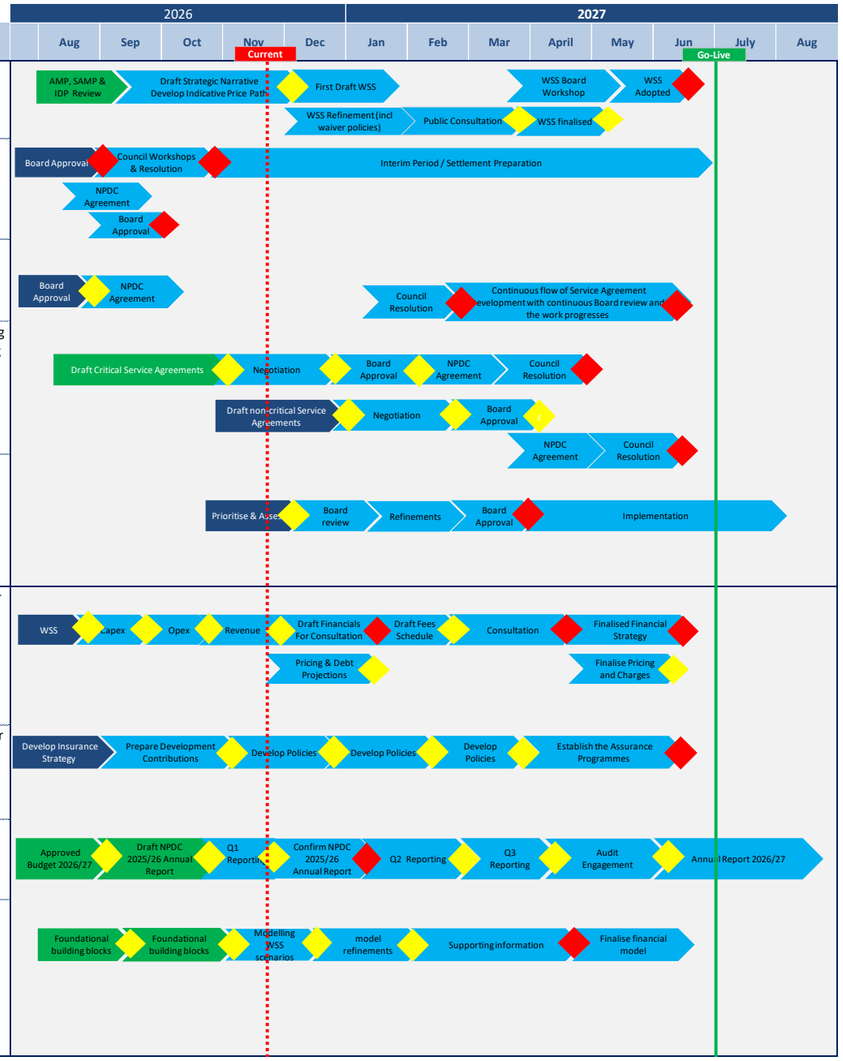
Key:

Work in Progress | Planned | Completed

Major milestone | Board decision

Off Track | At Risk | On Track

Workstream	Key In-Progress Deliverables	Indicative % complete	RAG Status	Progress Made This Period	Next Period Focus	Governance Attention	Key Dependencies
STRATEGY, GOVERNANCE & LEGAL Remains Amber due to tight timeframes and dependencies	Water Services Strategy is developed, agreed and implemented		Green - On Track	Drafting has started, with six chapters well advanced and four remaining in development. Inputs continue to be provided through the joint working group.	Complete the first full draft of the Water Services Strategy chapters and continue working through outstanding inputs with NPDC.	Board endorsement and Council engagement	Public Consultation and Council engagement
	Transfer Agreement is developed, agreed and implemented		Amber due to complex negotiations within tight timeframes	NPDC's legal feedback was received and is being assessed. The timeframe for agreement and approval remains challenging, with delays reducing the time available for staff transfer and other dependent Day 1 activities.	Recommendations on NPDC changes to be provided to the Board and worked through on 13 November 2026.	Board review and approval	Alignment between Wai Hononga, NPDC Executive, the Board and Council.
	Master Services Agreement is developed, agreed and implemented		Amber due to negotiation and approval dependencies	The Master Services Agreement is under negotiation and awaiting review from NPDC.	Progress NPDC's review of the MSA and work through outstanding matters as part of the wider TA negotiations.	Board review and approval	Alignment between Wai Hononga, NPDC Executive, the Board and Council.
	Critical Service Agreements are developed, agreed and implemented		Amber due to negotiation and affordability dependencies	Five priority Service Agreements have been drafted and are under review with NPDC; further agreements are under development. The Board workshop held 3 Nov provided direction on aspects that are now being included in the development work.	Agree duration, pricing methodology and commercial principles; progress remaining scopes.	Board review and approval	Agreement on commercial and pricing principles, transparency of underlying costs, confirmation of service requirements, NPDC service-owner capacity and alignment with the agreed split of responsibilities.
	Contract Review & Transition is completed and implemented		Amber due to complex negotiations within tight timeframes	Preparation is underway to undertake a joint planning workshop between NPDC/Wai Hononga on the 13 Nov. Analysis is underway to determine necessary treatment. The work involves a significant number of people across NPDC and also Wai Hononga. Secured a Commercial Advisor to support the work.	Agree a Joint Plan with NPDC and kick off the work programme. Onboard the Wai Hononga Commercial Advisor.	Board review and approval	NPDC subject matter expertise and NPDC resources to support contract reviews, transition planning activities for example termination of NPDC contracts.
FINANCE & COMMERCIAL Overall, the Financial & Commercial work activity is on track	Financial Strategy		Amber - due to complexity and significant critical delivery pathway	The team continues to focus on developing foundational stones for the Water Services Strategy and gathering financial data to inform and support the Financial Strategy with the focus this month on the baseline revenue assumptions and the drivers behind the price pathway.	Define the key revenue assumptions for the 10-year plan by end of November 2026, including the outline of the key drivers and dependencies.	Board feedback on assumptions, scenarios and preferred price pathway.	The Financial Strategy is a key enabler for the Water Services Strategy and other Programme Workstreams.
	Financial Policies		Green - On Track	Progressing the Development Contributions Policy in collaboration with the NPDC working group.	Initiate drafting a Waiver Policy and reviewing the alignment of growth projects with the Development Contributions policy and associated NPDC projects.	Board approval	NPDC Councillor workshops, and their District Council's working group.
	Financial Budgeting and Reporting		Green - On Track	Presented the Quarter 1 Financial Board Report, awaiting NPDC's approved 2025/26 Annual Report containing Water and Wastewater activities.	Reviewing the supporting detailed information.	Board noting	NPDC Management, Finance Team and Audit NZ.
	Financial Model and Analysis		Green - On Track	Updated 10-year Water Services Strategy Financial Model to reflect the proposed capital programme and operating expenditure. Built a Financial Model for the Board to work through different water pricing scenarios to assist with understanding the impact of key drivers.	Update the Water Services Strategy Financial Model to develop long-term price pathways and scenarios and identify the preferred, financially sustainable model for delivering water and wastewater services to Wai Hononga customers.	Board approval	Board feedback and direction



Wai Hononga Establishment Programme - Workstream Key Work Activity

Pathway to Full Establishment (1 July 2027)

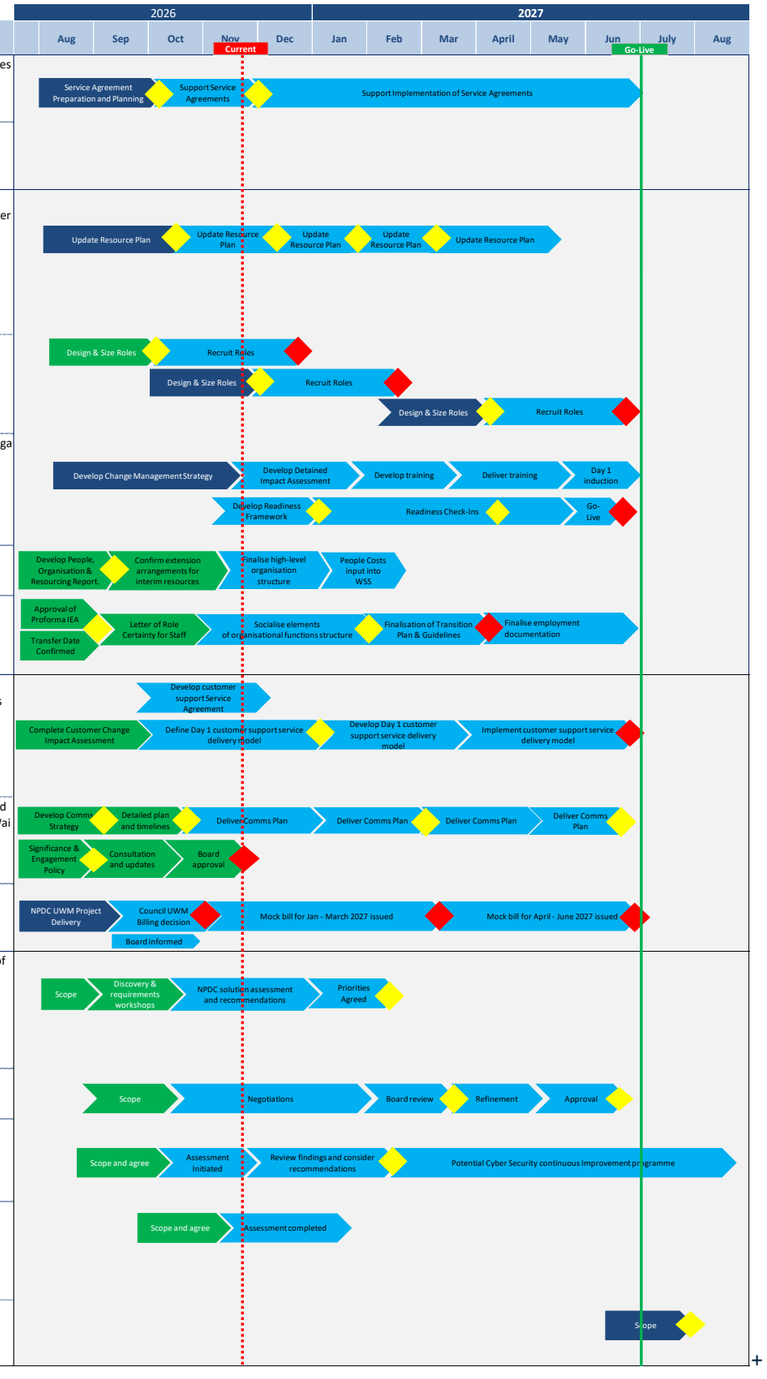
Updated Sunday, 15 November 2026

Purpose: This workplan provides a high-level view of the key in-progress deliverables, milestones and information on dependencies required to deliver the Wai Hononga establishment. A detailed programme plan underpins this report

Key:

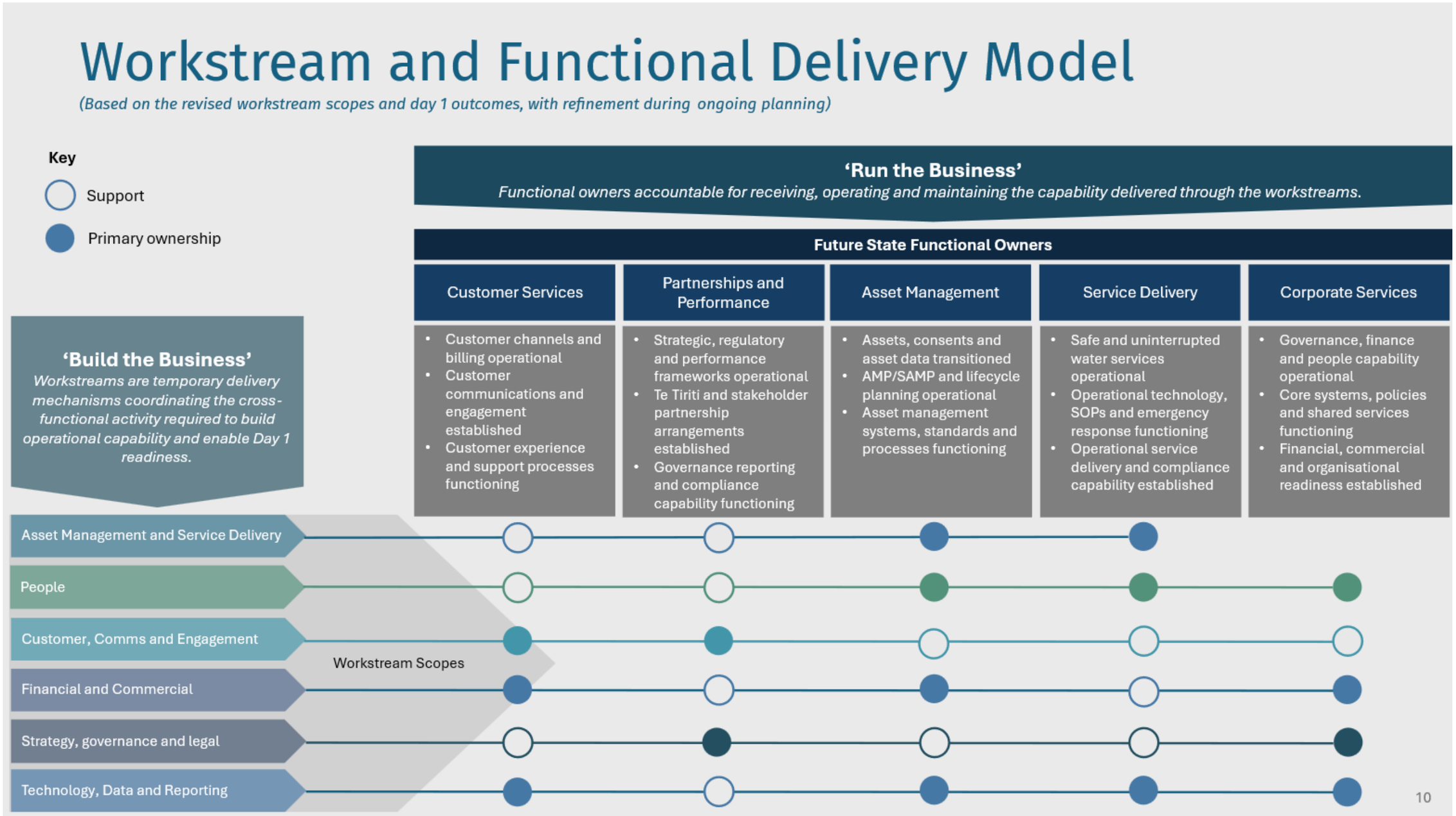
Work in Progress
Planned
Completed
Major milestone
Board decision
Off Track
At Risk
On Track

Workstream	Key In-Progress Deliverables	Indicative % complete	RAG Status	Progress Made This Period	Next Period Focus	Governance Attention	Key Dependencies
ASSET MANAGEMENT & SERVICE DELIVERY **Overall, the Asset Management & Service Delivery workstream is on track with core activity**	Support the development and implementation of Service Agreements		Green - On Track	Providing SME feedback into relevant priority Service Agreements. Also providing SME for Business Requirements gathering, input and validation.	Continue to provide SME feedback into Service Agreements.	Board approval	Transfer Agreement & Master Services Agreement
	Workstream rescoping		Green - On Track	A change in team members has provided an opportunity to review and reshape the workstream plan for the final delivery of work required through to 1 July 2027.	Confirm the scope of work required	N/A	N/A
PEOPLE **The People Workstream remains Amber reflecting the volume of organisational design, recruitment and workforce activity required over the coming period, together with dependencies across the wider establishment programme**	Establishment Capability		Amber due to resourcing constraints	Continuous monitoring of the Establishment Programme resourcing needs, identifying some capability gaps and working through how best to meet these remaining needs. Secured Commercial Advisor, onboarding in Nov. Short-term additional support to cover the People workstream has been considered to cover absence.	Onboard Commercial Advisor to support the Contracts work programme. Assess remaining work, specialist capacity and resource requirements.	Resource decisions will continue to be required throughout the delivery period	Work scoping must be completed to determine capability needed to deliver the programme.
	Permanent recruitment of Wai Hononga organisation		Amber due to volume of design and recruitment activity required	Priority recruitment progressed, including CFO, People and customer roles.	Progress priority appointments and review recruitment sequencing.	Continuous Board review and approvals	Organisational design, workforce requirements, Service Agreements and confirmation of functional responsibilities.
	Change Management and Day 1 Readiness		Green - On Track	Change Management alignment with NPDC is underway. The Change Management Strategy has been endorsed by the CE, with development of the integrated Change Plan and Three Waters communications and engagement plan now progressing.	Commence Day 1 readiness planning, including day 1 staff induction opportunities, targeted Three Waters communications and a staff pulse check to assess awareness and readiness.	Board informed	Organisational design for Wai Hononga
	Organisational Design & Workforce Planning		Amber due to organisational design dependencies	Organisational design progressed through Board approval	Develop workforce roadmap and confirm Day 1 role priorities.	Continuous Board review and approvals	Service Agreements and Transfer Agreement decisions.
	Employee transition to Wai Hononga		Amber due to TA dependency	The new Manager People, Capability & Wellbeing has been appointed and will start 1 Dec and further workstream work activity will be progressed.	Confirm transferring roles, consultation requirements and timing.	Confirmation of transferring positions and progression of transition communications.	Transfer Agreement negotiations, service delivery arrangements, and ongoing coordination with NPDC.
CUSTOMER, COMMS & ENGAGEMENT **Remains Amber due to evolving customer and engagement requirements**	Customer Experience		Amber because customer ownership and accountabilities remain undefined, creating uncertainty around Day 1 customer readiness	Continued to define the Day 1 customer experience and business readiness requirements, while working with NPDC and UWM activity to identify customer-facing dependencies and requirements.	Clarify customer ownership and accountabilities, and continue defining Day 1 customer requirements and dependencies with NPDC and relevant workstreams.	Board informed	Agreement of future customer ownership and service arrangements and alignment of customer communications.
	External Communications Strategy & Significance and Engagement Policy		Green - On Track	Finalised the detailed communications planning and timelines and progressed delivery of activities. The Board approved the Significance and Engagement Policy.	Continuous delivery of communications activities as programmed	Board information and approval as required	Funding approval needed for branded apparel and the future standalone Wai Hononga website opportunity
	Mock Billing		Amber due to project complexity, uncertainty and dependency on NPDC	Council decision on mock billing on 21 October 2026 confirmed the first of two mock bills is planned for April/May 2027 covering January–March 2027.	Progress customer and communications planning alongside NPDC's water billing programme.	Board approval	NPDC UWM Project delivery. Indicative pricing from the Water Services Strategy consultation
TECHNOLOGY, DATA AND REPORTING	Develop Wai Hononga technology, data and reporting requirements		Amber due to uncertainty and complex nature of ICT	Business requirements have been provided to NPDC and the Digital Enablement team have started their solution assessment. Direct liaison is now well advanced between Wai Hononga and the Digital Enablement team working through the detail.	Conduct SME workshops. Consolidate and prioritise requirements. Develop a baseline requirements register.	N/A	Availability and timely participation of Wai Hononga and NPDC subject matter experts. Access to existing documentation and data.
	Develop the Technology, Data and Reporting Service Agreement		Green - On Track	The draft Technology, Data and Reporting Service Agreement has been provided to NPDC for feedback.	Continue working through the finer details of the Service Agreement as able.	Approval of Service Agreement	NPDC service owner availability. Wai Hononga requirements.
	Cybersecurity Assessment		Amber due to reliance on capacity to prioritise assessment	The Cybersecurity assessment proposal has been completed and approved, and NPDC and the Three Waters team are planning the assessment to begin in November.	Complete the cybersecurity assessment and prepare recommendations	For Board information	Three Waters capacity to complete the assessment. Vendor availability.
	Current State Assessment for Technology, Data and Reporting		Amber due to reliance on capacity to prioritise assessment	Working with NPDC to scope and deliver a Current State Assessment of all Technology, Data and Reporting related activities to inform Service Agreements, Business Requirements and go-live readiness.	Initiate the Current State Assessment work activity	For Board information	Three Waters capacity to complete the assessment. Vendor availability.
	Develop the Wai Hononga Technology Strategy		Green - On Track	Further work on developing a Wai Hononga Digital Technology Strategy will be carried out once the Water Services Strategy is approved.	Not planned	For Board approval once complete	Approval of the Water Services Strategy.



Attachment 4 – Workstream and Functional Delivery Model

The following model shows how the six establishment workstreams relate to future functional ownership within Wai Hononga. The workstreams provide the temporary delivery structure for establishing the capability required for Day-1, with responsibility progressively transitioning to the future functional areas as the organisation is established.



Decision Report

Transfer Agreement – February 2027 Adoption: Implications and Proposed Mitigations

To	Wai Hononga Water Services Limited Board
From	Pete George and Dom Mitchell
Approved	Brent Manning, Chief Executive
Date	19 November 2026

Purpose

1. To advise the Board of NPDC's proposed deferral of Transfer Agreement (TA) adoption to February 2027, outline the implications for the 1 July 2027 transfer, and seek support for an agreed approach with NPDC to manage critical dependencies and maintain the planned transfer date.

Recommendations

2. It is recommended that the Board:

Item	Action	Approval
1	**Note** that NPDC is targeting February 2027 for adoption of the Transfer Agreement, but that adoption is not guaranteed and may be further delayed should Council deliberations continue.	Yes / No
2	**Endorse** progressing critical transfer matters ahead of formal TA adoption through agreed assumptions, early decisions and conditional or transitional arrangements with NPDC, to maintain the planned 1 July 2027 transfer.	Yes / No
3	**Approve** management progressing the proposed mitigation arrangements with NPDC, particularly: • Written agreement by December 2026 on the financial transfer assumptions required for WSS modelling and consultation. • Early agreement on the staff transfer scope, terms and process, including provision for conditional employment offers (from Wai Hononga to NPDC staff identified to transfer employment) where required and legally permissible. • Seek agreement with NPDC on the Principles and Settlement Methodology • Confirmation of the systems requirements necessary to proceed through the February ERP change freeze. • Early agreement on priority Service Agreements and operational arrangements. • Conditional or interim arrangements for critical contracts, assets and property.	Yes / No
4	**Authorise** the Chief Executive to negotiate and progress these arrangements with NPDC, subject to legal advice, applicable delegations and any further Board or Council approvals required.	Yes / No

5	**Request** that management develop a contingency approach should adoption not occur in February, including the implications for critical milestones, additional costs, transitional arrangements and the ability to maintain the 1 July 2027 transfer.	Yes / No
6	**Endorse** a coordinated approach to MCERT engagement, recognising Council's obligations under the accepted Water Services Delivery Plan. Should further delay materially affect the ability to maintain a credible pathway to 1 July 2027, the Chief Executive, in consultation with the Board Chair, will consider appropriate engagement with MCERT and legal advice, working with NPDC where practicable.	Yes / No

Executive Summary

3. NPDC has proposed moving adoption of the Transfer Agreement from December 2026 to February 2027. Our earlier assessment identified February as a tipping point, with reduced contingency and increasing reliance on recovery and transitional arrangements to maintain the 1 July 2027 transfer.

4. While February adoption does not necessarily prevent the planned transfer, there is no guarantee that Council will adopt the TA at that meeting. Further deliberation by elected members could result in additional delay, increasing the importance of agreeing critical matters ahead of formal adoption.

5. It is proposed that Wai Hononga work with NPDC to agree the financial, people, systems and Service Agreement arrangements required to maintain progress, supported by an agreed programme of decisions and contingency measures. The Board is asked to support this approach, including planning for the possibility of further deferral and considering the implications for statutory obligations and MCERT intervention.

Background

6. The Critical Activity Roadmap identified October to December 2026 as the planned period for TA adoption, with December being the latest fallback date.

7. NPDC has now advised that February 2027 is being proposed for adoption. A Council meeting is now scheduled for late January 2027, providing an opportunity to bring forward critical matters requiring Council direction or decision ahead of formal TA adoption. This timing may also dovetail with critical LTP decisions, which is expected to be a priority for Elected Members.

8. An earlier assessment considered the implications of progressive delay and identified February as a tipping point, where several critical activities approach their latest viable timing and there is increasingly limited opportunity to recover further delays.

9. The assessment did not identify a single date beyond which the 1 July transfer becomes unachievable. Rather, the consequences increase progressively as the delivery window reduces, with greater reliance on assumptions, contingency and transitional arrangements.

10. The proposed February timing does not necessarily prevent the planned 1 July 2027 transfer. However, this relies on a number of critical matters being agreed and progressed ahead of formal adoption. Further delay beyond February would require a reassessment of the planned transfer approach and the additional contingency arrangements required.

11. Without these arrangements, there is an increasing risk that activities will be delayed, require rework or cannot be implemented through the planned approach. Essentially, greater reliance on a continuation of NPDC service provision per the status quo post 1 July, and a reduction in opportunities for Wai Hononga to influence these, notwithstanding the legal implications for Wai Hononga.

Discussion

12. The proposed February 2027 adoption date reduces the time available to complete activities dependent on the Transfer Agreement. While 1 July 2027 remains the planned transfer date, maintaining this will depend on early agreement of critical matters and the extent of any further delay.

13. There are two broad options for managing the proposed delay, with different implications for delivery risk, contingency and the ability to maintain 1 July 2027.

Option	Assessment
Await February TA adoption before confirming dependent matters, continue to progress discussions with NPDC in the interim.	Not preferred. Preserves the formal decision sequence but significantly reduces implementation time and increases the likelihood of contingency arrangements.
Progress critical matters through agreed assumptions and conditional arrangements	Preferred. Allows the programme to maintain momentum while retaining the required Council and Board approvals. Requires early agreement and coordinated management with NPDC.

14. The preferred option addresses the implementation risks associated with February adoption but does not remove the risk of further Council deferral. Should adoption not occur in February, the remaining transition pathway will need to be reassessed, including the extent to which agreed conditional and transitional arrangements can continue to protect the 1 July transfer.

15. A number of key programme dates fall before or shortly after the proposed February adoption. These highlight where early agreement with NPDC will be required to avoid delaying critical activities or increasing reliance on contingency arrangements.

Critical date	Dependency / implication
December 2026	Confirm financial transfer assumptions, including debt settlement methodology (from which the debt figure is derived), liabilities and revenue requirements, to support WSS modelling and NPDC planning
Late January 2027	Council meeting: Opportunity to seek decisions or direction on critical transfer matters ahead of February TA adoption, particularly where approvals are required to maintain programme milestones.
February 2027 – ERP change freeze (exact date to confirm)	TA-dependent systems requirements and configuration must be agreed and progressed ahead of the freeze. Any subsequent changes will require approved exceptions or interim solutions.

February 2027 – Proposed TA adoption	Council decision opportunity. Adoption is not guaranteed, and further deferral may require additional contingency arrangements.
1 March 2027	Draft WSS to Shareholder. Financial assumptions must be sufficiently settled beforehand. If this cannot be achieved, an alternative date would need to be agreed with the shareholder. Public consultation on the WSS is intended concurrent with NPDC LTP (from 6 March to 7 April 2027).
29 April 2027	Planned commencement of the nine-week staff transfer process and issue of employment offers. The transfer scope, terms and process must be agreed beforehand, including approval for conditional offers if required and legally permissible. Early communication of these offers to the individuals affected allows them the opportunity to consider their options, seek advice, respond accordingly, and in so doing provide them certainty on their immediate future i.e. a fair and equitable process
1 July 2027	Planned transfer and Day 1 operational readiness.

16. The preferred approach is therefore to progress critical matters through agreed assumptions and conditional arrangements, while retaining the formal approvals required under the Transfer Agreement.

Key Assumptions

17. The proposed approach is based on the following assumptions:

- February 2027 remains NPDC's proposed TA adoption date, recognising that further deferral is possible. The further deferral risk may be mitigated by a third Council workshop potentially to be scheduled with NPDC in late January 2027.
- The agreed transfer date remains 1 July 2027.
- NPDC and Wai Hononga can agree sufficient financial, employment, systems and commercial assumptions ahead of formal TA adoption to allow critical activities to progress.
- Conditional and transitional arrangements can be developed where legally and operationally appropriate.
- NPDC will continue to support the implementation programme and any transitional arrangements required.

18. These assumptions will need to be reviewed as the Council decision pathway and proposed mitigation arrangements are confirmed.

Other dependencies or impacts

19. The proposed approach remains highly dependent on NPDC, both to progress the formal adoption decision and to agree and implement the arrangements required to maintain Day 1 readiness.

20. Further delay could increase staff uncertainty, affect WSS financial planning and consultation, and result in a greater reliance on NPDC systems, contracts, assets and services beyond the period originally anticipated.

21. Furthermore, the TA anticipates LGFA accession by Wai Hononga for access to future borrowing and financial tools; a necessity for accession with LGFA is a Shareholder guarantee from NPDC. The current draft of the TA proposes automatic voiding of the TA if the accession condition isn't met by 20 June, which in turn is reliant on NPDC formally approving the Shareholder Guarantee. Any delay to, or withholding of, such a guarantee by NPDC clearly puts the whole TA at risk; under the current terms, only days before go-live.

22. Where transitional arrangements are extended, some establishment activity and associated costs may also need to continue beyond 1 July 2027 to complete the remaining transfer activity.

Proposed mitigation and approvals required

23. The proposed February adoption date requires a different approach to managing several critical dependencies. Rather than waiting for the TA to be adopted, Wai Hononga proposes to seek agreement with NPDC on specific matters that can be confirmed or progressed beforehand.

24. The following arrangements are proposed to maintain the 1 July 2027 transfer date, subject to the necessary legal advice, delegations and formal approvals.

Area	Implications of February Adoption	Proposed workaround / approval sought
Council adoption / further deferral	February adoption is not guaranteed. Continued Council deliberation may result in further delay, potentially affecting the ability to complete critical transfer activities ahead of 1 July.	Seek agreement with NPDC on the February decision pathway, including the matters requiring resolution and the process for progressing any outstanding decisions. If February adoption is not achieved, agree an alternative decision timetable and reassess the transition approach, contingency arrangements, costs and statutory implications.
WSS, financial position and revenue	The WSS and associated financial modelling require a sufficiently confirmed operating model, transferred assets, debt, liabilities, operating costs and revenue requirements. Delayed confirmation may affect shareholder review, planned consultation and alignment with NPDC's Annual Plan and revenue decisions. Wai Hononga in seeking accession with LGFA will require a Shareholder guarantee from NPDC	Seek written agreement with NPDC by December 2026 on the financial planning assumptions, including debt allocation, liabilities, asset values, operating costs, funding and revenue requirements. These will form the agreed basis for WSS modelling and consultation, subject to final TA approval and an agreed process for managing subsequent changes. Advance the LGFA accession application with the NPDC guarantee to be sought as part of the TA decision report.
Staff transfer	The planned nine-week staff transfer process has a critical commencement date of 29 April 2027, with employment	Seek agreement with NPDC ahead of February on the staff transfer scope, terms, consultation process and timetable, allowing preparation and employee

	commencing 1 July. Delay reduces the preparation and consultation period, increases uncertainty for affected employees and introduces potential flight risk.	engagement to proceed. If TA adoption or other approvals remain outstanding when offers are due, seek agreement to issue conditional employment offers, subject to legal advice and employment obligations.
Systems, data and access	The planned ERP change freeze in February reduces the opportunity to accommodate late changes to transfer scope, configuration, financial systems and data requirements.	Seek approval from NPDC to confirm the TA-dependent systems requirements and proceed with ERP configuration ahead of adoption, based on an agreed transfer position. Establish a jointly approved change-control process and interim solutions for changes arising after the February ERP freeze.
Service Agreements	February adoption compresses the time available to finalise pricing, service levels, responsibilities and operational arrangements between Wai Hononga and NPDC.	Seek agreement on the scope, pricing methodology, service levels, responsibilities and key commercial terms of priority Service Agreements before TA adoption. This would allow service mobilisation and operational readiness activities to proceed, with formal execution subject to the necessary approvals.
Contracts and commercial arrangements	Third-party consents, novations, assignments and contract splits may not all be completed by Day 1.	Seek agreement for NPDC to progress supplier consents, novations and assignments in advance, with documentation conditional on the transfer proceeding where legally appropriate. For unresolved contracts, agree that NPDC can continue to hold and administer contracts under documented transitional arrangements, with clear responsibility for costs, risks and liabilities
Assets and property	Further delay reduces the time available to resolve critical ownership, access and legal arrangements. Some property matters were already expected to continue beyond Day 1.	Seek agreement on the critical assets and property rights required for Day 1, and authorisation to prepare interim licences, access agreements and other arrangements that would take effect where formal transfers cannot be completed by 1 July.
Financial and operational readiness	Unresolved transfer assumptions may affect opening balances, borrowing arrangements, insurance, accountabilities and Day 1 operating arrangements.	Seek agreement on the interim financial and operating arrangements required if parts of the transfer remain outstanding, including opening balances, funding, insurance and accountability for unresolved assets and liabilities.

25. These workarounds would not remove the requirement for formal TA adoption. They would allow preparatory activities and, where legally permitted, conditional arrangements to progress ahead of that decision, reducing the risk of further delay and the scale of contingency required.

26. Management would confirm the necessary approvals, legal requirements, costs and any residual risks before implementation.

Proposed approach with NPDC

27. Rather than waiting until February to conclude the critical transfer matters, it is proposed that Wai Hononga and NPDC establish a joint interim decision and assumptions framework.

28. This would identify:

    - matters that can be confirmed ahead of formal TA adoption
    - matters that can proceed on agreed assumptions, subject to final approval
    - activities requiring specific conditional or transitional arrangements
    - matters that cannot lawfully or practically proceed until TA adoption; and
    - the latest decision dates, owners and consequences if agreement is not reached.

29. Management will also work with NPDC to identify which critical matters could be brought to the late January Council meeting for direction or approval, allowing these to progress ahead of formal TA adoption in February.

30. Priority should be given to confirming the financial transfer position, including the LGFA accession, and staff transfer arrangements, followed by systems, Service Agreements and other critical Day 1 requirements.

31. The intention is to provide sufficient certainty to continue the establishment programme while retaining the required Council and Board decision-making processes.

Financial Implications

32. Further delay is likely to increase the cost and complexity of establishing Wai Hononga.

33. Although contingency and transitional arrangements may allow the 1 July transfer to proceed, these may introduce additional costs through extended NPDC support, temporary commercial arrangements, systems changes and additional legal or specialist advice.

34. It is also likely that some establishment activity and associated costs will continue beyond 1 July 2027 to implement transitional arrangements and progressively complete the remaining transfer activity.

35. The extent of these costs cannot yet be quantified and will depend on the nature and duration of the arrangements required.

36. Management will assess the additional costs and resources associated with the proposed February adoption and any further delay, including the costs of contingency arrangements and establishment activities extending beyond 1 July 2027. This will include identifying the funding requirements and responsibility for any additional costs, with further approvals sought where required.

Policy, process and legislative considerations

37. NPDC has an obligation to give effect to its accepted Water Services Delivery Plan, which provides for the agreed water services delivery model.

38. The proposed February adoption date does not in itself mean the agreed delivery model cannot be implemented by 1 July 2027. However, adoption is not guaranteed, and further delay may progressively affect the ability to implement the agreed model through the planned approach.

39. There is therefore a need to maintain a credible implementation pathway, supported by agreed decisions, critical milestones and contingency arrangements. This becomes increasingly important should Council deliberations extend beyond February.

40. MCERT already has an established role in monitoring implementation of accepted Water Services Delivery Plans. Any engagement should be constructive and factual, focused on progress, risks and the arrangements being developed to maintain the agreed delivery model.

41. It is proposed that Wai Hononga work with NPDC to maintain appropriate transparency through existing reporting arrangements. Should February adoption not occur, or critical dependencies remain unresolved such that the planned transfer is materially affected, the need for further engagement with MCERT should be considered, supported by legal advice.

42. Such engagement would be intended to support transparency and a coordinated approach to implementation, rather than signal a failure of the programme or seek statutory intervention.

Next steps

43. Subject to Board feedback, management proposes to engage with NPDC Management to:

    43.1 Confirm the proposed February Council decision pathway, including the matters requiring resolution and the process should adoption be further deferred.

    43.2 Secure agreement on the financial, people, systems and implementation assumptions required to protect critical milestones ahead of TA adoption.

    43.3 Confirm the conditional and transitional arrangements required to maintain Day 1 readiness, including those that may need to remain in place if adoption occurs after February.

    43.4 Assess the additional costs, resources and risks associated with the proposed mitigation arrangements and any further deferral.

    43.5 Maintain an agreed approach to WSDP implementation reporting and consider the need for further MCERT engagement, supported by legal advice where appropriate.

    43.6 Report back to the Board on progress, outstanding decisions and any material changes to the planned 1 July 2027 transfer pathway.

Attachments

Item	Title
A	Transfer Agreement – Timeline Adoption Assessment

Wai Hononga Water Services

Transfer Agreement – Timeline Adoption Assessment

12 October 2026

Contents

1. Introduction
2. Key Activity dates and dependencies
3. Scenarios / Impact assessment
4. Board considerations

Introduction

The Transfer Agreement was scheduled for adoption between October and December 2026, with December being the latest fallback date identified in the Critical Activity Roadmap.

While the timeframe was ambitious, any delay progressively reduces the time available to complete activities that are dependent on an adopted Transfer Agreement and increases the risk to achieving the agreed 1 July 2027 transfer date.

This assessment is based on the Critical Activity Roadmap, supporting decision table and staff transfer plan.

This presentation sets out:

- the key activities and dates between TA adoption and 1 July 2027, including those with a direct dependency on the TA
- an impact assessment of progressive delay, showing the practical consequences if adoption moves beyond December into February, March or later; and
- matters for Board consideration, including the implications for Day 1 readiness, engagement with Council and any actions required to maintain a credible pathway to 1 July 2027.

Ministry for Cities, Environment, Regions and Transport (MCERT) / statutory considerations

Council has an obligation to give effect to its accepted Water Services Delivery Plan. If delays reach a point where there is no longer a realistic pathway to implement the agreed delivery model by 1 July 2027, engagement with MCERT and legal advice on the statutory implications should be considered. The legislation also provides for Ministerial intervention where an accepted Water Services Delivery Plan is not being given effect to.

Key activity dates and dependencies

(Activities that are directly affected by the Transfer Agreement adoption date)

Area	Delivery item	Key date	Dependency on TA
Transfer Agreement	Adoption	29 Oct 2026 – original plan	The Transfer Agreement is a Critical Foundational Dependency and a key programme decision point. Delay progressively reduces implementation contingency and may ultimately remove the programme's realistic pathway to achieving the 1 July 2027 transfer date.
Water Services Strategy (WSS)	Preferred position / key assumptions	Nov 2026	TA informs transfer scope and financial assumptions
WSS / Finance	Investment / revenue position	Dec 2026	TA informs assets, costs and funding/revenue requirements
WSS	Draft WSS / consultation starts	Feb 2027	Requires sufficiently settled financial and service delivery position
WSS	Final WSS	May 2027	Final WSS needs to reflect agreed transfer and funding position
People	Issue offers	29 Apr 2027 latest	TA required before formal transfer process
Contracts	Contract transfers / novations / assignments completed	By 1 Jul 2027	Agreed transfer position required to execute transfers
Assets & property	Transfer / transitional arrangements in place	By 1 Jul 2027	TA confirms assets/property transferring and required legal arrangements
Service Agreements	Agreements operational	By 1 Jul 2027	TA responsibilities inform final scope, pricing and accountabilities
Systems / data	Cutover arrangements operational	By 1 Jul 2027	Stable transfer scope required for final configuration, migration and access
Day 1	Transfer / go-live	1 Jul 2027	Required transition arrangements in place

Scenarios / Impact assessment

Impact Area	Nov Adoption	Dec Adoption	Feb Adoption	Mar onwards Adoption
Staff transfer	Formal transfer process can proceed to planned timetable.	Reduced contingency in the transfer timetable.	Reduced time to prepare for the staff transfer process. Prolonged uncertainty may increase retention risk in some areas.	29 April is the latest date for Wai Hononga to issue offers. Delay beyond this point impacts the planned transfer timetable to 1 July.
WSS Operating model / costs / revenue requirements	TA position confirmed in time to align the WSS, operating model, costs and revenue requirements with NPDC planning.	Reduced time to incorporate the 2027/28 operating model for Wai Hononga, costs and revenue requirements into NPDC's LTP/AP and associated financial decisions.	Risk NPDC progresses or locks down LTP/AP and revenue decisions without an approved WSS and confirmed Wai Hononga operating model, costs and revenue requirements, requiring decisions to be made on assumptions or subsequently amended.	Increasing risk that NPDC's approved financial/revenue settings do not align with Day 1 requirements for Wai Hononga, requiring transitional funding, changes to approved settings or other interim arrangements..
Contracts / commercial arrangements	Execution and implementation can proceed once transfer position confirmed.	Reduced time for supplier consents and resolution of exceptions.	Limited time to complete third-party consents, novations / assignments, contract splits and replacement arrangements before Day 1, increasing reliance on contingency arrangements.	Some contracts may not transfer by Day 1, requiring extensions, replacement arrangements or transitional support through NPDC, material reliance on contingency (e.g. trust) arrangements.
Assets & property transfer	Asset/property transfer schedules and associated legal and financial treatment can be confirmed and progressed.	Reduced time to confirm which assets/property transfer at Day 1 and the transitional arrangements required for remaining matters.	Limited time to resolve critical ownership, access and legal arrangements required for Day 1 operations. Priority will need to be given to critical sites with interim arrangements likely.	Increasing risk that critical Day 1 arrangements are not in place, requiring additional interim arrangements and increasing the volume of unresolved matters carried beyond Day 1.
Systems, data & access	Final requirements can be reflected in build, migration and access arrangements.	Implementation increasingly proceeds against an assumed transfer position, reducing contingency ahead of the ERP change freeze.	ERP change freeze commences. Any unresolved TA-driven requirements may require exceptions, rework or interim solutions, reducing time for testing and remediation.	Changes required after the ERP freeze may not be accommodated before cutover, increasing reliance on interim/manual solutions for Day 1.
Service Agreements / transitional services	TA position can be reflected in final SAs.	TA and SAs increasingly progress concurrently.	Late changes during implementation/testing increase rework and reduce time for remediation.	Interim service arrangements likely where permanent arrangements cannot be implemented before Day 1.
Council adoption / recovery time	Normal decision pathway remains available.	Last scheduled adoption opportunity before the summer recess. No Council meeting in January.	Next available Council decision opportunity following December; very limited opportunity for another decision cycle or subsequent recovery.	Further deferral directly compromises the remaining implementation pathway to 1 July.
Overall assessment	**Planned transition remains achievable with reasonable implementation time.**	**Critical decision point, key WSS/financial milestones are reached and missing December moves the next Council opportunity to February.**	**Tipping point, several critical activities reach or approach their latest viable point. If there is no confirmed recovery pathway, engagement with MCERT should be considered.**	**Planned transition materially compromised, Day 1 increasingly reliant on interim/contingency arrangements. If there is no credible pathway to implement the [illegible]oted delivery model by 1 July, Government oversight [illegible] potential statutory intervention become material considerations.**

Board considerations

Based on the assessment, the following matters are highlighted for Board consideration:

- There are options available to manage impacts and provide flexibility as the delivery window reduces. This could include extending reliance on trust arrangements for contracts, further property licences and other transitional arrangements beyond the period originally anticipated, helping to maintain continuity while the remaining transition activity is completed.
- As the delivery window reduces, there will be increasing reliance on contingency or transitional arrangements. This will add cost, resource pressure, staff uncertainty and delivery complexity. It is also likely to extend some establishment activity and costs beyond Day 1 while contingency arrangements are implemented and the remaining transfer activity is completed.
- There is a high dependency on NPDC to progress adoption of the TA and to support and deliver any contingency or transitional arrangements required.
- TA adoption timing – December 2026 remains an important decision point, noting that the next Council decision opportunity is not until February and further delay materially reduces the remaining implementation and recovery period.
- NPDC engagement – proactive engagement with NPDC officials to secure a confirmed TA decision pathway and maintain a shared understanding of the implications of further delay, noting a second workshop is being planned (tentatively scheduled for 18 November.
- Recovery / contingency planning – whether contingency and transitional arrangements should now be further developed for critical activities where these may be required to maintain the 1 July 2027 transfer date.
- MCERT / statutory considerations – whether and at what point further delay warrants engagement with MCERT and/or legal advice on the implications for giving effect to the accepted Water Services Delivery Plan.

Information Report

NPDC 2025/26 Annual Report for Water and Wastewater

To	Wai Hononga Services Limited Board
From	Joy Buckingham, Finance Transition Workstream Lead
CC	Brent Manning, Chief Executive
Date	20 November 2026

Purpose

The purpose of this report is to:

1. **Note** NPDC's approved Annual Report pages for Water and Wastewater activities for the year ending 30 June 2026.
2. **Note** NPDC's Annual Report Water and Wastewater asset and liabilities at 30 June 2026 including Councils debt calculation

Recommendations

This paper is provided to the Board for information only.
It is recommended that the Board receives the Report on NPDC 2025/26 Annual Report.

Executive Summary

3. NPDC adopted the Annual Report for the year ending 30 June 2026 on Thursday 29 October 2026 as attached.
4. The Water and Wastewater services financial and non-financial performance for the year are detailed on pages 67 to 73.
5. The Local Water Done Well note on page 147 refers to $204.3m borrowings relating to Water and Wastewater activities. This includes the establishment costs of $1.4 million incurred during 2025/26. A breakdown of NPDC's debt calculation is outlined in para 10.
6. Water and Wastewater asset, work in progress, reserves, and debt balances as at 30 June 2026 are noted through the report as outlined below.

Background

7. Key pages of the unaudited draft NPDC's Annual Report for the year ending 30 June 2026 were presented and noted by the Committee on 1 September 2026.
8. Following audit the NPDC's Annual Report for the year ending 30 June 2026 it was adopted by Council on Thursday 29 October 2026. The main change from the draft was the recognition of depreciation on the Thermal Dryer of $1.6 million, along with smaller reclassifications.

9. The approved 2025/26 Annual Report details the Water and Wastewater services financial and non-financial performance for the year are detailed on pages 67 to 73.
10. The Local Water Done Well note on page 147 refers the establishment costs of $1.4 million incurred during 2025/26 which has been added to the Wastewater Reserve and included in the $204.3 million borrowings relating to Water and Wastewater activities as summarised in the below table.

NPDC 30 June 2026	Water	Wastewater	Combined
Assets – book value	287,979,259	498,708,234	786,687,493
Work in Progress (excl. accruals)	10,039,719	17,502,418	27,542,137
TOTAL ASSETS	**298,018,978**	**516,210,652**	**814,229,630**
Reserves / Internal Borrowing	4,754,015	13,123,732	17,877,747
Debt (Level of Service)	60,143,264	73,178,115	133,321,379
Urenui-Onaero Sewer Fund		10,756,115	10,756,115
Wai Hononga Development Reserve*	25,011,024	15,889,936	40,900,960
Establishment costs		1,434,077	1,434,077
TOTAL DEBT	**89,908,303**	**114,381,975**	**204,290,278**
NET ASSETS	**208,110,675**	**401,828,677**	**609,939,352**

* Growth funding less Development Contributions Revenue

11. The NPDC 30 June 2026 closing balances for Water and Wastewater have supporting work papers reconciling to the Water Services Delivery Plan which was approved by Council on 22 September 2025. These are NPDC's workings, which may assist in determining the opening balance estimates for the Water Services Strategy at 30 June 2027.
12. The current financial model for the Water Services Strategy has been updated to include the audited debt balance of $204.3 for 2025/26, noting that this has not been agreed.

Previous engagement with Board or committees

13. The Board has reviewed year-end expenditure for 30 June 2026 establishment costs of $1.4 million on 14 September 2026.
14. On 1 September 2026 the Committee was provided with the NPDC's Draft Annual Report for the year ending 30 June 2026.

Issues and Risks

15. The table below summarised the current risks and proposed mitigations.

Risk Description	Current Risk	Proposed Response

Post-audit implementation risk	NPDC's 2025/26 Annual Report has been audited and adopted. The risk of further audit adjustment has therefore reduced; the remaining risk is that the final audited balances, including the $204.3 million borrowings and related reserves and asset values, are not consistently carried into transfer, opening balance and settlement calculations.	Use the adopted Annual Report and supporting reconciliations as the controlled source for transfer, opening balance and settlement calculations, and resolve any differences identified during implementation.
Budget and cost escalation risk	Net establishment costs to 30 June 2026 are final at $1.4 million and have been included in the Wastewater Reserve as part of the total borrowings. The remaining risk is that 2026/27 establishment expenditure or changes in the timing and scope of remaining activities could place pressure on the approved $9.9 million establishment budget.	Continue monitoring and quarterly reporting against the approved establishment budget, update forecasts for timing and scope changes, and escalate any emerging funding pressure to the Audit, Finance and Risk Committee.
Opening balance/model dependency risk	The audited debt balance of $204.3 million has been incorporated into the financial model. The remaining risk is that assumptions used to estimate the Water Services Strategy opening balances at 30 June 2027, including movements in assets, work in progress, reserves and debt, may differ from the eventual transferred balances.	Maintain documented reconciliations between the adopted Annual Report and the financial model, regularly refresh 30 June 2027 opening balance assumptions, and report material movements or sensitivities to the Board and the Audit, Finance and Risk Committee.

Financial Implication

16. Final net establishment costs to 30 June 2026 were $1.4m, being total establishment costs less secondee costs funded by NPDC and DIA funding. The total establishment cost budget is $9.9m. Quarterly updates against total budget will continue to be provided to the Audit, Finance and Risk Committee throughout the year as work progresses through the establishment phase.

Next steps

17. Monitoring of 2026/27 establishment costs and quarterly updates against total budget will continue to be provided to the Audit, Finance and Risk Committee throughout the year.
18. Assist in determining and verifying the opening balance sheet estimates for the Water Services Strategy at 30 June 2027.

Attachment

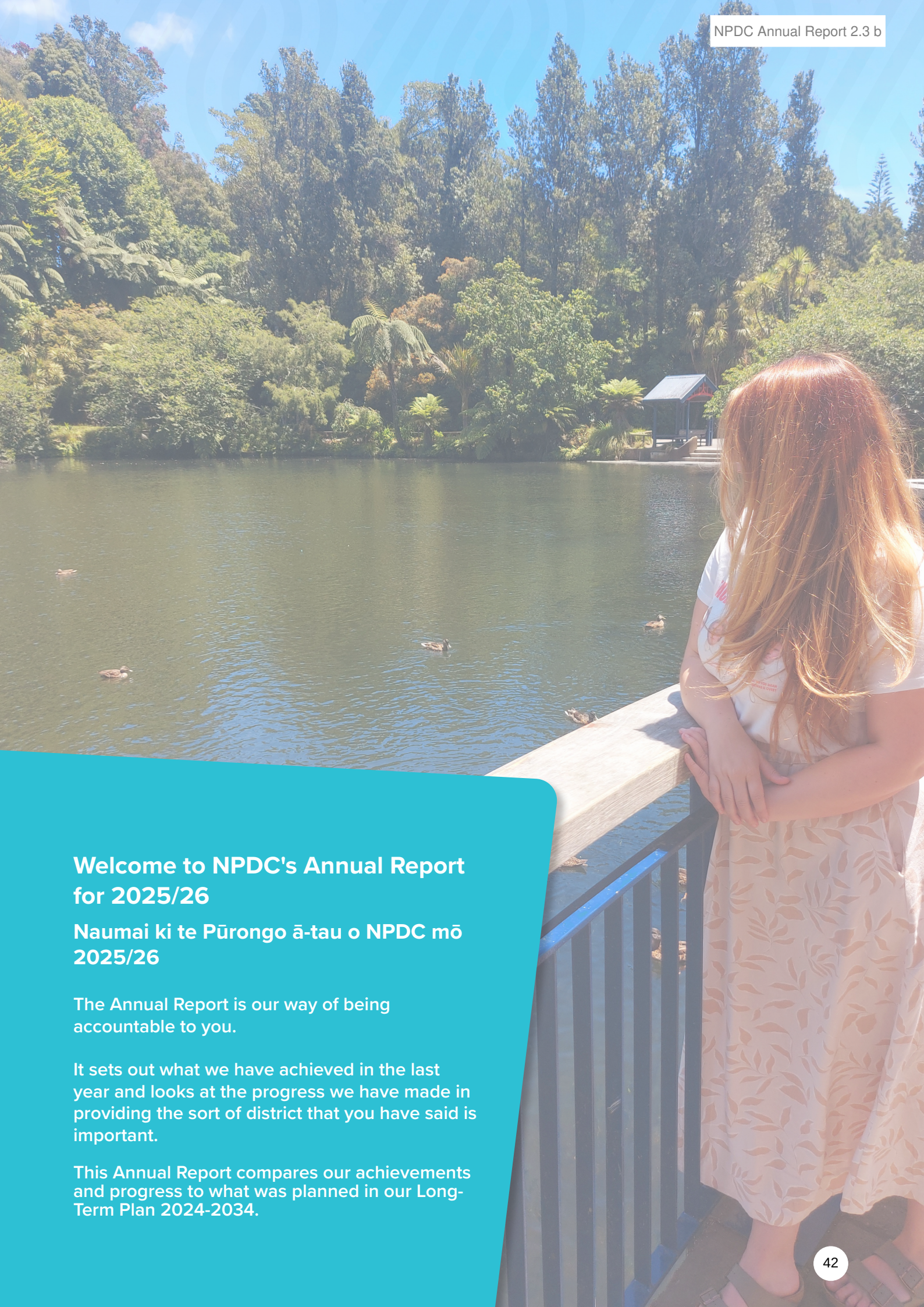
Item	Title
A	NPDC Annual Report for the year ending 30 June 2026.



Annual Report

2025/26

Te Kaunihera-ā-Rohe o Ngāmotu
New Plymouth District Council



Welcome to NPDC's Annual Report for 2025/26

Naumai ki te Pūrongo ā-tau o NPDC mō 2025/26

The Annual Report is our way of being accountable to you.

It sets out what we have achieved in the last year and looks at the progress we have made in providing the sort of district that you have said is important.

This Annual Report compares our achievements and progress to what was planned in our Long-Term Plan 2024-2034.

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Mayor's Message

Te Karere ā te Māngai ā-Kaunihera



This has been a challenging year for New Plymouth District, shaped by economic pressures felt across New Zealand and Taranaki and within NPDC itself. Those pressures have required us to think differently about how we deliver services, manage costs and plan for the future.

It hasn't been easy, but it has given the Council the chance to change how it works, strengthen its finances and prepare our district for the future.

Like households and businesses, councils are dealing with rising costs and ongoing economic uncertainty. For years, ratepayers have told us ongoing double-digit rates increases are not palatable. They have asked us to focus on our core responsibilities and spend less on the "nice to haves."

With a change in political leadership during the year, we have made a clear commitment to listening to that feedback and doing things differently. I asked the organisation to look closely at every dollar spent, find savings and focus on the services our communities rely on most, while reducing pressure on ratepayers.

This change has required adjustment from everyone but the organisation has embraced it. As a result, the forecast rates increase for 2026/27 was reduced from 10.5 per cent to 4.9 per cent. There is more work to do, but this is an encouraging start and sets a clear direction for the future.

Change driven by central government also continues. This year we've started working through proposed local government reform with very tight deadlines and looking down the barrel of regional spatial planning requirements and changes to the Resource Management Act.

A key theme this year has been our willingness to shake things up, and challenge established ways of working. When our previous Chief Executive, Gareth Green resigned, we took an innovative approach in appointing Taranaki Regional Council Chief Executive Steve Ruru to an interim joint leadership role across both organisations.

With local government reform already under way, it made sense to look at new ways of working together. Shared leadership has provided valuable insights and put both councils in a strong position for the changes ahead. Steve's extensive local government experience, in Taranaki and nationally, has helped guide us through an important period.

I welcome the chance to reduce duplication across Taranaki's councils and create simpler, more efficient local government arrangements that put residents first. I am determined that Taranaki helps shape its own future, rather than waiting for decisions to be made for us.

That same commitment to advocacy extends beyond local government reform. The ongoing closures of State Highway 3 through the Awakino Gorge have shown how vulnerable one of our most important transport links is, and how important a safe, reliable connection is for our communities, businesses and visitors.

I will continue to advocate strongly for New Plymouth District and the wider Taranaki region on issues that are critical to our future, including transport resilience, infrastructure investment and certainty for the energy sector. Energy has long been central to Taranaki's prosperity, and current uncertainty shows why we must support traditional energy resources which have been highlighted recently as being critical to New Zealand's economic survival. For Taranaki, it would keep people in jobs, encourage investment and build confidence.

That commitment to growth was one reason I established four standing committees at the beginning of my mayoral term, including the Going for Growth Committee and the Public Engagement Committee. These committees strengthen our focus on economic development, community involvement and long-term prosperity.

Despite the economic and structural challenges ahead, I remain optimistic about what New Plymouth District and Taranaki can achieve when we work together with purpose, determination and confidence. We are a resilient district. By making the most of these opportunities and staying focused on what matters most, we can build strong foundations for us all to thrive together in the years to come.

Max Brough, Mayor

Interim Chief Executive's Message

Karere ā te Tumu Whakarae Taupua



This Annual Report provides a clear account of how New Plymouth District Council has delivered on its commitments to good governance, sound management of community assets and services, and the future aspirations of our district.

This has been another challenging year for NPDC, with change remaining a constant. Economic pressures, global uncertainty, new elected members, ongoing reform and day-to-day service demands have all stretched the organisation. Through this, our people have shown commitment, professionalism and resilience. I am proud of the way staff have continued to deliver for our community while adapting to significant change.

We have invested significant time, effort and funding in core infrastructure. In Urenui, we completed the final stage of replacing almost all the town's water pipes, addressing a long-standing issue with aged bursting pipes.

We have continued the major, multi-year upgrade of Inglewood's wastewater network to reduce overflows during heavy rain. We have also invested in Waitara's stormwater infrastructure to help lower the risk of flooding during storms.

In March 2026, we opened the new thermal drying facility at the New Plymouth Wastewater Treatment Plant. The $75.4 million project, supported by $37 million from the Government's Infrastructure Reference Group Fund, will help future-proof wastewater treatment for the next 25 years.

The first stages of the Ngāmotu New Plymouth City Centre Strategy are also taking shape. The Metro Plaza has been demolished for the future opening up of the Huatoki Stream, while the West End Crossing is improving pedestrian access and amenity. Problematic alder trees have also been removed from parts of Devon Street to make way for native plants.

We are also delivering on our commitment to provide more affordable housing, with 12 new 'housing for the elderly' units under construction in Bell Block.

Reducing costs for ratepayers remains a major focus. Alongside reviewing our capital programme to reflect what we can realistically deliver, we have plans in place to reduce energy costs through two major solar projects.

In September 2025, Te Matakupenga (the new solar farm at New Plymouth Airport) came online, making the airport energy self-sufficient and supplying surplus power to Council facilities and events. The solar farms now provide about half of NPDC's electricity needs. We have also installed solar panels on the archives building and TSB Showplace, with each system supplying about 35 per cent of that building's electricity needs. Together, these projects form one of our largest energy-efficiency initiatives since 2019, when we replaced more than 11,000 streetlights across the district with energy-efficient LEDs.

There have also been major milestones this year. TSB Showplace marked 100 years, Pukekura Park marked 150 years, and the Len Lye Centre celebrated its 10th anniversary.

Financial prudence remains a constant focus. When the Annual Plan 2026/27 was adopted in June, we had reduced the capital programme for the next 12 months from $149 million to $123.5 million, part of the puzzle that help keep the rates increase to just below five per cent.

In May, international credit rating agency S&P Global reaffirmed NPDC's AA/Stable/A-1+ credit rating, supported by the Perpetual Investment Fund, which broke the $400m mark this year, and confidence in the organisation's prudent management of budgets and borrowing.

We have also established Wai Hononga Water Services Ltd, the new water services company. Significant work is now under way as we prepare for the company to take over management of NPDC's water and wastewater networks from July 2027.

The coming year will bring further change, but we are well placed to meet it. Our focus remains on delivering reliable services, investing wisely, supporting our people and protecting what makes our district a great place to live.

Steve Ruru, Interim Chief Executive

About this report

Kōrero e pā ana ki tēnei pūrongo

This Annual Report is our way of being transparent and accountable to you, our community. It tells the financial story of the past year and highlights the progress we've made toward building the kind of district you've told us matters most.

The report outlines what we've achieved over the 2025/26 financial year and compares our performance against the goals and commitments set out in the Long-Term Plan 2024–2034 (LTP 2024).

To help you navigate the report, it's divided into the following sections:

- Introduction - includes our district's priorities, our performance and a financial overview.
- Council Services - details each of the Council's activities, their performance, and associated costs.
- Financial Statements - provides the full set of financial statements and explanatory notes.
- Council-Controlled Organisations (CCOs) - describes the role, scope, and performance of each CCO, including financial information.
- Climate Disclosure Summary - summarises how NPDC is responding to climate-related risks and opportunities across governance, strategy, risk management, and metrics and targets.

As required under the Local Government Act 2002, all councils must produce an Annual Report and have key information independently audited. The Audit Office has completed this audit, and their opinion can be found on page 166.

Being accountable to our community

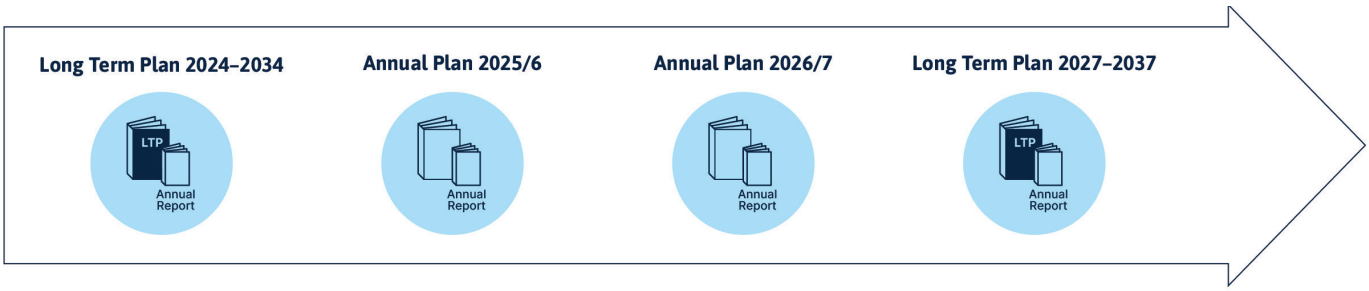
Before adopting the LTP 2024, the Council reviewed its **Strategic Framework,** which sets out our mission, vision and goals. The current Strategic Framework is available on page 16 of the LTP 2024.

Every three years, the Council adopts a **Long-Term Plan** (LTP). The LTP 2024 was adopted on 4 July 2024 and outlines our strategic direction, priorities, and work programme for the next 10 years. It details the services we will deliver, the projects we will undertake, the cost of this work, how it will be funded, and how we will measure our performance.

In the years between LTPs, the Council prepares an **Annual Plan,** which reviews and updates the budgets and work programme for the year, based on the LTP.

At the end of each financial year, Council publishes an **Annual Report** to assess our performance against what we committed to. This Annual Report 2025/26 reflects our achievements, challenges and progress against the plans set out in Year 2 of the LTP 2024.

To keep our community informed throughout the year, NPDC also releases **quarterly reports.** These are published three times annually, with the fourth quarter forming part of each Annual Report.



Highlights during the year

Ngā whakamiramira o te tau

Throughout the year, NPDC has delivered a wide range of impactful projects and initiatives. Below is a spotlight on some of the highlights from our work programme.



Len Lye Centre marked 10-year anniversary with musical theme

To mark a decade since one of New Zealand's most iconic buildings opened, the New Zealand Symphony Orchestra - Te Tira Pūoro o Aotearoa performed ***A Score for Len Lye,*** by Swedish Albanian Australian artist and composer Mia Salsj. The August performance was part of a weekend of events.



Joe Gibbs Reserve planting nears completion

The transformation of Inglewood's Joe Gibbs Reserve continued during the year, with 1.7 hectares planted in native species. The wider six-hectare site is being restored as native forest and wetland and will include a new conservation centre, developed through a partnership between Council, Pukerangiora Hapū and the East Taranaki Environment Collective.



Destination Kāwaroa a winner

Destination Kāwaroa took out a national excellence award for placemaking at the 2026 LGFA Taituarā Local Government Excellence Awards. Delivered with Ngāti Te Whiti, Taranaki Foundation and NP Partners, the coastal playground was celebrated by judges as a standout project that put people at the heart of planning and design.



TSB Festival of Lights sparks record economic boost for Taranaki region

Our TSB Festival of Lights delivered a record-breaking $11.8 million contribution to regional GDP this summer, according to a new BERL report, making it the festival's strongest economic result to date. The event attracted 45,000 out-of-region visitors and generated a record 86,327 visitor nights. providing a major boost to local businesses.



Century-old water pipes replaced

We replaced about 300 meters of cast-iron water pipes laid in the city centre in the 1930s. The new polyethylene pipes can keep up with rising water consumption and modern firefighting needs. The old pipes in Robe, Devon and King streets, were the very first public water pipes laid in central New Plymouth and had failed several times in recent years.



Preserving our heritage

Three historic buildings joined our list of protected heritage structures in the latest version of the District Plan.

The trio added were New Plymouth's Samoan Methodist Church, Waipuku Stream Rail Bridge and Deem and Shearer building (now Windsor Caffe) in Inglewood.



Pukekura Park celebrated150 years

In May, New Plymouth's much-loved green jewel marked an incredible 150 years with a packed weekend of celebrations, including park and fernery tours, historical walks, a public planting event, New Plymouth Brass playing at the country's oldest band rotunda, and colourful displays.



Major wastewater upgrade kicks-off in Inglewood

A $13 million, 10-year project to upgrade Inglewood's wastewater system began, addressing longstanding issues with the network being overloaded during heavy rainfall. Guided by our digital modelling and on the ground testing, stage one replaced a defective Carrington Street main with a larger pipe.



New thermal dryer facility opened

In March we opened a new thermal drying facility at the New Plymouth Wastewater Treatment Plant, helping futureproof wastewater treatment for the next 25 years. Built over two and a half years to replace an ageing, hard to maintain dryer. The $75.4m project dries excess sludge from nearly 62,000 residents.



Future water services delivery

Council reached a major milestone in implementing the Government's Local Water Done Well reforms, establishing the framework for a dedicated Water Services Council-Controlled Organisation to deliver drinking water and wastewater services. The approval of key governance arrangements and service delivery plans positions the organisation for the planned transfer of water assets and operations from 1 July 2027.



Tarata Road upgrade

We kick-started a multi-million-dollar project to upgrade about 5km of Tarata Road between Inglewood and Purangi Saddle, a significant but deteriorating regional and economic road under pressure from increasing volumes of logging trucks.

The two-year project to make the road more resilient focuses on six high-risk sites. Construction was completed at the 1.4km Toro Road site and the 200m Tarata Saddle site. Construction also progressed on the Pukeho Road to Toro Road section, with the majority of physical works completed by 30 June.



Coastal Walkway extension works programme

In November 2025, the Brown Road intersection to Ōtupaiia Marine Park section of Te Pae o Te Rangi Coastal Walkway extension got underway work at Brown Road, including planting, completed during this year. We also continued preparation through to and near Battiscombe Terrace. Work in progress during this year include two large rest areas, which are nearing completion, informal paths and two smaller rest areas being built and completed piling for the timber bridge which is now being built.

Delivering on our district's priorities

Te tutukinga ā ngā kaupapa matua ā rohe

The Long-Term Plan 2024-2034 (LTP 2024) identified the key challenges and opportunities shaping our district's future. In 2025/26, we made significant progress in addressing these priorities, particularly in the areas of growth, planning, infrastructure, and water reform.

Responding to growth

Responding to growth – "To support our growing population, we invested in essential infrastructure, delivering the full $9.6m of growth-related capital expenditure planned in the LTP 2024. This investment ensures our district remains well equipped to meet future demand.

Planning for the Future

The Proposed District Plan (publicly notified in September 2019) became the Part Operative District Plan in August 2025. After almost six years of two district plans being in play, this milestone resulted in streamlining the resource consenting process and reducing costs and complexity for applicants.

The Waitara Spatial Plan was formally adopted by Council on 28 May 2026, and the Bell Block Spatial Plan is under development. These local spatial plans establish an agreed spatial framework for future planning of these towns and surrounding areas, showing where growth should occur, what infrastructure is needed, and how cultural, environmental, and community values can shape decisions over the coming decades.

Improving Capital Delivery

We continue to strengthen the delivery of our capital works programme. In 2025/26, we delivered $105.5m - 78 per cent of the planned $135.6m.

Our capital delivery comprised of $100m of new assets through our renewal and capital works programme, and $1m on behalf of partnering agency NZTA. This reflects our commitment to improving project planning, procurement, and execution.

Progress on the Three Big Calls from LTP 2024

Below, we outline our progress on the three major priorities - or 'Big Calls' - identified in the LTP 2024, along with updates on other key issues.

Big Call 1 Future proofing our district



Investing more in looking after our existing infrastructure

Transportation

In the LTP 2024, $248m was allocated for transportation renewals, pending confirmation of NZTA funding and subsequent finalisation of the delivery programme. This represents a significant increase from the $155m allocated in the Long-Term Plan 2021–2031, with the bulk of the uplift scheduled to begin in year four (2027/28). Throughout the year, we focused on improving contract processes and procedures to ensure readiness for the planned increase in renewal activity.

In 2025/26, we invested $14.9m in renewals. This included the resealing of 36 kilometres of road - approximately 3.2 per cent of our 1,136 kilometre network. Routine maintenance and renewal activities continued across surface repairs, kerb and channel, footpaths, drainage, structures, and vegetation control.

Three Waters

Over the 10 years of the LTP 2024, $289m was allocated for the renewal of stormwater, wastewater, and water services. In the past year, $19.5m was invested in these renewals. This included $7.6m in renewing 4.3 kilometres of water pipes, an additional $9.3m to renew 3.8 kilometres of sewer pipes and $2.7m for stormwater pipe upgrades.

To support proactive maintenance, we carried out 16,745 metres of CCTV inspections across wastewater and stormwater networks, which led to the lining of 2,022 metres of pipe to prevent further degradation at a cost of $0.8m. We also advanced design work for a range of water, stormwater, and sewer replacements across the district, ensuring a pipeline of shovel-ready projects for delivery in 2026/27.

Boosting the Disaster Recovery Reserve

In line with LTP 2024 the Disaster Recovery Reserve was boosted in 2025/26 with the annual $0.5m top up and an additional $0.2m release from PIF. This shifted the opening balance of $2.4m to a closing balance of $3.1m as of 30 June 2026 with no withdrawals during the year.

Big Call 2 Sustainability



Climate Action Framework

Climate change planning

We undertook to reset our climate change (natural hazards) work programme this year. We agreed to combined our climate change plans into a single plan, and are intending to consult the community on this single plan early in 2026/27. We also removed several reporting requirements, including climate-related disclosures that were summarised into annual reports.

We began the Urenui and Onaero Local Adaptation Plan process, and will be engaging with the communities early in 2026/27 with an intention to adopt our first such plan by the end of next financial year.

Community Climate Action Fund

This year we undertook our first round of community funding for climate action. We granted $75,000 towards solar, electrification and climate education, rainwater harvesting, and wetland restoration planning.

Rohutu Block managed retreat support

We completed our agreed-to urgent support for the Rohutu Block, Waitara by demolishing the final of six houses under extreme coastal erosion risk, with the other five of the six houses demolished in 2024/25.

Sustainability Accelerator Fund

This year we undertook several projects, focused on reducing our energy costs. This included installing solar panels on the Archives Building and the TSB Showplace (which had been funded the previous year) and installing LED lights in buildings.

Planting our Place

Planting Our Place continued to build momentum this year, delivering native revegetation projects across Council reserves while strengthening partnerships with hapū, iwi, community groups, schools and volunteers. The programme remains a key part of climate change (natural hazards) work programme, helping to increase indigenous biodiversity, enhance carbon sequestration and create opportunities for community participation in environmental restoration.

We funded two community planting projects through Te Korowai o Tāne grants, and worked with numerous groups to support their planting efforts.

Three native plantings, totalling 1.5 hectares, were carried out within Council administered reserves - bringing the programme total up to 13.3 hectares of new native forest and wetland plantings to date.

Bus trial

We had to cancel the work to establish a high-frequency bus service trial in New Plymouth due to funding constraints. We will continue to work with Taranaki Regional Council and the NZ Transport Agency to improve bus frequency and services in New Plymouth.

Big Call 3 Paying it forward



Establishing a Sustainable Lifestyle Capital Reserve

We agreed to establish a Sustainable Lifestyle Capital Reserve to help fund future projects using part of the funds released from our Perpetual Investment Fund (PIF) to pay for it. As detailed in the LTP 2024 the reserve has received $500,000 in the 2025/26 year with a release from the PIF. The reserve balance at 30 June 2026 is now $750,000.

Tūparikino Active Community Hub

Construction continues to progress with enabling works now complete, all underground civil infrastructure installed and a section of the new car park already open for public use.

The indoor arena build is now underway, with foundation works for the structural steel frames in place. The community can now see the facility beginning to take shape as the vertical construction emerges from the ground. The next major milestones will be the installation of the roof, followed by the pouring of the concrete floor slab.

Local sports codes and active recreation groups are working together to raise funds for the equipment and fit-out required within the facility. Their collective efforts will help ensure the hub is fully equipped and ready to welcome users when it opens in 2028.

Brooklands Zoo

In the Annual Plan 2025/26, Council approved combining Phases 1 and 2 of the zoo projects (aviary and otter habitats) that then align with Phase 3 (primates) following on from these. Detailed design has progressed in 2025/26 with reporting to Council on the proposed designs in September/October 2026, prior to commencement of construction.

Other Key Issues

Investigation into Council Controlled Organisations (CCOs)

Water service delivery

In response to Central Government's Local Water Done Well initiative, Council resolved on 22 July 2025 to proceed with a Single Council Water Services Council Controlled Organisation for delivery of drinking water and wastewater and the in-house delivery of stormwater. Water Service Delivery Plans were approved by the Department of Internal Affairs on 31 October 2025, and the transfer of drinking water and wastewater assets is on track to be completed 1 July 2027.

Housing for the Elderly

We completed a comprehensive review of our Housing for the Elderly service to ensure it remains effective, affordable, and sustainable for the future. The review considered a range of service delivery models, including the establishment of a Council-Controlled Organisation (CCO) or similar structure.

The findings confirmed that the portfolio and service are currently operating to an acceptable standard. While alternative delivery models were assessed, the review concluded that a CCO or similar structure would increase costs without providing significant strategic benefits compared with the existing model.

The review's recommendations were presented to Council and approved for further investigation and implementation. Ongoing work includes updating relevant policies, seeking opportunities to access central government funding, partnering with a Community Housing Provider to deliver new housing where appropriate, and collaborating with other organisations regionally to pursue shared opportunities and improve outcomes.

Caring for our people and environment

Youth engagement and services

Following Council's endorsement of a new youth engagement model in 2024/25, this year we procured and contracted two youth organisations to facilitate and support youth development and engagement. We continued to support through funding a dedicated youth space in the central business district to ensure there is an accessible hub for youth engagement. Alongside this, we engaged schools and youth organisations to help establish a Youth Advisory Group and then completed the co-design process with young people. The first Advisory Group meeting is scheduled to take place in Quarter 1 2026/27.

In partnership with our contracted providers, we helped facilitate youth participation in both the Waitara and Puketapu-Bell Block spatial plans.

Puke Arki social-history gallery refreshment

The project team is well underway with research, consultation, and concept development, with the aim of exploring the diverse perspectives, relationships, and events that have shaped Taranaki today, and will guide us into the future. As the concept develops, wider consultation will take place.

Mana Whenua Partnership funding

Through the Mana Whenua Partnerships Fund, $200,000 was allocated to support preparatory work for the construction of the Ngāti Te Whiti Marae, while a further $200,000 was invested in the digital enablement of the Pukerangiora Pā Project. Ngāti Te Whiti recently attracted $8.6m Government funding for their Marae build, significantly upscaling Council's investment. Pukerangiora Hapū recently reopened the Pā with Council funding supporting cultural narrative and design for the stunning Tomokanga (gate way), story panels and audio for authentic self-guided touring of this nationally significant Pā.

Investing in our public places and spaces

New Plymouth Ngāmotu City Centre Strategy, including West End Crossing and Huatoki Daylighting

Like city centres around the world, Ngāmotu New Plymouth is adapting to changes in the way we work, travel and shop. In response, the Ngāmotu New Plymouth City Centre Strategy vision supports a vibrant, family-friendly city centre and there are a range of projects that are occurring over the next year that will contribute to the strategic vision for the city centre.

The West End Crossing is nearing completion, with works scheduled for full completion in August 2026, providing a green, pedestrian-friendly, and accessible gateway to the city for the thousands of people working and visiting businesses, civic buildings and attractions, and the recently completed Ngāmotu House.

The Huatoki daylighting project has progressed with a private/public partnership that has seen demolition of the majority of the Metro Plaza building in 2026, the remaining floor slab is being retained on site to assist with adjacent building developments and then will be removed prior to stream works and development of public spaces and access.

Demolition of the Council-owned Metro Plaza building has the potential to not only enable the creation of an important public green space within the city centre for public enjoyment, but also to strengthen relationships with private developers and provide a catalyst to building city centre vibrancy and economic development opportunities.

Destination Play

Phases 1, 2 and 3 of this destination playspace were completed on time and within budget. The playspace won a National Placemaking award, was a finalist in the playspace of the year award (with special recognition) and is a finalist in the playground category of National design awards. The space continues to be extremely well used by the community and is maturing well, with planting establishing.

Supporting growth and economic development

Ring Road and second Waiwhakaiho Crossing planning

Request for proposals to refine a scope for modelling and technical information for the Smart Road future urban zone and a potential second Waiwhakaiho crossing have been received. Officers are also in discussion with NZ Transport Agency on the broader requirements for SH3 corridor management planning between Waitara and New Plymouth and aligning technical work that might be required to inform those considerations.

Events Reserve

The Events Reserve Policy was adopted on 12 August 2025. The reserve opened with $200,000 from the 2024/25 financial year. There were no deposits or drawdowns for 2025/26.

Economic Development Reserve

In LTP 2024 $500,000 was allocated in each of the first two years to support economic growth opportunities. In 2024/25, three projects were funded, fully utilising the $500,000 allocation. In 2025/26, a different approach was taken, with the full $500,000 allocation directed to a single project: the Taranaki Alliance. This initiative brings together the region's unique engineering capability to support economic growth and development. A balance of $41,000 remains in the Economic Development Reserve.

Listening to our community boards development

Retaining and improving the Hutiwai Transfer Station

As part of the LTP 2024 deliberations, Council resolved to "maintain and improve the Hutiwai Transfer Station." Since then, a 24/7 recycling pod has been reinstated in the area, improving access to recycling services.

Improving accessibility at the Inglewood Swimming Pool

Project planning and design work has been completed and will continue to managed by the NPDC Project Management Office. Delivery of the project has been deferred to 2028/29 to align with the Inglewood Pool Heating Replacement Project. As the two projects are closely linked, coordinating their delivery will enable more efficient use of resources and help achieve the intended accessibility and facility upgrade outcomes.

Battiscombe Terrace Landfill remediation budget included in 2026/27

Detailed investigations into the former Battiscombe Terrace Landfill have continued during 2025/26. These investigations are helping to inform assessments of potential management, remediation options and implications associated with any future options.

Improving Council's performance and growing non-rates revenue

Scholarships and internships

Between 1 July 2025 to 30 June 2026 five internships were awarded to university students.

Internships were offered over the summer period, providing up to 10 weeks of paid work experience within NPDC. These placements are designed for students pursuing studies relevant to local government, helping build future capability and career pathways in the sector.

Working with tangata whenua

Te mahi ngātahi me tangata whenua

NPDC continues to work with Hapū and Iwi to ensure participation in Council decision making and Council services inclusive of Hapū and Iwi community needs. We provide highlights for 2025/26 below.

Draft NPDC Tiriti Outcomes Framework

Te Huinga Taumatua, under delegated authority from Council, approved the Draft NPDC Tiriti Outcomes Framework to inform development of Council's Long-Term Plan 2027-2037 (LTP 2027). Developed with Hapū and Iwi, the Framework is ultimately intended to empower Council to confidently meet its statutory duties to provide for Māori participation in decision making; to deliver local services, infrastructure and enabling economic development inclusive of Hapū and Iwi strategic priorities and needs; and to develop strategic partnerships that drive uplift for the whole community.

Once the LTP 2027 is adopted next year, the Draft NPDC Tiriti Outcomes Framework will be updated and reported back to Te Huinga Taumatua for final approval.

Mana Whenua Partnerships Funding

Mana Whenua Partnerships Funding of $400,000 in 2025/26 supported preparatory work for construction of the Ngāti Te Whiti Marae and digital enablement for the Pukerangiora Pā Project. Ngāti Te Whiti recently attracted $8.6m Government funding for their Marae build, significantly upscaling Council's investment. Pukerangiora Hapū recently reopened the Pā with Council funding supporting cultural narrative and design for the stunning Tomokanga (gate way), story panels and audio for authentic self-guided touring of this nationally significant Pā.

Marae Funding

Council granted approximately $121,000 Marae funding to support Te Kōhangamoa Marae with a new heat pump, blinds and locks; Muru Raupatu with a feasibility study for a whare wānanga; and Wahapakapaka with funding for new roof cladding. Council also continued its support for Marae insurance through 2025/26.

Council supported Ōwae Marae from its Cultural Heritage Fund with a grant of approximately $148,000. This funding is to build a retaining wall to stabilise ground behind Te Ikaroa ā Māui, create a stormwater system to minimise surface water effects and for construction of an access pathway.

Ngā Kaitiaki

Ngā Kaitiaki continued regular meetings with NPDC staff to better enable Hapū and Iwi participation in district-wide environmental policy, planning and services matters. Throughout 2025/26, Ngā Kaitiaki discussed various kaupapa with officers including: RMA reforms, the Local Alcohol Policy Review, Wai Hononga (the Water Services Council Controlled Organisation) and the Draft Tiriti Outcomes Framework. Ngā Kaitiaki also completed its Terms of Reference Review.

Tiritiri Mātangi – The Waitara Spatial Plan

Council adopted Tiritiri Mātangi – The Waitara Spatial Plan on 28 May 2026. Developed with successful collaboration by New Plymouth District Council officers, Manukorihi and Otaraua Hapū, Te Kōwhatu Tū Moana Trust and with input from the wider community, the plan will guide how Waitara grows and evolves over the next 30 years. Bringing the Waitara community's strategic vision to the fore, the plan will also inform long-term planning and Regional Spatial Planning.

Puketapu-Bell Block Spatial Plan

NPDC is working in collaboration with the Puketapu-Bell Block Community Board and Puketapu Hapū and with input from the community to develop the Puketapu-Bell Block Spatial Plan. A piece of future planning to shape the next 30 plus years of investment, growth, and infrastructure for the Bell Block area, 2025/26 has seen extensive community input occur to develop the draft plan.

Community consultation on a draft plan and Council adoption is envisaged for 2026/27.

Resource Management Funding

In 2025/26, the final year of Council's RMA capacity funding was used for the Funding Contribution Agreement with Te Tōpuni Ngārahu. This agreement supported Mana Whenua kaitiaki to access planning expertise for input to RMA processes, including input to resource consenting matters.

Looking ahead, Council is exploring use of Department of Internal Affairs, Better Off Funding to continue this important capability initiative.

Funding and grants

NPDC remains committed to providing grants to Māori for the purposes of marae development and urupā maintenance. Along with our 2025/26 support to Marae mentioned earlier, Manaaki Urupā funding of approximately $53,460 was distributed to 11 urupā for 2025/26 to address critical upkeep needs.

Council further supported Pukekohatu Urupā with Cultural Heritage grant funding of approximately $18,800 to carry out intensive site and surrounds clearing to promote access.

The full Whanake allocation of $50,000 was granted to seven organisations in 2025/26. With the aim of supporting community groups to contribute to outcomes and aspirations valued by whānau, Hapū and Iwi, this year's funding supported initiatives ranging from māra kai programmes, to te reo classes, holiday programmes, rongoā and digital programmes.

Internal Capacity

The first implementation phase of Te Pā Harakeke, NPDC's organisational learning system for cultural capability, was completed in 2025/26, with 250 staff participating. This phase tested programme content, delivery approaches, and the capacity of the Iwi Relationships team to support implementation. Feedback was overwhelmingly positive and informed minor refinements to strengthen future delivery. The programme is now positioned to scale across the organisation through two pathways: Pakiaka for all staff, and Kōrari for leaders, staff in positions of influence, and those who work with mana whenua. Launching organisation-wide in August 2026, Te Pā Harakeke continues to be a key lever to build our capability to engage meaningfully with Māori communities and deliver services that better meet community needs.

Overview of our non-financial performance

He tirohanga ki ngā hua pūtea-kore

The majority of NPDC's work – our services, projects and budgets – is delivered through 16 key activity areas. These reflect how we operate and serve our community. Each activity includes specific performance measures, targets, and results, which are detailed in the Council Services section on page 18.

Despite a challenging operating environment, NPDC has largely maintained its performance across these areas.

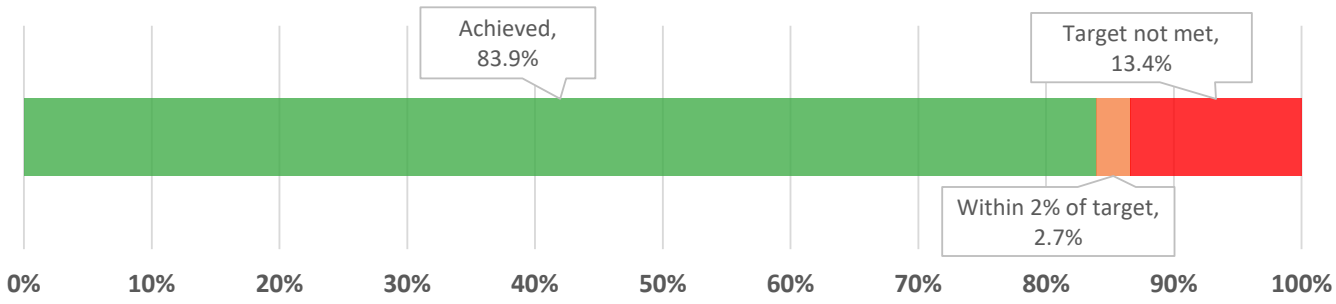
How we performed against our targets for the year

This year, we tracked 112 performance measures across our activity areas. The graph below shows our overall performance:

- 83.9% of performance targets were achieved (94 out of 112 measures).
- 2.7% of measures (3 out of 112) were substantially achieved, meaning the target was missed by a narrow margin (within 2%).
- 13.4% of measures (15 out of 112) were not achieved.

The measures that were not fully achieved, or were only substantially achieved, were influenced by a range of factors, including:

- Growing demand for community funding has reduced average grant allocations, and much of the support provided to community groups is not always visible to residents.
- Delays in responding to five official information requests.
- Non-payment of dog registration fees, potentially reflecting ongoing cost of living pressures.
- Delays in processing a small number of building consent applications.
- Processing timeframes for non-notified resource consents being affected by complex and older applications.
- Delays in identifying, assessing, and formalising Memoranda of Understanding for emergency centres, with only six of the target eight centres completed.
- Two community board agendas being released late due to a combination of process and technology issues.
- Ongoing challenges affecting the quality of urban landscapes and streetscapes across the district.
- Ongoing vandalism of public toilet facilities.
- Budget constraints limiting resurfacing of the local road network.
- Ongoing community discussions regarding aspects of the Transport Choices Programme.
- The ageing condition of pool facilities and associated accessibility issues.
- Lower satisfaction with events among older residents and residents of the North General Ward.
- The temporary closure of TSB Showplace for several months, combined with challenging financial conditions.
- Ongoing challenges to reduce household waste.
- One infringement notice for an overflow resulted in untreated wastewater being discharged to land and entering the Kurapete Stream.
- Ōākura water supply compliance with Taumata Arowai protozoal treatment requirements was 99.2 per cent, below the target level.



Financial Summary

Whakarāpopototanga ā-pūtea

Here's a quick look at how NPDC's finances shaped up over the past year, where the money came from, where it went, and how we're tracking overall.

The bottom line

We ended the year with a $62.2m surplus, $50.8m more than the budgeted $11.4m. That difference mostly came down to things outside our control (like accounting adjustments and funds we manage on behalf of others), and some savings across different areas.

On the plus side, our investments, especially in the Perpetual Investment Fund (PIF) performed well. On the flip side, we had some unexpected costs like depreciation and losses from financial tools (called derivatives).

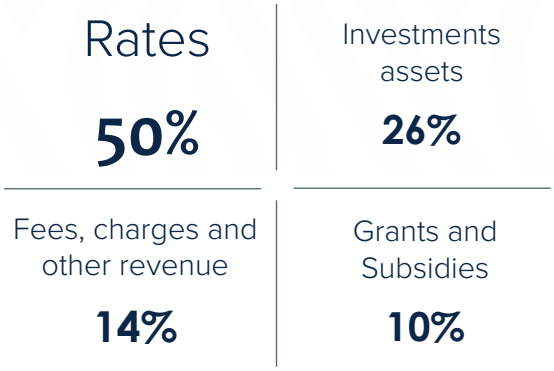
We also spent less than expected on upgrading our internal systems (like the Enterprise Resource Planning (ERP) software), which helped balance out lower income from fewer land developments and commercial waste services.

Where the money came from

Council's income was $326.3m, $52.5m more than expected. That's thanks to:

- Strong returns from our investments (especially the PIF).
- Smart financial planning - like locking in better interest rates.

These gains helped make up for lower income from things like greenfield land development, the Commercial Sorting Depot Facility and delayed forestry harvest due to low log prices.



Rates

Rates are one of the main ways we fund the services and infrastructure that keep our district running, from rubbish collection and road maintenance to libraries and parks.

This year, the median residential rate (including GST) increased by 12.68%, which was in line with what we planned in the budget. The average residential rate increase was 9.9%, which is slightly below our target of 10.3%.

That means we stayed within the limits set out in our Long-Term Plan (LTP) 2024–2034, while still delivering the services and investments our community needs.

Investment and borrowing

Here's how we managed borrowing and investments this year.

- **Strong investment returns.** Our PIF finished the year at $464m, up $59m. Of that, $13m was used to help fund Council services and operations.
- **Borrowing update**. By 30 June 2026, our total borrowings were $429.8m. While this was a bit lower than the cap of $447.9m in our LTP.
- **Lower interest costs**. Thanks to favourable market conditions and smart investment strategies, our net interest costs were about $1.3m less than expected.

How do we measure up?

We use a few key financial ratios to keep track of our financial health, which are included in the Management of Investments and Funding Activity on pages 44 to 46. All measures are fully compliant with our LTP 2024 Financial Strategy, demonstrating that we're in a strong position to manage our borrowing costs.

Measure	Target	2025/26 results	2024/25 results
1. Net debt/revenue*	<135%	-54.2%	-45.1%
2. Net interest/revenue	<10%	5.2%	4.9%
3. Net interest/rates income	<12.5%	7.9%	7.9%
4. Liquidity/external debt	>105%	113.8	113.4%

* Net debt to total revenue is well below our target of 135%. The negative number means we actually have more in liquid assets than we owe, so our net debt is effectively zero.

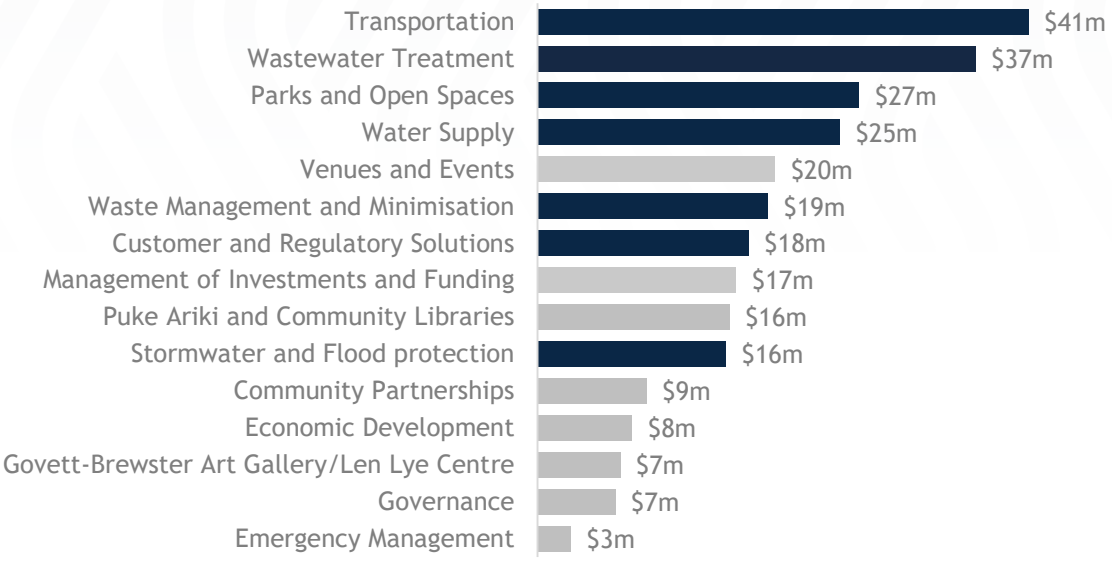
What we spent

We spent $263.6m running services and maintaining infrastructure - that's $1.2m more than budgeted. The extra costs were mostly due to accounting items like depreciation, asset write-offs and derivative valuation losses.

The graph below shows how spending was spread across different Council services and highlights the expenditure over our core functions.

Operating expenditure including depreciation by activity (in millions)

Almost 64% (or $163.1m) of our expenditure are spent on the delivery of **core services** with the **remainder** 37% (or $96.3m) spent towards achieving our vision of a Sustainable Lifestyle Capital.

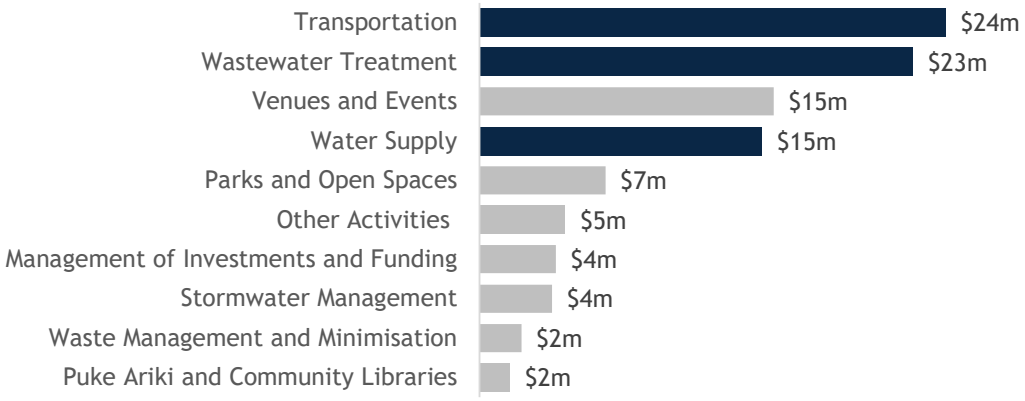


Investing in the district

Council delivered $105.5m in assets during 2025/26, achieving 78% of the planned $135.6m capital programme, supporting the long-term well-being of our community.

Capital expenditure by activity (in millions)

Significant investment was made in **Water, Wastewater and Transportation** across the district ($47.1m). Refer to the Council Services section for more information on the work undertaken during the year for each Activity.



Summary Statement of Comprehensive Revenue and Expense
for the year ended 30 June 2026

	COUNCIL			GROUP	
	2025/26 Actual $'000	2025/26 Budget $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Rates revenue	162,321	160,970	148,258	162,173	148,114
Perpetual Investment Fund (gains)	77,621	20,728	40,586	77,621	40,586
Other revenue	86,892	92,122	95,592	98,170	105,899
Total operating revenue	**326,834**	**273,820**	**284,436**	**337,964**	**294,599**
Interest costs	16,290	18,320	16,623	16,290	16,624
Perpetual Investment Fund (direct expenses)	5,173	2,896	3,327	5,173	3,327
Other expenses	244,359	241,144	234,930	253,358	242,480
Total operating expenditure	**265,822**	**262,360**	**254,880**	**274,821**	**262,431**
Share of joint venture surplus	(340)	-	(399)	(340)	(399)
Surplus/(deficit) before taxation	**60,672**	**11,460**	**29,157**	**62,803**	**31,769**
Income tax (expense)/refund	-	-	-	(796)	(775)
SURPLUS/(DEFICIT) AFTER TAXATION	**60,672**	**11,460**	**29,157**	**62,007**	**30,994**
Gain/(loss) on property, plant and equipment revaluations	1,673	-	303,977	7,837	309,461
Financial assets fair value movement (could be reclassified to surplus/(deficit)	78	-	150	78	150
Deferred tax on property revaluation	-	-	-	(1,658)	(1,534)
Total other comprehensive revenue and expense	**1,751**	**-**	**304,127**	**6,257**	**308,077**
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	**62,423**	**11,460**	**333,284**	**68,264**	**339,071**

Summary Statement of Financial Position as at 30 June 2026

	COUNCIL			GROUP	
	2025/26 Actual $'000	2025/26 Budget $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Current assets	467,393	371,340	396,815	474,299	400,717
Non-current assets	4,050,778	4,050,580	4,007,522	4,082,112	4,034,825
Total assets	**4,518,171**	**4,421,930**	**4,404,337**	**4,556,412**	**4,435,542**
Current liabilities	220,547	152,390	147,903	223,186	152,120
Non-current liabilities	277,120	391,790	298,353	290,510	309,291
Total liabilities	**497,667**	**544,170**	**446,256**	**514,017**	**461,411**
TOTAL EQUITY/NET ASSETS	**4,020,504**	**3,877,740**	**3,958,081**	**4,042,395**	**3,974,131**

Summary Statement of Cash Flows for the year ended 30 June 2026

	COUNCIL			GROUP	
	2025/26 Actual $'000	2025/26 Budget $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Net cash flows from operating activities	63,528	54,590	51,299	69,209	55,294
Net cash flows from investing activities	(101,002)	(118,960)	(90,446)	(104,125)	(99,557)
Net cash flows from financing activities	46,285	64,000	53,856	46,285	53,856
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS AT 1 JULY	**8,811**	**(370)**	**14,709**	**11,369**	**9,593**
CASH AND CASH EQUIVALENTS AT 1 JULY	**33,966**	**4,420**	**19,257**	**36,532**	**26,939**
CASH AND CASH EQUIVALENTS AT 30 JUNE	**42,777**	**4,050**	**33,966**	**47,901**	**36,532**



Council Services

Ngā Ratonga ā te Kaunihera

Introduction to Council Services

Whakarapopoto ki ngā Ratonga ā-Kaunihera

NPDC delivers a wide range of services to the community through 16 Council activities. While the Council also carries internal functions - such as financial management and property maintenance - the costs of these are distributed across the 16 activities. This is because these internal functions support the delivery of the Council's core activities, which are the services directly received and used by the community. In the following pages, you'll find detailed information for each of the 16 Council activities, including:

- What we do – a summary of the services provided.
- Impact on community well-being – significant effects on the social, economic, environmental and cultural well-being of our community.
- Key work and challenges – highlights of our work and the main challenges faced during the year.
- Levels of service – the key service levels we aim to deliver, including performance measures and our results.
- Funding Impact Statement - a summary of the costs and funding of each service for the year ended 30 June 2026.

Performance overview

The Long-Term Plan 2024–2034 (LTP 2024) includes 112 non-financial performance measures. This section presents each measure, the target, and the result for the past year, rated as Achieved, Substantially Achieved, or Not Achieved.

Council Services	Achieved Target has been met or exceeded	Substantially achieved Target narrowly missed (-2%)	Not achieved Target has not been met
Community Partnerships	4	-	1
Customer and Regulatory Solutions	5	2	2
Economic Development	5	-	-
Emergency Management and Business Continuance	4	-	1
Flood Protection and Control Works	3	-	
Governance	2	-	1
Govett-Brewster Art Gallery/Len Lye Centre	5	-	-
Management of Investments and Funding	2	-	-
Parks and Open Spaces	6	-	2
Puke Ariki and Community Libraries	11	-	-
Stormwater Management	9	-	-
Transportation	6	-	2
Venues and Events	3	1	3
Waste Management and Minimisation	7	-	1
Wastewater Treatment	9	-	1
Water Supply	13	-	1
TOTAL	**94**	**3**	**15**
Percentage	83.9%	2.7%	13.4%

Performance framework

Statement of Compliance

The Council Services section of this Annual Report constitutes the Statement of Service Performance. It has been prepared in accordance with Public Benefit Entity Financial Reporting Standard 48 (PBE FRS 48) Service Performance Reporting and complies with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

Disclosure of Judgements

In preparing the Statement of Service Performance, NPDC has applied professional judgement to determine the relevance, reliability, and comparability of performance measures, to ensure that they would sufficiently measure progress towards delivering outcomes in the LTP and were a fair representation of the services provided across Council.

Judgements were also applied to how these would be measured, aggregated and presented in order to find a balance between practicality, feasibility, community feedback, and risk of survey fatigue.

The Department of Internal Affairs (DIA) sets some mandatory KPIs that all councils need to include in their LTPs with regard to Three Waters and Roading activities. The remaining KPIs were set to align with Council Plans, statutory obligations, and our long-term aspirations that was our guiding document when the LTP 2024 was developed.

These judgements are made in accordance with PBE FRS 48: Service Performance Reporting and support NPDC's commitment to transparent and meaningful performance reporting.

Measurement Bases

NPDC uses a range of measurement methods to assess performance across its activities. These include:

- Satisfaction surveys. Some performance measures are based on satisfaction surveys. NPDC contracted Key Research to conduct an independent survey of approximately 409 residents. The survey sample was representative of our district and statistically robust, with a margin of error of ±4.8% at the 95% confidence level.

  Survey results exclude responses from individuals who were unsure or had no opinion due to not using the service. Removing these "don't know" responses allows for more accurate comparisons across activities and supports better Council decision-making.

- In-house surveys. NPDC uses several in-house surveys to gather feedback from users of specific services. These surveys are not based on statistically valid sampling methods but still provide valuable insights into user experiences.

Information on other measurement methods are explained as footnotes across the relevant activities.

The Council's Statement of Service Performance for the 2025/26 reporting year is presented on pages 18 to 73 of the Annual Report. The reconciliation of the financial statements to the New Plymouth District Council Funding Impact Statement is included on pages 152 and 153.

How our service contributes to our goals

Hei Tāpae i Ngā Moemoeā

Council adopted a new Strategic Framework vision, Thriving Today, Resilient Tomorrow, on 4 March 2026 to underpin the Long-Term Plan 2027–2037. On 24 June 2026, Council adopted a supporting set of community outcomes to help achieve this vision.

The table below illustrates how each Council service aligns with the goals of NPDC's strategic framework in LTP 2024, also referred to as our community outcomes. A **medium rating** reflects a general contribution to an outcome, while a **high rating** indicates a strong and significant impact. For more detailed information on how each service supports these outcomes, please refer to the LTP 2024.

	Trusted	Thriving Communities and Culture	Environmental Excellence	Prosperity
Community Partnerships	**High**	**High**	Medium	Medium
Customer and Regulatory Solutions	**High**	**High**	**High**	**High**
Economic Development	Medium	Medium	Medium	**High**
Emergency Management and Business Continuance	**High**	**High**	Medium	Medium
Flood Protection and Control Works	Medium	Medium	Medium	**High**
Governance	**High**	**High**	-	-
Govett-Brewster Art Gallery/Len Lye Centre	**High**	**High**	Medium	Medium
Management of Investments and Funding	Medium	Medium	Medium	Medium
Parks and Open Spaces	Medium	**High**	**High**	Medium
Puke Ariki and Community Libraries	**High**	**High**		**High**
Stormwater Management	Medium	**High**	**High**	Medium
Transportation	Medium	**High**	Medium	**High**
Venues and Events	Medium	**High**	Medium	**High**
Waste Management and Minimisation	**High**	Medium	**High**	Medium
Wastewater Treatment	Medium	Medium	**High**	**High**
Water Supply	**High**	**High**	Medium	**High**

Community Partnerships

Ngā rangapū ā-hapori

What we do

We offer advice, support and partnerships to encourage a strong and connected community sector. We also work to make the central city area more vibrant, work on collective solutions to help solve the housing crisis and food insecurity, and provide a Housing for the Elderly service.

The Community Partnerships Team supports community organisations, educational institutions, iwi, business and central government agencies to plan for, and respond to, the changing needs of our community. We are a conduit between the Council and the community, keeping aware of the evolving needs of the community, and communicating those needs to elected members and staff.

As part of this response, our team manages and distributes NPDC's community grants funding scheme with annual contestable funding for projects and initiatives that meet set criteria. The scheme includes grants that support Māori aspirations in the form of Marae Development and Whanake grants. We also work collaboratively with our funding partners, such as Toi Foundation, Taranaki Foundation, central government, and Taranaki Electricity Trust.

Long term community funding is provided to community groups where there is clear evidence that they are consistently providing core services or facilities to the community. Examples include Bell Block Pool, North Taranaki Sport and Recreation or Surf Life Saving Patrols. We also directly fund NP Partners to help them attract external funding to support projects such as Destination Kāwaroa.

Our work in the city centre champions and activates vibrancy. This service not only encourages people into the city centre to help revitalise the area, but it specifically supports local business as guided by the Ngāmotu New Plymouth City Centre Strategy.

Our Housing for the Elderly scheme provides affordable housing for eligible elderly people in the district with regular visits to support and monitor their well-being. We also continue to provide free and independent advice on home sustainability. This is available to the general public and enables them to make wise choices to improve the health and energy efficiency of their home.



Significant effects on community well-being

This service contributes positively to the social, economic, environmental, and cultural well-being of the community, as outlined in the LTP 2024. There are no identified significant negative effects associated with this service.

Our work and key challenges in 2025/26

Community organisations continued to play a vital role in supporting the wellbeing, resilience and connectedness of our district throughout 2025/26. The demand for community services remained high with many households facing ongoing financial pressures placing increasing pressure on community organisations and volunteers. Our focus remained on strengthening the community sector, supporting collaboration, and helping groups navigate an increasingly complex operating environment.

A key area of work this year was progressing the Community Partnerships review and responding to the feedback provided by community organisations. This included continued investment in capability building through our partnership with The Wheelhouse, improving communication with community partners, and developing a framework to guide our role in supporting collective action and collaboration across the district.

Council continued to invest in a range of community funding programmes that support local services, events and initiatives. Demand for funding significantly exceeded available resources, highlighting both the strength of community-led activity across the district and the challenge of meeting growing community needs.

Supporting vulnerable members of our community remained an important focus. This included partnering with community organisations on responses to homelessness, supporting the establishment of Te Whare o Tapatahi (the YMCA Rough Sleeping Shelter), and progressing strategic housing initiatives, including the delivery of new housing units for older people.

We also progressed a new approach to youth engagement, including co-designing a Youth Advisory Group to ensure rangatahi have meaningful opportunities to influence decisions affecting their communities. Alongside this, Council adopted new approaches to public art, community funding and community engagement that will help shape community outcomes in the years ahead.

While funding pressures, competing priorities and changing community expectations continue to present challenges, the year demonstrated the strength of our community sector and the value of working together to create a more connected, resilient and thriving district.

Our commitment to you

	Target	Result	Comment
Build strategic relationships that support collaboration, capability and capacity in the community sector.			
The percentage of partners satisfied with NPDC's advice and involvement in community initiatives.	95%	96%	Responses received from 26 of 39 partners surveyed. (2024/25: 100% - Achieved)
The percentage of residents satisfied with NPDC's advice and support to community groups (satisfaction survey[1]).	90%	85%	Community funding grant applications are increasing, and the average funding amounts awarded are steadily decreasing. Other than community funding much of the work we do supporting community groups occurs behind the scenes and is not always apparent or recognised by residents. (2024/25: 87% - Not achieved)
Provide a 'start-up' fund to support creativity and collaboration in new community initiatives.			
The number of initiatives receiving 'start-up' financial support.	3	7	(2024/25: Six - Achieved)
Provide effective funding support for community organisations and initiatives.			
The percentage of key performance indicators achieved by recipients of NPDC's grants (as set out in funding contracts).	95%	100%	(2024/25: 100% - Achieved)
Effectively coordinate and administer the Housing for the Elderly service.			
The percentage of tenants satisfied with the service.	90%	100%	Responses received from 53 tenants surveyed. (2024/25: 100% - Achieved)

[1] All satisfaction survey targets are excluding 'don't know' responses.

New Plymouth District Council: Funding Impact Statement for 1 July 2025 to 30 June 2026 for Community Partnerships

	Notes	A/Plan 2025/26 $'000	LTP 2024/25 $'000	LTP 2025/26 $'000	Actual 2025/26 $'000
Sources of operating funding					
General rates, uniform annual charges, rates penalties		7,480	6,350	7,280	7,480
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		60	60	60	67
Fees and charges		1,410	1,380	1,410	1,640
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	1	490	370	490	-
Total operating funding (A)		**9,440**	**8,160**	**9,240**	**9,187**
Applications of operating funding					
Payments to staff and suppliers	2	7,300	6,490	7,250	6,778
Finance costs	3	350	150	350	38
Internal charges and overheads applied		2,040	1,480	1,740	1,989
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		**9,690**	**8,120**	**9,340**	**8,805**
Surplus/(deficit) of operating funding (A - B)		**(250)**	**40**	**(100)**	**383**
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt	3	4,100	4,100	4,100	3,542
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		**4,100**	**4,100**	**4,100**	**3,542**
Applications of capital funding					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service	3	4,210	4,120	4,210	3,542
- to replace existing assets		270	240	270	316
Increase/(decrease) in reserves	1,2	(630)	(220)	(480)	67
Increase/(decrease) of investments		-	-	-	-
Total applications of capital funding (D)		**3,850**	**4,140**	**4,000**	**3,924**
Surplus/(deficit) of capital funding (C-D)		**250**	**(40)**	**100**	**(383)**
Funding balance (A-B) + (C-D)		**-**	**-**	**-**	**-**

Variance explanation Actual 2025/26 to Long-Term Plan 2025/26

1. Due to Te Tai Pari Trust grant being funded from the reserve, release from the fund not required.
2. Operating 'payments' have decreased due to a reduction in the amount of grants given.
3. Due to a housing project delay, there has been less expenditure, leading to less debt.

Customer and Regulatory Solutions

Ngā Whakatika i ngā Kiritaki me ngā Waeture

What we do

We develop, implement and enforce national and local rules that protect the natural and built environment, and public and environmental health.

As the first point of contact for the public, the Customer Services Team assists people via telephone, email, live chat, kiosk, or in person. Interactions cover the breadth of Council business. We manage the research, collation and production of Land Information Memoranda (LIM) reports and make public bookings for three community halls. We provide a case management service for customers wishing to open a business, or projects that involve multiple NPDC teams. The administration and assignment of requests for information under the Local Government Official Information and Meetings Act (LGOIMA) throughout the organisation is administered by this team.

We process food, alcohol, health and encroachment licences, and issue dog licences. We monitor and enforce legislation and bylaws, including parking, freedom camping and noise nuisances. The Animal Control Team respond to complaints about dogs and stock and maintain a service for the impounding and care of stray or seized dogs and stock. We provide a range of parking services and facilities, including paid-parking spaces, time-restricted spaces, and leaseholder carparks, throughout the district with a particular focus on the New Plymouth central business district area. Regulatory Services process building, land use and subdivision consents. We work with other teams to develop the District Plan and other policies that guide the development of the district, providing strategic planning and environmental advice to enable sustainable, resilient and productive communities.

In our role as a Building Consent Authority, our dedicated team manages the entire spectrum of building consents, from processing applications to conducting thorough inspections, all the way to achieving the coveted code of compliance status. Operating as a Territorial Authority (TA), we take charge of inspecting structures deemed dangerous or unsanitary. Our responsibilities extend further to handling complaints, resolving disputes related to buildings, ensuring swimming pool barrier compliance, building warrants of fitness and overseeing specific processes related to earthquake-prone structures, all undertaken in accordance with the Building Act 2004. Our commitment to excellence is underlined by our biennial International Accreditation New Zealand (IANZ) audits, which serve to reaffirm that our daily operations consistently uphold the highest quality standard.



Significant effects on community well-being

This service contributes positively to the social, economic, environmental and cultural well-being of our community as outlined in the LTP 2024.

However, in 2025/26, NPDC acknowledges that there can be some negative impact on economic wellbeing in relation to the costs associated with providing services to the community amid the increased cost of living based on feedback from our customers and the community. NPDC continues to periodically review fees and charges for appropriate alteration considerations, and place importance on clear communication with our stakeholders in relation to increases or new fees, such as central government-imposed levies.

Our work and key challenges in 2025/26

Customer Services

Following the introduction of self-service kiosks in 2024/25 to improve access to Council services at some public service centres, we also introduced 'Live-chat' via the NPDC website. This enables residents to engage online with one of our Customer Services team in real-time, rather than calling or emailing, supporting our goal of creating a more accessible and digitally enabled district.

Community Health and Animal Services

Following feedback from our community as part of the Annual Report 2024/25 which indicated that residents wanted harsher penalties for dogs in restricted areas, Council had adopted a firmer enforcement approach in response to serious non-compliance, with proactive district-wide patrols to educate the public, prevent breaches, and respond to non-compliance. The last financial year also saw a temporary prohibition on dogs at two locations under the Dog Control Bylaw 2022 as a result of request from a community group. The ban was put in place to support the recovery of two conservation-dependent bird species, with feedback indicating that the ban positively contributed to the protection of the birds.

Operational conditions over the past year have highlighted the need to review the Council-owned Pound, including the level of investment required to ensure it remains fit for purpose and able to provide appropriate impounding and care for dogs and stock within the district.

The coming year also sees reviews of various Council Bylaws that relate to Environmental Health and Animal Control.

Building Consents

During 2025/26, the Building Consents Team continued to support safe, resilient and high-quality development across the district while maintaining exceptional statutory performance. The team processed 2,546 building consent and code compliance applications, achieving 99 per cent compliance with statutory processing timeframes. This performance reflects the dedication of staff, ongoing investment in continuous improvement initiatives, and a strong commitment to providing timely, professional advice to customers, builders and homeowners. Throughout the year, the team remained focused on delivering consistent regulatory decisions while responding to changing industry expectations and a dynamic construction environment.

Planning Consents

The Planning Consents Team made significant progress during 2025/26, continuing its focus on improving statutory performance and supporting well-planned growth throughout the district. A total of 439 non-notified resource consent applications were processed during the year, with statutory performance improving substantially to 84%, a marked improvement on previous years. This improvement reflects the success of process enhancements, investment in technology and the team's ongoing commitment to delivering timely and robust planning decisions. The team worked collaboratively with applicants, iwi, stakeholders and internal specialists to facilitate development while ensuring environmental and community outcomes were appropriately considered.

As the district continues to grow and development proposals become increasingly complex, the Planning Consents Team will face ongoing challenges in balancing efficient decision-making with the requirements of a changing legislative and planning framework. Future demands are expected to include increased development pressures, implementation of planning reforms, greater community expectations and more complex consent applications. The team will continue to focus on service improvement, capability development and process optimisation to build on recent performance gains while supporting sustainable development and the long-term well-being of the New Plymouth District.

District Planning and Growth

The Proposed District Plan became the Part Operative District Plan in August 2025, representing a significant milestone in the full district plan review which commenced in 2015. A small number of site-specific appeals remaining are anticipated to be resolved in 2026/27. Two appeals were heard by the Environment Court, with decisions favouring Council's recommendations. All other appeals have been successful through mediation.

The Waitara Spatial Plan was formally adopted by Council on 28 May 2026 and now serves as the agreed spatial framework for future planning of Waitara, showing where growth should occur, what infrastructure is needed, and how cultural, environmental, and community values can shape decisions over the coming decades.

The Puketapu-Bell Block Spatial Plan is now under development and a draft will be released for public consultation later in 2026. This is an essential piece of work to inform future planning of the district's key growth area and industrial area.

Our commitment to you

	Target	Result	Comment
Animal control processes contribute to a safe and healthy community.			
The percentage of dog attacks responded to within two hours.[1]	100%	100%	(2024/25: 100% - Achieved)
The percentage of known dogs registered.	95%	83%	There are 10,189 known dogs registered in the district and 2,103 unregistered dogs, compared to 11,518 registered and 1,067 unregistered in 2024/25. While Council continued to apply the tools introduced to support a previous increase in rate over the last financial year, the target has not been met with feedback over the year that non-payment may be due to cost of living pressures and perceived lack of value. As a result, Council is implementing alternative payment options while continuing to target non-registered dog owners. A project to roll out earlier infringements, with sufficient warning to non-registered dog owners, is in train. (2024/25: 92% - Not achieved)
The percentage of residents satisfied with animal control activities (satisfaction survey[2])	90%	91%	(2024/25: 84% - Not achieved).
Respond to logged complaints in a timely manner.			
The percentage of formal complaints that receive an interim reply or are resolved within five working days.	90%	90%	Rounded down from 90.4%. There were 199 formal complaints received, compared to 255 in 2024/25 (-56 / -22%). (2024/25: 83% - Not achieved)
Process requests for official information within timeframes set under Local Government Official Information and Meetings Act (1987).			
The percentage of requests for official information completed within statutory timeframes.	100%	99%	There were 398 official information requests received, compared to 360 in 2024/25. Of the 398 requests received, five were completed outside the timeframe. (2024/25: 98% - Substantially achieved)
Conduct alcohol licensing inspections in accordance with statutory requirements.			
All businesses applying for licenses under the Sale and Supply of Alcohol Act 2012 will be inspected in accordance with statutory requirements.	100%	100%	NPDC has a total of 224 licensed premises in the district, compared to 236 in 2024/25. (2024/25: 100% - Achieved)

[1] Dog attacks are defined as incidents where a dog makes physical contact with another dog, animal, or person, and this contact is likely to result in injury.

[2] All satisfaction survey targets are excluding 'don't know' responses.

	Target	Result	Comment
Process consent applications within statutory timeframes.			
The percentage of building applications processed within statutory timeframes (consents and code compliance certificates).	100%	99%	There were 2,546 building applications processed, compared to 2,830 the previous year. (2024/25: 98% - Substantially achieved)
The percentage of non-notified resource management consents processed within statutory timeframes.[3]	100%	84%	There were 439 non-notified consents processed, compared to 463 the previous year. Statutory timeframe performance has improved compared with 2024/25, particularly for new consent applications progressing through updated processes and technology. However, overall performance continues to be affected by older applications that remain in the system, including complex consents and applications delayed while issues are resolved. As these historic applications continue to be included in the measure, improvements in the timeliness of newer consents can take time to be reflected in the overall percentage. Recent legislative changes now allow councils to remove consent applications that are more than 12 months old from reporting calculations, an option that was not previously available. This is expected to provide a more accurate reflection of current performance alongside ongoing service improvement initiatives. (2024/25: 55% - Not achieved)
The percentage of non-notified resource management consents where decisions to extend timeframes meet the requirements of the Resource Management Act 1991 requirements.	100%	100%	(2024/25: 100% - Achieved)

[3] Non-notified resource consents are applications that are not publicly advertised because the adverse effects of the proposal are considered to be no more than minor, and any affected persons (usually neighbours) have provided written approval.

New Plymouth District Council: Funding Impact Statement for 1 July 2025 to 30 June 2026 for Customer and Regulatory Solutions

	Notes	A/Plan 2025/26 $'000	LTP 2024/25 $'000	LTP 2025/26 $'000	Actual 2025/26 $'000
Sources of operating funding					
General rates, uniform annual charges, rates penalties		5,330	3,910	4,690	5,330
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges	1	11,290	11,110	11,320	10,277
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		1,030	800	800	710
Total operating funding (A)		**17,650**	**15,820**	**16,810**	**16,317**
Applications of operating funding					
Payments to staff and suppliers	2	11,220	11,100	10,400	11,535
Finance costs		250	160	250	300
Internal charges and overheads applied		5,490	4,970	5,470	5,532
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		**16,960**	**16,230**	**16,120**	**17,367**
Surplus/(deficit) of operating funding (A - B)		**690**	**(410)**	**690**	**(1,051)**
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		(550)	4,140	(550)	(2)
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		**(550)**	**4,140**	**(550)**	**(2)**
Applications of capital funding					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		-	3,560	-	(2)
- to replace existing assets	3	20	170	880	(45)
Increase/(decrease) in reserves		120	-	(740)	(1,006)
Increase/(decrease) of investments		-	-	-	-
Total applications of capital funding (D)		**140**	**3,730**	**140**	**(1,052)**
Surplus/(deficit) of capital funding (C-D)		**(690)**	**410**	**(690)**	**1,051**
Funding balance (A-B) + (C-D)		**-**	**-**	**-**	**-**

Variance explanation Actual 2025/26 to Long-Term Plan 2025/26

1. Operating 'user fees' received for parking are lower than budgeted due to a reduction in activity.
2. Operating 'payments' have increased due to receiving subdivision consent professional advice.
3. Less assets have been replaced due to planned projects being cancelled, leading to the costs being written off and less debt.

Economic Development

Whakawhanake Ohaoha

What we do

We work collaboratively to identify and embrace opportunities for economic growth and diversification in the district while also contributing to social, environmental and cultural well-being.

NPDC works with the other Taranaki councils, central government, and a number of agencies in the region to develop and improve the local economy. This includes directly funding and overseeing Te Puna Umanga Venture Taranaki Trust, a Council Controlled Organisation responsible for promoting regional development and tourism in the district. Our priorities for economic development are set out in ***Tapuae Roa: Make Way for Taranaki*** – the Regional Economic Development Strategy adopted in February 2018 and Action Plan updated in November 2024.

Significant effects on community well-being

This service contributes positively to the social, economic, environmental, and cultural well-being of the community, as outlined in the LTP 2024.

There are no significant negative effects associated with this service. However, for completeness, it's important to note the environmental impact of the visitor industry, particularly its contribution to carbon emissions. Visitor promotion and major events funding aim to attract people to Taranaki, which can lead to increased travel-related emissions and other environmental effects. These impacts are mitigated by promoting more sustainable transport options, such as the use of electric vehicles.

Our work and key challenges in 2025/26

The year presented both challenges and opportunities for the Taranaki economy. Ongoing pressure from declining oil and gas employment, broader economic uncertainty and changing national funding settings created a complex operating environment for businesses and communities across the region.

Despite these headwinds, there were encouraging signs of resilience, with growth in business numbers, housing activity, and continued momentum in several emerging sectors.



This service is delivered through Te Puna Umanga (Venture Taranaki), who continued to focus on strengthening the foundations of a resilient and diversified regional economy, while contributing to the conditions for long-term growth. This work supported the advancement of Tapuae Roa by progressing opportunities across energy, food and fibre, the visitor economy, and emerging industries and investment that will shape the region's future.

Work progressed on the Taranaki Alliance, bringing together engineering, manufacturing and industrial businesses to help retain skills, strengthen supply chains and pursue new market opportunities. The Alliance represents a proactive response to the changing energy landscape and aims to ensure regional capability is retained and grown.
The Branching Out programme continued to mature, moving from trialling alternative land uses toward commercial outcomes. Progress included development of new value chains, investment in hemp processing capability and continued exploration of high-value crops, supporting greater diversification within the food and fibre sector.
Tourism and major events remained important contributors to the regional economy. Venture Taranaki secured major business and visitor events, expanded international marketing activity, and leveraged government tourism funding to grow visitation and visitor spending. At the same time, support for local businesses continued through mentoring, capability development, innovation programmes and access to investment and research funding.

While economic conditions remain uncertain, the work undertaken this year has strengthened the foundations for Taranaki's long-term prosperity. Taking a future-focused approach and looking beyond the horizon, we continue to support initiatives that build resilience, unlock opportunities and position the region to adapt, innovate and thrive in an evolving economic environment.

Our commitment to you

	Target	Result	Comment
Promote the New Plymouth District and the Taranaki region as a vibrant and desirable place to work, live, learn, play and invest.			
The number of major events attracted or retained.	6	26[1]	(2024/25: 16 - Achieved)
Facilitate, promote, and support sustainable business growth, innovation, investment and employment opportunities in Taranaki.			
The annual additional funding secured for the provision of regional development programmes, projects and services into Taranaki in line with regional strategy such as Tapuae Roa, subject to central Government policy and funding.	20% of total funding	26%	The percentage represents the proportion of total funding secured from external sources relative to NPDC's core investment. To ensure consistency in reporting, this measure excludes contributions from the Major Events Fund and NPDC non-core investment streams, such as Branching Out, the Taranaki Innovation Centre, and Emergent Opportunities. (2024/25: 34% - Achieved)
Client satisfaction across all business support services, events, programmes and initiatives.	Net Promoter Score (NPS[2]) 40+	78	The NPS reflected strong positive feedback from participants across Venture Taranaki events, programmes, and services. 2024/25: 79.2 - Achieved)
Number of events, programmes or initiatives to drive change and support regional strategy objectives such as in Tapuae Roa and Taranaki 2050.[3]	10	24	There were 24 initiatives delivered, including key events and programmes such as the Visitor Sector Hui, Biotech Connect, Positioning for the Future, and the PowerUp Programme. (2024/25: 20 - Achieved)
Performance measures and reporting requirements of external contracts (such as with central government) are achieved.[4]	90%	96%	By the end of the financial year, 27 external contracts were under management. All performance measures and reporting requirements were met for 26 contracts, while one contract was closed with outstanding performance requirements. (2024/25: 100% - Achieved)

[1] In 2025/26, 26 major events were attracted or retained, compared to 16 in 2024/25. Events contracted were: Rock the Bowl, UB40, Full Metal Orchestra (Bowl of Brooklands) ; Americarna 2026 and 2027; Coastal Five 2025 and 2026; The ANZAC Day Classic; Taranaki Longboard Classic, NZ 10km Road and Race Walking; Taranaki Garden Festival; Taranaki Fringe Garden Festival; Taranaki Spring Fringe Arts Festival; Taranaki Arts Trail; Sustainable Backyards Trails: Backyards, Builds and Farms; Egmont Honey Half Marathon; FMG NZ Young Farmer of the Year Grand Final; Sporting Match (Stadium Taranaki); Novotel North Island Junior Netball Championship; NZ Tattoo and Art Festival; The Devon Hotel Taranaki Men's and Women's Open Fours; TSB Festival of Lights; Winter Fest; Womad; Feastival Autumn and Spring 2027.

[2] The Net Promoter Score (NPS) measure asks clients how likely they are to recommend Venture Taranaki to a friend or colleague and more accurately measures satisfaction with the services provided by Venture Taranaki.

[3] Tapuae Roa was adopted by NPDC along with the other three Taranaki district councils as the Taranaki Regional Economic Development Strategy and is readily available on the Council's website.

[4] This measure ensures external programme delivery requirements are met, such as requirements set by central government funding contracts.

New Plymouth District Council: Funding Impact Statement for 1 July 2025 to 30 June 2026 for Economic Development

	Notes	A/Plan 2025/26 $'000	LTP 2024/25 $'000	LTP 2025/26 $'000	Actual 2025/26 $'000
Sources of operating funding					
General rates, uniform annual charges, rates penalties		6,030	5,620	5,930	6,030
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes	1	-	-	-	372
Fees and charges		-	-	-	-
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding (A)		**6,030**	**5,620**	**5,930**	**6,402**
Applications of operating funding					
Payments to staff and suppliers	1,2	5,130	5,020	5,130	6,535
Finance costs		-	-	-	-
Internal charges and overheads applied		1,360	1,030	1,260	1,358
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		**6,490**	**6,050**	**6,390**	**7,893**
Surplus/(deficit) of operating funding (A - B)		**(460)**	**(430)**	**(460)**	**(1,491)**
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		-	-	-	-
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		**-**	**-**	**-**	**-**
Applications of capital funding					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		-	-	-	-
- to replace existing assets		-	-	-	-
Increase/(decrease) in reserves	2	(460)	(430)	(460)	(1,491)
Increase/(decrease) of investments		-	-	-	-
Total applications of capital funding (D)		**(460)**	**(430)**	**(460)**	**(1,491)**
Surplus/(deficit) of capital funding (C-D)		**460**	**430**	**460**	**1,491**
Funding balance (A-B) + (C-D)		**-**	**-**	**-**	**-**

Variance explanation Actual 2025/26 to Long-Term Plan 2025/26

1. Increase in subsidies and grants due to Better off funding being received. However, this then offsets expenditure.
2. The larger decrease in reserves is due to the timing of operating funds being required. These were originally budgeted for 2024/25.

Emergency Management and Business Continuance

Whakahaere Wā Mōrearea me te Tōnuitanga Pakihi

What we do

We identify and understand local hazards and risks, building capability and capacity to respond to and recover from emergencies.

As a member of the Taranaki Civil Defence Emergency Management Group (CDEM Group), NPDC works with the three Taranaki councils, the community, and other agencies to plan for and manage responses to emergency events. We also educate our communities about potential hazards and about how to prepare and recover from emergencies associated with these hazards.

We make sure the information we have about hazards and risks in the district is up to date, and review a range of Council plans in accordance with that information.

We also manage NPDC's internal emergency management response outside of civil defence activation, including business continuance. Our systems and processes ensure NPDC can continue to operate as well as possible during an emergency, major or minor.

Significant effects on community well-being

This service contributes positively to the social, economic, environmental and cultural well-being of the community, as outlined in the LTP 2024. Through effective emergency management and resilience-building activities, the service helps ensure that individuals, families, businesses and communities are better prepared for, able to respond to, and recover from emergency events.

There are no significant negative effects associated with this service. However, managing public perception during and following emergency events can be challenging. This is mitigated by providing timely, clear and effective communication, while ensuring access to appropriate support and wellbeing services during and after emergencies.



Our work and key challenges in 2025/26

Community resilience is strengthened through preparing and engaging with communities to enable better outcomes before, during and after adverse events.

Local response planning enables Council to effectively deliver critical services and respond to specific emergency events, supporting the needs of communities, residents and business operations.

Hazard management involves identifying and assessing new and existing hazards, implementing risk reduction measures, and communicating risks and preparedness information to communities.

Response and recovery activities focus on activating emergency management systems and coordinating resources to respond to and recover from events affecting the New Plymouth District.

Our commitment to you

	Target	Result	Comment
Ensure NPDC is ready for, can respond to, and can recover from emergencies.			
Emergency plans and processes are reviewed and updated annually as per review schedule.	Achieved	Achieved	(2024/25: Achieved)
Recruit, train, and maintain a database of at least 150 staff and volunteers capable of responding to an emergency.	Achieved	Achieved	There were 160 recruited and trained staff and volunteers (81 trained EOC staff, 79 trained community volunteers who are aligned with civil defence centres within the region). (2024/25: 163 - Achieved)
Ensure the NPDC Emergency Operations Centre (EOC) is fit for purpose.[1]	Complete monthly system checks and an annual EOC capability audit	Achieved	(2024/25: Achieved)
Develop and implement an NPDC emergency exercise programme.[2]	Undertake two emergency exercises	9	Nine emergency exercises were undertaken: Bowl of Brooklands exercise, including all events volunteers and partner agencies; Airport exercise involving plane ditching at sea after take-off with 50 people on board; D4H Waitara flood event; Civic Centre EOC Test Set-Up; Intelligence/GIS/Planning/Recovery; Public Information Management; Welfare/ Logistics function training; Coordinated Incident Management System 4 training; Red Cross Disaster Welfare Team Community Hub, Ōākura. (2024/25: Six - Achieved)
Assist the New Plymouth community in becoming ready for, responding to, and recovering from emergencies.			
Emergency centres are identified, assessed and formalised with Memorandum(s) of Understanding.	8	6	Six Civil Defence Centres have been identified, assessed and formalised through MOUs: North Taranaki Sport and Recreation; Northpoint Baptist Church; Coastal Taranaki School; Knox Church Waitara; Ōākura Bowling Club; and TET Stadium and Events Centre. (2024/25: Seven - Not achieved)

[1] This measure uses a combination of an annual EOC capability audit conducted by TEMO provided by the National Emergency Management Agency (NEMA) and monthly equipment audits conducted by Council Digital Enablement Team.

[2] This is a programme of planned emergency exercises to monitor the performance and capability of EOC personnel in an emergency situation. The NPDC programme aligns with regional exercises coordinated by the Taranaki Emergency Management Office (TEMO) and includes collaboration with community groups to enhance local preparedness and resilience.

New Plymouth District Council: Funding Impact Statement for 1 July 2025 to 30 June 2026 for Emergency Management and Business Continuance

	Notes	A/Plan 2025/26 $'000	LTP 2024/25 $'000	LTP 2025/26 $'000	Actual 2025/26 $'000
Sources of operating funding					
General rates, uniform annual charges, rates penalties		1,260	1,000	1,370	1,260
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		1,620	1,910	1,620	1,881
Fees and charges		-	-	-	53
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding (A)		**2,880**	**2,910**	**2,990**	**3,193**
Applications of operating funding					
Payments to staff and suppliers		2,270	2,280	2,330	2,246
Finance costs		80	80	80	78
Internal charges and overheads applied		460	460	510	421
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		**2,810**	**2,820**	**2,920**	**2,745**
Surplus/(deficit) of operating funding (A - B)		**70**	**90**	**70**	**448**
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		(50)	30	(50)	(117)
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		**(50)**	**30**	**(50)**	**(117)**
Applications of capital funding					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		10	80	10	31
- to replace existing assets		-	-	-	-
Increase/(decrease) in reserves		10	40	10	301
Increase/(decrease) of investments		-	-	-	-
Total applications of capital funding (D)		**20**	**120**	**20**	**332**
Surplus/(deficit) of capital funding (C-D)		**(70)**	**(90)**	**(70)**	**(448)**
Funding balance (A-B) + (C-D)		**-**	**-**	**-**	**-**

Variance explanation Actual 2025/26 to Long-Term Plan 2025/26

There are no material variances for this activity.

Flood Protection and Control Works

Tiakina Waipuke me ngā Mahinga Whakahaere

What we do

We provide protection to people and property of the New Plymouth District by managing, maintaining and monitoring flood protection dams and diversion tunnels. These safeguard the people and property of the New Plymouth District against the impact of flooding damage.

Significant effects on community well-being

This service contributes positively to the social, economic, environmental and cultural well-being of our community are outlined in the LTP 2024.

While flood protection assets significantly reduce flood risk across the district, NPDC acknowledges that extreme weather events can still pose risks to people, property, and infrastructure if systems are unable to perform as intended. As many flood protection assets are located within waterways, there can also be impacts on environmental and ecological values. Through ongoing monitoring, maintenance, compliance activities, and targeted asset improvements, NPDC seeks to manage these risks while maintaining an appropriate balance between flood protection, environmental outcomes, and community well-being.

Our work and key challenges in 2025/26

This year NPDC completed the implementation of all dam safety requirements as per the Building (Dam Safety) Regulation 2022, by submitting its Dam Safety Assurance Programmes and annual compliance certificate for all detention dams. This certificate was produced by newly appointed dam safety technical advisor Stantec New Zealand (engaged to support council through a 5-year Dam Compliance and Safety Management Programme). As part of their engagement, Stantec completed the Intermediate Dam Safety Reviews (IDSRs) for the district's dams in April 2026, providing independent technical assurance and supporting compliance with dam safety requirements.

During the year, NPDC continued to strengthen the monitoring and management of its flood detention dam assets through a range of infrastructure improvements and compliance activities.



Four flood detention dams were upgraded with new surveillance cameras to enhance remote monitoring and operational oversight. Following the significant rainfall event in July 2025, which resulted in the Highlands Park rain gauge being submerged, the gauge was relocated to a more suitable site and replaced with a new unit to improve the reliability of rainfall monitoring data.

A five-year dam deformation survey was completed in 2025 to assess the structural stability and performance of key dam assets. As part of this programme, permanent survey pillars were installed at Huatoki, Mangaotuku, and Waimea Dams to enable ongoing monitoring and future survey activities.

An ongoing programme of work is underway to plan and implement capital remediation works that will be required within the current LTP to ensure dams keep complying with regulation requirements and dam safety issues are resolved. These initiatives contribute to the ongoing safety, resilience, and regulatory compliance of NPDC's flood detention dam network, helping to protect communities and infrastructure from flood-related risks.

Our commitment to you

	Target	Result	Comment
Major flood protection scheme assets and systems are maintained in accordance with asset management plans and annual works programme.			
Assets to be maintained to full service potential in accordance with the Dam Safety Management System and Asset Management System (T1) scheduled maintenance.[1]	Achieved	Achieved	(2024/25: Achieved)
Dam Safety Management System is updated in accordance with Dam Safety Regulation.[2]	Achieved	Achieved	(2024/25: Achieved)
Major flood protection scheme assets and systems are repaired in accordance with asset management plans and annual works programme.			
Following an event, damage is identified and programmed for repair.	Achieved	Achieved	(2024/25: Achieved)

[1] This measure includes monthly inspections for dams (internal inspection), annual inspections for dams and tunnels (external review by technical adviser) and a five-yearly comprehensive inspection for dams (external review by technical adviser). The scheduled maintenance programme forms part of the Dam Safety Management System submitted to the Taranaki Regional Council for approval.

[2] The Dam Safety Management System is certified annually by a technical adviser and submitted to the Taranaki Regional Council for approval.

New Plymouth District Council: Funding Impact Statement for 1 July 2025 to 30 June 2026 for Flood Protection and Control Works

	Notes	A/Plan 2025/26 $'000	LTP 2024/25 $'000	LTP 2025/26 $'000	Actual 2025/26 $'000
Sources of operating funding					
General rates, uniform annual charges, rates penalties		760	630	680	760
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		-	-	-	-
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding (A)		**760**	**630**	**680**	**760**
Applications of operating funding					
Payments to staff and suppliers		420	360	360	315
Finance costs		30	10	30	12
Internal charges and overheads applied		260	230	250	247
Other operating funding applications		-	-		-
Total applications of operating funding (B)		**710**	**600**	**640**	**574**
Surplus/(deficit) of operating funding (A - B)		**50**	**30**	**40**	**186**
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		730	180	730	(7)
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		**730**	**180**	**730**	**(7)**
Applications of capital funding					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service	1	730	180	730	(7)
- to replace existing assets		300	210	300	64
Increase/(decrease) in reserves		(250)	(180)	(260)	122
Increase/(decrease) of investments		-	-	-	-
Total applications of capital funding (D)		**780**	**210**	**770**	**179**
Surplus/(deficit) of capital funding (C-D)		**(50)**	**(30)**	**(40)**	**(186)**
Funding balance (A-B) + (C-D)		**-**	**-**	**-**	**-**

Variance explanation Actual 2025/26 to Long-Term Plan 2025/26

1. The dam safety compliance project has been delayed per Annual Plan.

Governance

Kāwanatanga

What we do

We support the Mayor, councillors and community board members to be effective, representative and accountable decision makers. We also make sure people have easy access to the information they need to be involved in Council decision-making.

We support, facilitate and administer Council, committee and community board meetings and coordinate a range of civic functions. We provide administrative services and oversight for Te Tai Pari Trust, a statutory organisation established by the New Plymouth District Council (Waitara Lands) Act 2018, which allocates funding from the Waitara Perpetual Community Fund. Every three years, we are responsible for managing local authority elections.

We support the community boards in their decision-making in relation to the Community Boards Discretionary Fund.

Significant effects on community well-beings

We have a key role in enhancing community well-being by fostering transparent, inclusive, and responsive decision-making processes. Through proactive engagement with legislative changes, facilitation of accessible public participation, and investment in digital tools, the team enables democratic involvement and trust in local government. By addressing barriers to participation - particularly in formal and complex governance processes - the team supports social, cultural, economic, and environmental well-being, assisting members of the public to participate in decision-making and ensuring that all voices in the community have an ability to be heard and valued.



Our work and key challenges in 2025/26

The Governance service provided strategic leadership, statutory advice, project advice and operational support for the 2025 triennial election. Following the election, the service coordinated and supported the transition between Councils. This included the creation of governance frameworks and committee structures (following Mayoral direction) including coordination of elected member induction activities, and provision of advice to new and returning elected members.

Our commitment to you

	Target	Result	Comment
Effectively manage local elections in accordance with statutory requirements.			
Elections and polls comply with the provisions of the Local Electoral Act 2001 and are without successful petitions for inquiry into the conduct of elections.	Full compliance	Achieved	The 2025 local elections were completed with full compliance and no process issues reported. Additionally, by-elections for Clifton and Kaitake Community Boards were initiated and completed on 22 December 2025. (2024/25: N/A - no triennial elections held this year)
Ensure NPDC processes comply with statutory requirements.			
The Long-Term Plan, Annual Plan and Annual Report are each adopted within statutory timeframes.[1]	Full compliance	Achieved	The Annual Report 2024/25 was adopted on 10 October 2025 and the Annual Plan 2026/27 adopted on 25 June 2026. (2024/25: Achieved)
Meeting agendas are available at least two working days before every meeting.	Full compliance	Not achieved	The target was not met, with two community board agendas being released later than the agreed two working day timeframe due to a combination of process and technology issues. Hard copies of agendas available to members of the public on request. (2024/25: Achieved)

[1] This measure ensures Council meets statutory timeframes for adopting its Long-Term Plan, Annual Plan, and Annual Report under the Local Government Act 2002.

New Plymouth District Council: Funding Impact Statement for 1 July 2025 to 30 June 2026 for Governance

	Notes	A/Plan 2025/26 $'000	LTP 2024/25 $'000	LTP 2025/26 $'000	Actual 2025/26 $'000
Sources of operating funding					
General rates, uniform annual charges, rates penalties		7,100	6,370	6,830	7,100
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		90	10	90	152
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding (A)		**7,190**	**6,380**	**6,920**	**7,252**
Applications of operating funding					
Payments to staff and suppliers		2,610	2,400	2,730	2,892
Finance costs		-	-	-	-
Internal charges and overheads applied		3,610	2,980	3,210	3,607
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		**6,220**	**5,380**	**5,940**	**6,499**
Surplus/(deficit) of operating funding (A - B)		**970**	**1,000**	**980**	**753**
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		-	-	-	-
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		**-**	**-**	**-**	**-**
Applications of capital funding					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		380	380	380	375
- to replace existing assets		-	-	-	-
Increase/(decrease) in reserves		590	620	600	378
Increase/(decrease) of investments		-	-	-	-
Total applications of capital funding (D)		**970**	**1,000**	**980**	**753**
Surplus/(deficit) of capital funding (C-D)		**(970)**	**(1,000)**	**(980)**	**(753)**
Funding balance (A-B) + (C-D)		**-**	**-**	**-**	**-**

Variance explanation Actual 2025/26 to Long-Term Plan 2025/26

There are no material variances for this activity.

Govett-Brewster Art Gallery/Len Lye Centre

Te Whare Toi ā Govett-Brewster me Len Lye

What we do

We provide the community access to innovative and insightful art exhibitions and events, created by national and international contemporary artists.

The Govett-Brewster Art Gallery offers a dynamic range of exhibitions spanning current art ideas and issues, and the art of Len Lye. These are shaped by the Govett-Brewster collection of contemporary art, and the Len Lye collection and archive, which the Gallery maintains on behalf of the Len Lye Foundation.

Extending our exhibitions are a comprehensive range of public engagement programmes, events, workshops, education tours and programmes, and publishing. Our retail store, art-house cinema, guided tours and private venue hire operations enable further interaction while supporting revenue generation.

Signficiant effects on community well-being

This service contributes positively to the social, economic, environmental, and cultural well-being of the community, as outlined in the LTP 2024. There are no identified significant negative effects associated with this service.



Our work and key challenges in 2025/26

In 2025/26, the Gallery strengthened its role as a nationally significant contemporary art institution while continuing to provide meaningful cultural experiences for local communities, schools, visitors, and partners.

A major focus was the ten-year anniversary of the Len Lye Centre, which was marked through a programme of celebratory events, including a sold-out New Zealand Symphony Orchestra performance, stakeholder acknowledgement events, a book on the building's development, and the production of an independent documentary film. Together, these activities recognised the Centre's cultural legacy and reinforced its importance to New Plymouth District and Aotearoa New Zealand.

Audience development remained strong. The Len Lye Centre Cinema achieved record ticket sales for national and international film festivals, while the Gallery exceeded its annual visitor target despite external pressures including increased entry charges, streetscape redevelopment, road corridor impacts and softer domestic tourism.

The Gallery also deepened community and education engagement. The Lalaga Youth Ambassador group successfully fundraised to participate in Polyfest, supporting youth leadership and Pasifika cultural participation. Planning for school and education visits has been streamlined following the launch of Mīharo, a shared education planning website which connects the Gallery and Puke Ariki.

The Gallery's reach extended beyond the district through the touring of the exhibition He Kete Iti to Whanganui Regional Museum, with two further national venues confirmed. Behind the scenes, the team also completed important work to improve safety and storage conditions for collection items, strengthening long-term care of the Gallery's cultural assets.

Our commitment to you

	Target	Result	Comment
Provide access to an engaging range of contemporary art from New Zealand and around the world.			
The annual number of exhibitions on offer.	7	7	The Gallery opened seven exhibitions during the year, spanning contemporary art (six) and Len Lye (one). (2024/25: 7 - Achieved)
The annual number of visitor entries.	74,000	75,130	The Gallery welcomed 75,130 visitors during the year. Exhibition visitors surveyed originated from New Plymouth District (21.5%), elsewhere in Taranaki (4.9%), Auckland (31.3%), Wellington (15.6%) and international (19.6%). (2024/25: 79,147 (target 72,000) - Achieved)
The annual number of audience engagement events.[1]	65	88	A total of 88 unique audience engagement events were developed and delivered during the year. (2024/25: 89 - Achieved)
The percentage of residents satisfied with the service (satisfaction survey[2]).	65%	78%	(2024/25: 65% - Achieved)
The percentage of customers satisfied with their overall experience at the Govett-Brewster Art Gallery/Len Lye Centre (in-house surveys).	82%	86%	In-house surveys were taken of exhibition visitors throughout the year with 358 participants. Results reflect survey responses 'very satisfied' (69%), 'satisfied' (17%). (2024/25: 88% - Achieved)

[1] These include formal ticketed events such as the Monica Brewster evenings, free and paid gallery and exhibition tours, targeted free events such as Sense Art tours, Gallery Babes and Gallery Seniors, education programmes including Young Visionaries, family art and workshops, and other public talks, lectures, tours and workshops.

[2] All satisfaction survey targets are excluding 'don't know' responses.

New Plymouth District Council: Funding Impact Statement for 1 July 2025 to 30 June 2026 for Govett-Brewster Art Gallery/Len Lye Centre

	Notes	A/Plan 2025/26 $'000	LTP 2024/25 $'000	LTP 2025/26 $'000	Actual 2025/26 $'000
Sources of operating funding					
General rates, uniform annual charges, rates penalties		5,520	5,000	5,390	5,520
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		290	270	290	157
Fees and charges		670	690	710	523
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding (A)		**6,480**	**5,960**	**6,390**	**6,200**
Applications of operating funding					
Payments to staff and suppliers		4,110	3,910	4,110	3,845
Finance costs		100	90	100	90
Internal charges and overheads applied		1,940	1,600	1,830	1,799
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		**6,150**	**5,600**	**6,040**	**5,735**
Surplus/(deficit) of operating funding (A - B)		**330**	**360**	**350**	**465**
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		-	540	10	(36)
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		**-**	**540**	**10**	**(36)**
Applications of capital funding					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		80	600	80	(36)
- to replace existing assets		180	100	180	236
Increase/(decrease) in reserves		70	200	100	229
Increase/(decrease) of investments		-	-	-	-
Total applications of capital funding (D)		**330**	**900**	**360**	**429**
Surplus/(deficit) of capital funding (C-D)		**(330)**	**(360)**	**(350)**	**(465)**
Funding balance (A-B) + (C-D)		**-**	**-**	**-**	**-**

Variance explanation Actual 2025/26 to Long-Term Plan 2025/26

There are no material variances for this activity.

Management of Investments and Funding

Whakahaere o ngā Haumitanga me ngā Pūtea Mōni

What we do

We develop, manage and protect key NPDC funding sources.

This service manages all NPDC owned investments. We also manage income not assigned to other Council activities and all of Council's borrowing. This includes:

- NPDC's Perpetual Investment Fund (PIF) overseen by the New Plymouth PIF Guardians Ltd.
- One hundred per cent ownership of Papa Rererangi i Puketapu Limited, the Council Controlled Trading Organisation that runs the New Plymouth Airport.
- Administration of 1,500 property leases and agreements.
- Production forestry on NPDC owned land and two joint venture forestry investments.
- Minor equity investments in Civic Financial Services Limited and the Local Government Funding Agency.
- Administering Waitara leasehold property leases and freeholding and administering the funds derived according to the New Plymouth District Council (Waitara Lands) Act 2018.

Significant effects on community well-being

This service contributes positively to the social, economic, environmental, and cultural well-being of the community, as outlined in the LTP 2024. There are no identified significant negative effects associated with this service. The primary risk associated with this activity is exposure to financial market volatility, which can affect investment values and Council funding capacity in the short term.



Our work and key challenges in 2025/26

As with any investment fund, a key challenge is always volatility in the markets and the resulting impact on the value of the PIF. Ongoing geopolitical tensions and market volatility created fluctuations in global investment markets during the year.

In spite of this volatility, the PIF demonstrated strong performance, particularly in the fourth quarter of 2025/26, to achieve record gains and finish the year at a new high of $464m (refer note 15(d) Bonds, shares, and other investments, page 120). This milestone reflects prudent management and a long-term investment strategy that continues to deliver value for the community.

Our commitment to you

	Target	Result	Comment
Manage the Perpetual Investment Fund (PIF) to provide sustainable NPDC revenue.			
The annual return from the PIF received by NPDC.	3.3% + CPI + management fees and costs	17.9%	Target was 7.4% (3.3% + CPI + management costs). A prime focus for the Council is to ensure that returns from the PIF are at a level that meets its objectives for the fund. The New Plymouth PIF Guardians have a service performance indicator to achieve the total return on the portfolio (net of all costs) measures on a five-year rolling basis; this is currently a target of 3.3% plus NZ inflation (as measured by the Consumer Price Index). The actual return net of costs was 16.6% for the 12-month period to 30 June 2026. The total return of the portfolio for the past five years is 9.2%, which is 1.5% above the rolling five-year target. (2024/25: 9.8% (target 6%) - Achieved)
Manage NPDC's borrowing programme in accordance with the Liability Management Policy.[1]			
Debt levels comply with limits set by policy.[1]	All measures met	All measures met[2]	(2024/25: All measures met - Achieved)

[1] The Liability Management Policy is incorporated within the Treasury Management Policy which was updated and approved by the Council on 24 June 2026.

[2] Council in compliance with all measures as per below:

Measure	Target	2025/26 results	2024/25 results
1. Net debt/revenue*	<135%	-54.2%	-45.1%
2. Net interest/revenue	<10%	5.2%	4.9%
3. Net interest/rates income	<12.5%	7.9%	7.9%
4. Liquidity/external debt	>105%	113.8	113.4%

* The result for measure 1 is negative as the Council's net debt is nil. This is because the Council's liquid assets are greater than borrowings.

New Plymouth District Council: Funding Impact Statement for 1 July 2025 to 30 June 2026 for Management of Investments and Funding

	Notes	A/Plan 2025/26 $'000	LTP 2024/25 $'000	LTP 2025/26 $'000	Actual 2025/26 $'000
Sources of operating funding					
General rates, uniform annual charges, rates penalties		(13,520)	(9,100)	(13,310)	(13,520)
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges	1	2,560	2,030	2,060	2,541
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2	18,300	17,010	17,300	20,949
Total operating funding (A)		**7,340**	**9,940**	**6,050**	**9,971**
Applications of operating funding					
Payments to staff and suppliers	3	8,190	7,350	6,210	9,697
Finance costs	4	2,250	2,630	2,290	(3,781)
Internal charges and overheads applied		1,850	1,630	1,950	1,695
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		**12,290**	**11,610**	**10,450**	**7,611**
Surplus/(deficit) of operating funding (A - B)		**(4,950)**	**(1,670)**	**(4,400)**	**2,360**
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		1,840	(2,600)	790	579
Gross proceeds from sale of assets	5	4,750	4,690	3,800	1,105
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		**6,590**	**2,090**	**4,590**	**1,684**
Applications of capital funding					
Capital expenditure:					
- to meet additional demand		140	-	-	53
- to improve the level of service		920	-	-	353
- to replace existing assets		70	-	70	-
Increase/(decrease) in reserves		510	420	120	3,638
Increase/(decrease) of investments		-			-
Total applications of capital funding (D)		**1,640**	**420**	**190**	**4,044**
Surplus/(deficit) of capital funding (C-D)		**4,950**	**1,670**	**4,400**	**(2,360)**
Funding balance (A-B) + (C-D)		**-**	**-**	**-**	**-**

Variance explanation Actual 2025/26 to Long-Term Plan 2025/26

1. Operating 'fees and charges" received are higher than budget as it includes $0.2m to additional rates penalties and $0.3m PIF Guardian fees.
2. Operating 'other receipts' received also includes additional interest earned.
3. Operating 'payments' are higher than budget due to the reclassification of the Metro Plaza demolition from capital expenditure to operating expenditure and also the PIF management fees being higher.
4. Finance costs are significantly less than budget due to lower overall borrowing, internal recoveries, and interest on overdrawn reserve balances.
5. Due to the forestry harvest delay there has been less asset sale proceeds.

Parks and Open Spaces

Ngā Papa Rēhia me ngā Wāhi Tuwhera

What we do

We manage a diverse range of parks, public spaces and public assets and services in the district for use by residents and visitors.

We provide, develop and maintain NPDC's recreational facilities and open spaces under the Local Government Act 2002, the Reserves Management Act 1977 and the Resource Management Act 1991. Our assets and services include:

- Pukekura Park.
- Brooklands Zoo.
- Approximately 1,600 hectares of local, historic, coastal, esplanade and recreation reserves.
- 49 playgrounds, nine skateparks, 21 sports grounds and two first class surfaces.
- 82 kilometres of walkways, including 12.7 kilometres of Coastal Walkway.
- Campgrounds.
- Public art and monuments.
- 52 public toilets.
- Street trees and urban streetscapes and pocket parks.
- A crematorium and 14 operational cemeteries.

Significant effects on community well-being

This service contributes positively to the social, economic, environmental, and cultural well-being of the community, as outlined in the LTP 2024.

In 2025/26, NPDC acknowledges that there may be perceived negative impacts on social and economic well-being due to limitations imposed by the Reserves Act. This legislation defines the scope of permissible commercial activities on parks administered as reserve land, which can restrict certain applicants. To address this, NPDC applies parks and reserves policies that enable appropriate commercial activities to take place within these areas, balancing regulatory compliance with community and economic needs.

On the environmental front, the work carried out in parks and open spaces continues to support biodiversity. The return of native flora and fauna in some reserves is a direct result of ongoing pest control and plant management efforts. These initiatives are strengthened by the involvement of over 200 volunteers, fostering a sense of ownership and connection among residents to their local natural spaces.



Our work and key challenges in 2025/26

The impact of more severe weather patterns is creating challenges for the delivery of services with frequent storm events, both flooding and wind events impacting service delivery and operational budgets. Extreme weather continues to impact service delivery and budgets. One of the driest autumns on record in 2026 delayed sports ground renovations, as low soil moisture and hard ground conditions restricted oversowing and reduced grass establishment rates.

Fires have been a focus with Fire and Emergency New Zealand (FENZ) attending over 24 fires in reserves over recent times. Fire prevention work is underway, with FENZ direction, to create fire breaks and reduce vegetation fires from spreading to houses. This has a significant cost for operational budgets.

Significant resilience projects underway or completed:

- Hickford Park Fire prevention Project (underway).
- Shearer Reserve replace and move flood affected bridge (complete).
- Kāwaroa erosion works (design underway).

Other Ngāmotu New Plymouth City Centre Strategy works underway were:

- Central Business District trees.
- Huatoki Stream Daylighting.
- West End precinct work.

Our commitment to you

	Target	Result	Comment
Maintain quality district parks, reserves and open spaces.			
The percentage of residents satisfied with the quality of the district's parks and reserves, including the Coastal Walkway and Pukekura Park (satisfaction survey[1]).	95%	95%	(2024/25: 97% - Achieved)
The percentage of residents satisfied with the quality of the district's urban landscapes and streets (satisfaction survey[1]).	90%	86%	The target was not met due to ongoing challenges affecting the quality of urban landscapes and streetscapes across the district. Improvement is anticipated as construction progresses on projects identified through the Ngāmotu New Plymouth City Centre Strategy. (2024/25: 86% - Not achieved)
The percentage of residents satisfied with the quality of the district's sports grounds (satisfaction survey[1]).	90%	93%	(2024/25: 94% - Achieved)
The percentage of residents satisfied with the quality of the district's playgrounds (satisfaction survey[1]).	95%	96%	(2024/25: 95% - Achieved)
The percentage of compliant playgrounds with NZ Safety Standards.	90%	96%	An independent audit of playgrounds was completed in March 2024. This audit is completed every three years with the next audit due in 2027. (2024/25: 96% - Achieved)
The percentage of Brooklands Zoo visitors satisfied with the zoo (in-house survey).	90%	97%	Survey responses were gathered from 163 Brooklands Zoo visitors. Of these respondents. 68% were residents of the New Plymouth District. (2024/25: 97% - Achieved)
Maintain access to the district's parks, reserves and open spaces.			
The percentage of households in the district that are within 500 metres of a park, reserve or neighbourhood open space.	80%	89%	This target is measured annually in Q1. (2024/25: 88% - Achieved)
Provide quality public toilets across the district.			
The percentage of the community satisfied with the quality of the district's public toilets (satisfaction survey[1]).	80%	77%	This target was not met, with an increase in vandalism of public toilets being a significant contributing factor to the result. (2024/25: 80% - Achieved)

[1] All satisfaction survey targets are excluding 'don't know' responses.

New Plymouth District Council: Funding Impact Statement for 1 July 2025 to 30 June 2026 for Parks and Open Spaces

	Notes	A/Plan 2025/26 $'000	LTP 2024/25 $'000	LTP 2025/26 $'000	Actual 2025/26 $'000
Sources of operating funding					
General rates, uniform annual charges, rates penalties		22,000	20,540	22,600	22,000
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		10	10	10	267
Fees and charges		2,510	2,450	2,490	2,809
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding (A)		**24,520**	**23,000**	**25,100**	**25,076**
Applications of operating funding					
Payments to staff and suppliers	1	14,020	13,860	14,380	15,338
Finance costs		1,790	1,600	1,790	1,781
Internal charges and overheads applied		5,070	3,740	4,410	4,656
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		**20,880**	**19,200**	**20,580**	**21,775**
Surplus/(deficit) of operating funding (A - B)		**3,640**	**3,800**	**4,520**	**3,300**
Sources of capital funding					
Subsidies and grants for capital expenditure	2	-	6,250	-	1,822
Development and financial contributions	3	1,420	870	1,420	84
Increase/(decrease) in debt		3,960	2,730	7,220	3,032
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		**5,380**	**9,850**	**8,640**	**4,938**
Applications of capital funding					
Capital expenditure:					
- to meet additional demand	4	2,250	1,310	2,440	60
- to improve the level of service	5	4,640	4,660	7,710	2,934
- to replace existing assets		2,660	7,570	4,930	3,566
Increase/(decrease) in reserves		(530)	110	(1,920)	1,679
Increase/(decrease) of investments		-	-	-	-
Total applications of capital funding (D)		**9,020**	**13,650**	**13,160**	**8,239**
Surplus/(deficit) of capital funding (C-D)		**(3,640)**	**(3,800)**	**(4,520)**	**(3,300)**
Funding balance (A-B) + (C-D)		**-**	**-**	**-**	**-**

Variance explanation Actual 2025/26 to Long-Term Plan 2025/26

1. Operating 'payments' are higher than budget due to the reclassification of Kaitake Trail.
2. Subsidies and grants are higer than budget due the timing of projects.
3. Development contribution revenue delayed due to low activity in local growth areas.
4. Decrease due to a delay in the Puketapu Bell Block local growth area
5. Decrease due to the cancellation of Kaitake Trail as well as other projects delayed per Annual Plan.

Puke Ariki and Community Libraries

Puke Ariki me ngā Whare Pukapuka ā-hapori

What we do

We are an integrated knowledge hub comprising a museum, a central library, five community libraries, a mobile library, a digital library, and a visitor information centre.

Puke Ariki and the community libraries provide access to a wealth of quality physical and digital resources to both residents and visitors to the district. We offer a range of knowledge, exhibitions, experiences and information to meet the ever-changing needs of our people.

Our programming is based on literacy and digital needs, and on learning experiences that meet and reflect the needs of our people. We offer a safe and neutral space for people to study and connect. Our dynamic people-orientated facilities, protect and promote access to the heritage of the district and to the national heritage of Aotearoa New Zealand. We play a significant role in place-making, community well-being, lifelong learning, literacy, and contribute to the cultural and economic life of the city.

Significant effects on community well-being

This service contributes positively to the social, economic, environmental, and cultural well-being of the community, as outlined in the LTP 2024. There are no identified significant negative effects associated with this service.

Our work and key challenges in 2025/26

In 2025/26, Puke Ariki Museum and Libraries continued to strengthen its role as an integrated knowledge hub for Taranaki, focusing on improving access to collections, supporting learning, renewing exhibitions, strengthening community partnerships, and maintaining services within constrained resources.

A successful Lotteries Environment and Heritage Fund application enabled work to begin on cataloguing, digitising, and sharing the Feaver Collection, an important record of life in Ōpunakē and surrounding areas from the 1890s to the 1940s. Partnerships with organisations including Pride Taranaki and Parininihi ki Waitōtara are helping broaden the stories shared through collections and programmes.

The new Mīharo education offering was launched across the museum, library, and gallery, supporting cross-curricular learning. Exhibition renewal continued with the opening of Whakarūaumoko: Active Earth and the start of redevelopment work on the social history gallery.



The i-SITE continued to provide trusted visitor information and support for local tourism providers while responding to changes in visitor behaviour and the tourism sector.

Libraries remained highly used community spaces, providing access to collections, technology, study and meeting facilities, social connection, and Council services. Despite pressures from population growth and budget constraints, collections remained focused on community needs and continued to attract positive feedback for their relevance and quality.

Work continued to improve health, safety, and wellbeing for staff and visitors, including a trial restricting free WiFi at Puke Ariki Library to opening hours. Police reported this contributed to reduced evening congregation and incidents in the CBD.

Libraries continued to attract strong participation in programmes and events, progressed replacement of core circulation technology, increased the visibility of Māori collections, advanced bilingual wayfinding initiatives, and refreshed the Library Strategy to guide service delivery and infrastructure planning over the next 10 years.

Key challenges ahead include maintaining service levels across multiple sites, responding to changing community needs and social pressures, maintaining facilities and collections, delivering significant projects within constrained resources, and supporting the local visitor sector as tourism patterns continue to evolve.

Our commitment to you

	Target	Result	Comment
Provide an accessible and informative point of contact and booking service for visitors to New Plymouth District.			
The percentage of customers satisfied with the isite Visitor Information Centre (in-house survey).	98%	98%	2024/25: 100% - Achieved)
Ensure library collections, including digital resources, are available to meet the needs of the community.			
The number of items per capita is maintained.	3 to 3.5 items	3.02	(2024/25: 3.1 - Achieved)
Ensure our libraries are accessible across the district.			
The average number of customers per day across Puke Ariki and community libraries.[1]	1,000 per day	1,482 per day	(2024/25: 1,496 per day - Achieved)
Provide access to online information using public computing devices.			
Free WiFi available and access to online information using public computers and customer devices is available.	Free access at all libraries	Achieved	(2024/25: Achieved)
Offer widely accessible and engaging education programmes and public and community programmes.			
The annual number of programmed learning opportunities on offer.	1,200	1,943	This includes 1,282 facilitated school education programmes for 28,936 attendees. (2024/25: 1,811 - Achieved)
The number of participants attending.	29,000	40,494	(2024/25: 34,503 - Achieved
The percentage of participants satisfied with programmes (in-house).	95%	97%	Feedback gathered from 401 customers across museum, education and libraries. (2024/25: 92% - Not achieved)
Provide new, dynamic exhibitions regularly to ensure visitor engagement and repeat visits.			
Refresh of permanent galleries.	1	1	Permanent gallery refresh: Whakarūaumoko: Active Earth (Taranaki Naturally Gallery). (2023/24: None - Not achieved)
Temporary exhibitions annually.	2	2	Temporary exhibitions: Rescue; TUKU: Open Studio. (2024/25: Three - Achieved)
Additional exhibitions per year in other Gallery spaces.[2]	4	4	Additional exhibitions: No Seabed Mining (Foyer); Fanny Good (Community Lounge); Moving Pictures (Vincent and Sheila Scanlon Collection, Foyer); Printing Press (Level 1, Library). (2024/25: Seven - Achieved)

[1] Physical visits to Bell Block, Waitara, Inglewood, Urenui, Ōākura community libraries and the mobile library.

[2] This measure covers all gallery spaces in Puke Ariki Museum except the Permanent Galleries (Te Takapou Whāriki, Taranaki Naturally, Taranaki Life) and the Main Temporary Gallery.

Provide online access to the heritage collection through a variety of platforms.			
Addition of digital product/experiences and other digital platform exhibitions per year.	4	4	Completed projects: Earth-science exhibit refresh (digital components); Digital collection content (foyer screens); Puke Ariki website home-page redevelopment; Mīharo website (Education). (2024/25: Four - Achieved)

New Plymouth District Council: Funding Impact Statement for 1 July 2025 to 30 June 2026 for Puke Ariki and Community Libraries

	Notes	A/Plan 2025/26 $'000	LTP 2024/25 $'000	LTP 2025/26 $'000	Actual 2025/26 $'000
Sources of operating funding					
General rates, uniform annual charges, rates penalties		14,090	13,380	13,820	14,090
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		140	140	140	94
Fees and charges		420	450	510	413
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding (A)		**14,650**	**13,970**	**14,470**	**14,597**
Applications of operating funding					
Payments to staff and suppliers		8,120	7,710	7,950	8,288
Finance costs		220	120	220	140
Internal charges and overheads applied		4,490	4,330	4,450	4,659
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		**12,830**	**12,160**	**12,620**	**13,087**
Surplus/(deficit) of operating funding (A - B)		**1,820**	**1,810**	**1,850**	**1,510**
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	75
Development and financial contributions		40	40	40	78
Increase/(decrease) in debt		(70)	100	4,010	(78)
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		**(30)**	**140**	**4,050**	**75**
Applications of capital funding					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service		-	130	-	(3)
- to replace existing assets	1	2,240	1,800	7,820	1,259
Increase/(decrease) in reserves		(450)	20	(1,920)	330
Increase/(decrease) of investments		-	-	-	-
Total applications of capital funding (D)		**1,790**	**1,950**	**5,900**	**1,585**
Surplus/(deficit) of capital funding (C-D)		**(1,820)**	**(1,810)**	**(1,850)**	**(1,510)**
Funding balance (A-B) + (C-D)		**-**	**-**	**-**	**-**

Variance explanation Actual 2025/26 to Long-Term Plan 2025/26

1. Decrease is due to the museum roof replacement being delayed.

Stormwater Management

Whakahaere Wai Marangai

What we do

We provide for the collection and disposal of stormwater runoff from throughout the district's built environment including New Plymouth, Bell Block, Waitara, Inglewood, Urenui, Onaero, Lepperton, Egmont Village, Ōākura and Ōkato.

This required us to manage and maintain a stormwater network consisting of over 300 kilometres of stormwater pipes, a number of detention areas and engineered wetlands and stormwater treatment devices.

Significant effects to community well-being

This service contributes positively to the social, economic, environmental, and cultural well-being of the community, as outlined in the LTP 2024. However, NPDC acknowledges there can be some negative impacts.

The effective operation of the district's stormwater network is essential to protecting communities, property, infrastructure, and the environment. As climate change contributes to more frequent and severe weather events, the performance and resilience of stormwater systems become increasingly important to maintaining the social, economic, environmental, and cultural well-being of our community.

Inadequate stormwater capacity or asset failure can increase the risk of flooding to homes, businesses, and critical infrastructure. There can also be adverse environmental impacts, including erosion, reduced water quality, and barriers to fish passage where natural waterways are conveyed through stormwater infrastructure.

To address these risks, NPDC is committed to maintaining appropriate levels of service across the stormwater network and delivering targeted upgrades where required. Climate change considerations are incorporated into network planning, design, and future investment decisions to improve resilience and ensure the network continues to meet community needs over the long term.

Community activities can also influence the performance of the stormwater system. Obstruction of overland flow paths, inappropriate development within flood-prone areas, and the disposal of waste into drains can compromise drainage infrastructure and increase flood risk. NPDC supports risk reduction through public education initiatives and provides access to flood hazards and stormwater drainage mapping information.

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Stormwater discharges can affect the health of rivers, streams, and coastal environments. To improve water quality outcomes, NPDC promotes onsite stormwater management where appropriate and incorporates treatment solutions, such as constructed wetlands and other nature-based approaches, into the stormwater network where feasible. Through proactive planning, investment, and community engagement, NPDC is working to strengthen the resilience of the stormwater network, reduce flood risks, protect environmental values, and support the long-term well-being of the district.

Our work and key challenges in 2025/26

Key to the planning of stormwater is the progress made with the delivery of updated flooding hazard models and catchment management plans for the 13 stormwater catchments in the district. This year Council has published its first Flooding Hazard Viewer and the first one of 13 updated Catchment Management plans for the Waitara Catchment. Throughout the year, the district experienced one significant weather event that put pressure on our stormwater network. Despite these challenges, our reticulation system largely performed well, effectively managing increased water volumes.

NPDC continues to undertake a proactive CCTV inspection programme across the district's stormwater network to assess asset conditions, identify defects, and inform maintenance and renewal priorities. During the 2025/26 financial year, approximately 8,440 metres of stormwater reticulation were inspected.

The inspection programme identified several assets requiring further intervention to maintain network performance and service reliability. As a result, targeted rehabilitation and repair works were undertaken, including the relining of selected pipeline sections at a cost of approximately $230,000.

In addition to relining activities, several damaged sections of pipe were excavated and repaired to address structural failures and remove debris causing blockages within the network. These works have improved the operational performance and resilience of the stormwater system, reducing the risk of asset failure and helping to ensure effective stormwater conveyance during wet weather events.

Through a combination of condition assessment, rehabilitation, and targeted repairs, NPDC is extending the service life of critical stormwater assets and supporting the long-term sustainability of the district's infrastructure.

Our commitment to you

	Target	Result	Comment
Provide a stormwater management system that protects people and property.			
The number of flooding events in the district per financial year.	0	0	(2024/25: None - Achieved)
The number of habitable floors affected in each flooding event (per 1,000 properties connected to NPDC's stormwater system).	1 or less	0	(2024/25: None - Achieved)
Comply with all resource consents for discharges from our stormwater system.			
The number of abatement notices received.	0	0	(2024/25: None - Achieved)
The number of infringement notices received.	0	0	(2024/25: None - Achieved)
The number of enforcement orders received.	0	0	(2024/25: None - Achieved)
The number of convictions received.	0	0	(2024/25: None - Achieved)
Respond to service requests in a timely manner.			
The median response time to a flooding event (from the time that NPDC receives notification to the time service personnel reach the site[1]).	1 hour or less	0.40	(2024/25: 0.40 hours - Achieved)
Ensure customers are satisfied with the performance of our stormwater system.			
The number of complaints received about the performance of NPDC's stormwater system (per 1,000 properties connected).	8 or less	4.81	There were 157 complaints from 32,672 connections[2] to the stormwater system. (2024/25: 3.36 - Achieved)
Provide a good quality and safe stormwater system.			
The percentage of residents satisfied with the quality and safety of the district's stormwater supply (satisfaction survey[3]).	70%	89%	(2024/25: 90% - Achieved

[1] The times shown for 'attendance' and 'resolution' are reported by NPDC's operation and maintenance contractor as part of their contracted responsibilities. This includes travel time. The accuracy of these times has been verified by NPDC.

[2] The number of connections is calculated from the rate strike report and is the sum of the general rate Commercial/ Industrial and general rate Residential rating units.

[3] All satisfaction survey targets are excluding 'don't know' responses.

New Plymouth District Council: Funding Impact Statement for 1 July 2025 to 30 June 2026 for Stormwater Management

	Notes	A/Plan 2025/26 $'000	LTP 2024/25 $'000	LTP 2025/26 $'000	Actual 2025/26 $'000
Sources of operating funding					
General rates, uniform annual charges, rates penalties		4,320	3,210	4,260	4,320
Targeted rates		4,320	3,210	4,260	4,262
Subsidies and grants for operating purposes		-	320	-	650
Fees and charges		10	10	10	3
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding (A)		**8,650**	**6,750**	**8,540**	**9,235**
Applications of operating funding					
Payments to staff and suppliers	1	2,570	2,020	2,530	4,324
Finance costs		960	750	960	989
Internal charges and overheads applied		1,620	1,380	1,550	1,566
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		**5,150**	**4,150**	**5,040**	**6,880**
Surplus/(deficit) of operating funding (A - B)		**3,500**	**2,600**	**3,500**	**2,355**
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions	2	2,240	1,220	2,240	732
Increase/(decrease) in debt	3	2,360	3,370	5,660	2,282
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		**4,600**	**4,590**	**7,900**	**3,015**
Applications of capital funding					
Capital expenditure:					
- to meet additional demand	3	1,140	2,150	1,250	1,064
- to improve the level of service	1,3	3,900	2,800	7,080	119
- to replace existing assets	3	3,230	1,050	3,230	2,655
Increase/(decrease) in reserves		(170)	1,190	(160)	1,532
Increase/(decrease) of investments		-	-	-	-
Total applications of capital funding (D)		**8,100**	**7,190**	**11,400**	**5,370**
Surplus/(deficit) of capital funding (C-D)		**(3,500)**	**(2,600)**	**(3,500)**	**(2,355)**
Funding balance (A-B) + (C-D)		**-**	**-**	**-**	**-**

Variance explanation Actual 2025/26 to Long-Term Plan 2025/26

1. Operating 'payments' are higher than budget due the reclassification of the Tangaroa Stormwater project.
2. Development contributions revenue delayed due to low activity in local growth areas.
3. Decrease in budgeted stormwater upgrades has led to less debt and less capital expenditure.

Transportation

Ngā waka kawenga

What we do

We are responsible for managing, renewing and developing the district's transport network requirements for all roads (except state highways), footpaths, cycleways, bridges, culverts and tunnels. We are also responsible for the district's streetlights, traffic lights, bus shelters and traffic signs.

The transportation network is a key facilitator of journeys. We enable the movement of people and goods (via freight) to make national, regional, and local road journeys effectively, efficiently and safely, which in turn helps support a thriving New Zealand. At a national level we connect New Plymouth to other cities, producers and markets, air and seaports and support New Zealand's global competitiveness. Locally, we connect businesses, communities, families and friends with customers, services, work, play and each other. The transport network currently includes:

- 1,313 kilometres of roads.
- 255 bridges, tunnels and large diameter culverts (>3.4m^2).
- 326 retaining walls.
- 537 kilometres of footpaths.

Significant effects on community well-being

This service contributes positively to the social, economic, environmental, and cultural well-being of the community, as outlined in the LTP 2024. In 2025/26, NPDC acknowledges that there can be some negative impacts on these well-beings.

The reduction in New Zealand Transport Agency Waka Kotahi (NZTA) funding reduced the ability to invest in the Let's Go Programme and Road Safe Taranaki. This has continued to impact the delivery on safety initiatives and education with further impacts on the ability to maintain momentum in behaviour change. The reduction in funding has constrained the scale and reach of these activities, which may have an impact on community well-being.

The Transport Choices Project, funded by central government, administered by NZTA and delivered by NPDC has continued to generate community discussion around changes to parking, road layouts and traffic movements. While views on this project remain mixed, it has highlighted the challenges of balancing different transport users while delivering long-term safety and well-being benefits.



Our work and key challenges in 2025/26

During 2025/26, Transportation continued to manage, renew and develop the district's transport network, supporting the movement of people and goods across local roads, footpaths, cycleways, bridges, culverts, tunnels, streetlights, traffic signals, bus shelters and traffic signs. The network remains a key enabler of safe, efficient and connected journeys for communities, businesses, freight, schools and visitors across the district.

Key work during the year included progressing resilience and renewal activity across the network, including the Tarata Road upgrade between Inglewood and Purangi Saddle, which responds to deterioration and increasing logging-truck demand on a significant regional and economic route. Work also progressed on the next stage of Te Pae o te Rangi coastal pathway extension between Waitara and Bell Block, improving walking and cycling connectivity through historically and culturally significant areas.

The Beach Street steps project also progressed during the year, addressing a long-standing accessibility challenge by providing a safer and more inclusive connection between Fitzroy Beach and the surrounding transport network. The project responds to the deteriorating condition of the existing infrastructure and reduces ongoing safety risks associated with erosion and ageing assets, while improving access to a valued recreational destination for residents and visitors.

Progress also continued on the Parklands Avenue Extension and Airport Drive roundabout programme, delivered in partnership with NZTA. This investment is critical to supporting future growth in Bell Block and the Puketapu Growth Area by improving transport connections, enabling new housing and employment opportunities, increasing network resilience and providing the infrastructure required to support long-term community development. The project demonstrates the value of collaboration between local and central government to deliver integrated transport outcomes that benefit current and future generations.

Our commitment to you

	Target	Result	Comment
Provide a local roading network that is safe for all road users.			
The change from the previous financial year in the number of fatality and serious injury crashes on the district's local roading network.[1]	Reducing	-8	20 fatal and serious injury crashes on New Plymouth District roads, excluding state highways. Results extracted from Crash Analysis System in July 2026, but data reliability dependent on input timelines in data processing.[2] (2024/25: +6 - Not achieved)
Provide good quality district roads.			
The average quality of ride on the district's sealed local road network, as measured by smooth travel exposure.[3]	85%	87%	(2024/25: 87% - Achieved)
The percentage of residents satisfied with the overall quality of the district's roads (satisfaction survey[4]).	60%	60%	(2024/25: 60% - Achieved)
Appropriately maintain the district's sealed roads.			
The minimum percentage of the sealed local road network that is resurfaced.	5%	3.2%	36 kilometres out of 1,136 kilometres of sealed roads were resealed. The programme was reduced due to budget constraints and a higher proportion of asphaltic concrete renewals, which are more costly per kilometre than chipseal reseals. (2024/25: 4.1% - Not achieved)

[1] The district's local roading network excludes state highways.

[2]

	2025/26		2024/25	
Deaths and Serious Injuries (DSI)	Change	Actual	Change	Actual
Fatal crashes	-3	1	+3	4
Serious injury crashes	-5	20	+3	25*

* Actual 2024/25 figure revised from 26 to 25. NZTA CAS data is subject to ongoing review and validation, and crash records may be added, amended, reclassified, or removed after initial reporting. Prior year figures have been updated to reflect the latest validated data and enable accurate year-on-year comparison.

[3] Smooth Travel Exposure (STE) is assessed using the STE methodology in accordance with NZ Transport Agency standards.

[4] All satisfaction survey targets are excluding 'don't know' responses.

	Target	Result	Comment
Provide a high quality and safe footpath network.			
The percentage of footpaths that meet the levels of service and service standards in current condition surveys, as set out in the Transportation Asset Management Plan.	More than 90% of footpath length surveyed in good or excellent condition	96%	This survey is undertaken on a three year cycle, with the current result based on the 2025/26 condition survey. The current survey does not provide a direct comparison with the previous survey carried out in 2022. A substantial change in the inspection methodology has adjusted the poor/very poor severity thresholds. A comparison with the 2022 survey shows that the network has improved, however that is not the case and the data collected in the 2026 customer survey is a much better representation of the network condition. (2024/25: 94% (based on 2022/23 condition survey) - Achieved)
Footpath length recorded as failed.	3% or less	2.2%	This survey is undertaken on a three year cycle, with the current result based on the 2025/26 condition survey. (2024/25: 3% (based on 2022/23 condition survey) - Achieved)
Respond to service requests in a timely manner.			
The percentage of roading and footpath related customer service requests responded to within target timeframes.[5]	95%	97%	Of the 3,708 service requests received, 87 were responded to late. (2024/25: 95% - Achieved)
Provide a quality and safe cycle network.			
The percentage of residents satisfied with the quality and safety of the district's cycle network (satisfaction survey[4]).	85%	71%	Satisfaction with the quality and safety of the district's cycle network increased to 71%, up from 67% last year. Despite ongoing community discussion regarding aspects of the Transport Choices Programme, the improved result suggests perceptions of the network are becoming more positive. (2024/25: 67% - Not achieved)

[5] Service request timeframes:
- one day for an electrical fault with traffic signals, flooding, diesel spills, chemical spills or a slip to be cleared.
- three days for street lighting faults and potholes.
- five days for traffic counts, bus shelter repairs, road marking enquiries, culvert maintenance, rubbish bins, reinstatement of footpaths and debris in the roadside channel.
- ten days for road surface faults, kerb and channel repairs, new kerb and channel, missing road signs and vegetation clearing.

New Plymouth District Council: Funding Impact Statement for 1 July 2025 to 30 June 2026 for Transportation

	Notes	A/Plan 2025/26 $'000	LTP 2024/25 $'000	LTP 2025/26 $'000	Actual 2025/26 $'000
Sources of operating funding					
General rates, uniform annual charges, rates penalties		16,500	17,540	17,730	16,500
Targeted rates		4,430	4,390	4,430	4,429
Subsidies and grants for operating purposes	1	5,840	7,450	8,150	6,661
Fees and charges	2	1,190	1,150	1,190	2,221
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		530	530	530	600
Total operating funding (A)		**28,490**	**31,060**	**32,030**	**30,411**
Applications of operating funding					
Payments to staff and suppliers	1	13,390	15,950	17,370	17,089
Finance costs		2,910	2,520	2,910	2,262
Internal charges and overheads applied		5,060	4,480	5,380	4,510
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		**21,360**	**22,950**	**25,660**	**23,860**
Surplus/(deficit) of operating funding (A - B)		**7,130**	**8,110**	**6,370**	**6,551**
Sources of capital funding					
Subsidies and grants for capital expenditure	1	11,900	12,410	15,470	11,235
Development and financial contributions	3	1,070	540	1,070	413
Increase/(decrease) in debt		9,360	10,110	8,940	5,260
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		**22,330**	**23,060**	**25,480**	**16,909**
Applications of capital funding					
Capital expenditure:					
- to meet additional demand	4	3,300	1,740	2,670	1,472
- to improve the level of service	4	14,470	17,170	16,420	8,064
- to replace existing assets		13,030	10,520	15,210	14,897
Increase/(decrease) in reserves		(1,340)	1,740	(2,450)	(973)
Increase/(decrease) of investments		-	-	-	-
Total applications of capital funding (D)		**29,460**	**31,170**	**31,850**	**23,460**
Surplus/(deficit) of capital funding (C-D)		**(7,130)**	**(8,110)**	**(6,370)**	**(6,551)**
Funding balance (A-B) + (C-D)		**-**	**-**	**-**	**-**

Variance explanation Actual 2025/26 to Long-Term Plan 2025/26

1. Decrease is due to lower NZ Transport Agency funding than budgeted for, leading to lower payments staff and suppliers.
2. Increase is due to a larger amount of state highway work completed.
3. Development contributions revenue delayed due to low activity in local growth areas.
4. Decrease is due to delays with the Walkway extension to Waitara.

Venues and Events

Ngā hinonga me Ngā Whakaaturanga

What we do

We attract and manage a diverse range of events in the district, manage Council-owned venues and operate and manage the district pools.

The Events Team plans and delivers the annual TSB Festival of Lights, the Winter Festival of Lights over the Matariki long weekend, and local Waitangi Day celebrations. We also facilitate a number of local events in other parts of the district.

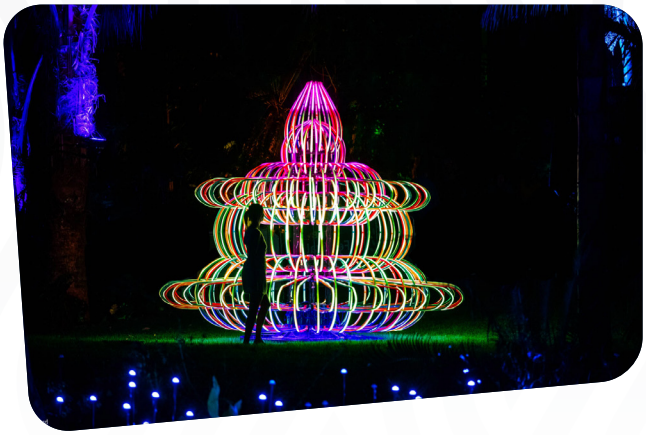
We secure and manage a diverse programme of events at the Bowl of Brooklands, TSB Showplace, TSB Stadium and Stadium Taranaki. All of our events work is aligned with, and supportive of, the Venture Taranaki Trust's 2020-2030 Taranaki Regional Events Strategy. This service is also responsible for the Todd Energy Aquatic Centre and other community pools. The Aquatic Centre provides for a range of ages and activities, including learn to swim and fitness classes. The district's four community pools are seasonal, operating over the summer months. NPDC also provides financial support through the Community Partnerships fund for the Bell Block Community Pool.

Significant effects on community well-being

This service contributes positively to the social, economic, environmental, and cultural well-being of the community, as outlined in the LTP 2024.

In 2025/26, NPDC acknowledges that there can be some negative impacts, particularly relating to the risk of inappropriate behavior, vandalism, theft or other incidents. To manage these risks, NPDC works closely with external stakeholders, including the Police and contracted security providers, to assess risk and ensure appropriate measures are in place.

Additionally, ageing facilities present challenges in meeting current best practice environmental standards and consent obligations. NPDC continues to explore opportunities to enhance service delivery and identify cost-effective solutions, with a particular focus on improving water quality and safety at aquatic facilities.



Our work and key challenges in 2025/26

The Venues and Events service continues to require investment in both assets and service development to meet growing and changing demands. Challenges around ageing infrastructure, venue utilisation and demand, economic pressures and affordability, community expectations and levels of satisfaction, diverse needs of customers will continue to be experienced by the service.

The Todd Energy Aquatic Centre is well used and a vital part of the local and regional network but is congested at peak times and continues to experience plant and equipment failure due to the age of the facility. Meeting customer expectations is not always possible due to competing demands and limited water space, particularly when the outdoor pool is closed. Our ageing population is creating more demand to address accessibility and heating needs across all our pools. Meeting these demands will require ongoing and significant capital investment in renewals and operational maintenance budgets or we risk not meeting compliance and health and safety requirements. Recruiting and retaining lifeguards of suitable experience continues to be challenging and often impacts being able to maintain current hours of operation, particularly at the tail end of the season for the community pools.

Some of our venues are operating at full capacity. TSB Stadium is heavily used and requires a constant balance between community sport and event or commercial activity. The TSB Showplace has been closed for several months due to the safety and foyer refurbishment project and required some events to be dispersed and catered for elsewhere within the network. Stadium Taranaki is now back online and fully operational, reconnecting the venue back into the network and diversifying its use continues to be a priority.

The challenging financial climate and the impact on discretionary spending continues to be felt across the sector. Cost increases to travel, transport, freight, content and appearance fees have changed the major event landscape, and means promoters are looking to reduce financial risk unless this can be offset by external funding.

Previous feedback from the community included requests for a wider seasonal spread of events, more free family focused events, and expansion of the TSB Festival of the Lights, to consider longer duration and to include the Central Business District. The Winter Festival of Lights had been created to address the feedback and his since been placed on hold as a response to meet on going affordability challenges. Pukekura Park continues to see increased visitation over summer and during the TSB Festival of Lights, high levels of satisfaction and positive outcomes have meant we were able to retain and attract new funders and partners.

Our heavy reliance on volunteers and securing external funding to support our service is a challenge in a fiscally constrained environment. Reinventing how we partner and how we unlock new opportunities is something we continue to develop. Good processes and systems have been developed to recognise, retain and celebrate the contribution volunteers make. This will require ongoing investment and support to assist in reducing overall operational costs.

Our commitment to you

	Target	Result	Comment
Provide high quality pools that encourage community participation in aquatic activities.			
The percentage of residents satisfied with NPDC's swimming facilities (satisfaction survey[1]).	85%	96%	(2024/25: 90% (target 85%) - Achieved)
The number of pool patrons per year.[2]	390,000	377,600	Patronage at Todd Energy Aquatic Centre continues to be high, however, the ageing nature of the facility and accessibility issues remain an ongoing challenge. (2024/25: 342,695 - Not achieved)
Provide a range of appealing events at high quality venues.			
The percentage of residents satisfied with NPDC's events (satisfaction survey[1]).	95%	93%	Satisfaction remains high, however, analysis of the annual survey suggests this was perceived to be lower amongst our older residents and those residing in the North General Ward. (2024/25: 90% - Not achieved)
The percentage of residents satisfied with NPDC's events venues (satisfaction survey[1]).	96%	96%	(2024/25: 94% - Substantially achieved)
Provide a network of high quality venues that create opportunities for the community to attend arts, cultural, sporting and recreation activities.			
The number of attendees and events/ bookings across all venues.	280,000 attendees	254,060 attendees	A challenging financial climate, combined with the temporary closure of the TSB Showplace for several months, contributed to a reduction in both the number of events delivered and tickets sold. (2024/25: 342,695 attendees - Achieved)
	1,000 events	800 events	(2024/25: 810 events - Not achieved)
Provide an accessible and attractive Festival of Lights event.			
The number of attendees at Festival of Lights.	145,000 attendees	162,500 attendees	(2024/25: 155,000 attendees (target 140,000) - Achieved)

[1] All satisfaction survey targets are excluding 'don't know' responses.

[2] This measure includes both paying and non-paying patrons.

New Plymouth District Council: Funding Impact Statement for 1 July 2025 to 30 June 2026 for Venues and Events

	Notes	A/Plan 2025/26 $'000	LTP 2024/25 $'000	LTP 2025/26 $'000	Actual 2025/26 $'000
Sources of operating funding					
General rates, uniform annual charges, rates penalties		13,350	12,850	14,710	13,350
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes	1	1,640	1,150	1,490	770
Fees and charges		4,580	4,850	5,000	4,572
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	3
Total operating funding (A)		**19,570**	**18,850**	**21,200**	**18,696**
Applications of operating funding					
Payments to staff and suppliers	1	12,030	13,240	13,580	11,063
Finance costs		900	470	900	1,184
Internal charges and overheads applied		4,560	3,960	4,550	4,596
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		**17,490**	**17,670**	**19,030**	**16,843**
Surplus/(deficit) of operating funding (A - B)		**2,080**	**1,180**	**2,170**	**1,853**
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		140	140	140	145
Increase/(decrease) in debt		21,350	3,760	15,890	15,619
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		**21,490**	**3,900**	**16,030**	**15,764**
Applications of capital funding					
Capital expenditure:					
- to meet additional demand		2,380	450	1,550	1,198
- to improve the level of service	2	19,390	3,630	14,750	12,338
- to replace existing assets		1,290	2,280	1,390	1,893
Increase/(decrease) in reserves		510	(1,280)	510	2,187
Increase/(decrease) of investments		-	-	-	-
Total applications of capital funding (D)		**23,570**	**5,080**	**18,200**	**17,617**
Surplus/(deficit) of capital funding (C-D)		**(2,080)**	**(1,180)**	**(2,170)**	**(1,853)**
Funding balance (A-B) + (C-D)		**-**	**-**	**-**	**-**

Variance explanation Actual 2025/26 to Long-Term Plan 2025/26

1. Decrease is due to less events being held than budgeted. Offset by less operating payments.
2. The timing of Tūparikino Active Community Hub project has resulted in progress being behind schedule.

Waste Management and Minimisation

Whakahaere Para me tāna Whakaitinga

What we do

We encourage waste minimisation in the district through behaviour change and education programmes to work towards our vision of Zero Waste 2040 and shift towards a circular economy. We also deliver kerbside collection and resource recovery services to the community through four rural transfer stations and the New Plymouth Resource Recovery Facility.

Our kerbside contractors collect around 5,100 tonnes of recyclable materials, 1,400 tonnes of food scraps and 7,700 tonnes of landfill waste from more than 30,500 residential premises (and schools) in defined areas of the district each year. The Resource Recovery Facility, The Sorting Depot and four rural transfer stations recover around 1,000 tonnes of green waste and 3,400 tonnes of recyclable materials, and 18,500 tonnes of non-hazardous solid waste is sent to landfill waste per year.

The Resource Recovery Facility includes the Junction Zero Waste Hub, the material recovery facility which also accepts 2,500 tonnes of recycling from the Stratford and South Taranaki districts for processing and sending to the final recycling destination, and a transfer station run by a private operator. The Junction Zero Waste Hub diverts more than 100 tonnes of reusable or upcycled items and provides over 52 education tours and workshops per year. Landfill waste is consolidated at the transfer station and transported to a Class 1 landfill outside the Taranaki Region. The Sorting Depot accepts mixed waste from skip bins. This skip bin waste is sorted, and materials are recovered for use and recycled from the commercial sector.

The district also has six historic closed landfills and the recently closed Colson Road landfill that require ongoing management and monitoring to ensure the environment is protected from the legacy of disposed waste.

Significant effects on community well-being

This service contributes positively to the social, economic, environmental, and cultural well-being of the community, as outlined in the LTP 2024. In 2025/26, NPDC acknowledges that there can be some negative impacts on these well-beings.

Social and economic well-being can be impacted by the cost of waste disposal, which can place financial pressure on households and businesses and potentially contribute to illegal dumping. NPDC mitigates this through community engagement, increasing accessibility to services and providing cost-effective reuse and recycling alternatives to landfill disposal.



Environmental well-being can be impacted by the release of substances such as greenhouse gases and leachate from landfills. This is mitigated through diverting waste from landfill and capturing gas at the Colson Road closed landfill.

Cultural well-being can be affected when waste disposal impacts cultural values. NPDC addresses this by engaging with diverse cultural communities to explore appropriate waste management options.

Our work and key challenges in 2025/26

During 2025/26, NPDC continued to deliver waste management and minimisation services across the district, with a focus on maintaining essential services, supporting behaviour change and progressing key infrastructure work. This included completing The Junction building, a major milestone for the New Plymouth Resource Recovery Facility, continuing community education and engagement through events, activities and campaigns, and beginning works at the Inglewood Transfer Station as part of the transfer station upgrades project.

Work also continued on longer-term planning for the management of organic materials, including consideration of regional processing options. At Colson Road, capping works were completed as part of the ongoing management of the recently closed landfill site, marking an important step towards the next phase of the Colson 2050 vision. The Sorting Depot was a key area of focus during the year, with ongoing financial pressures leading to a temporary pause in services. NPDC has been exploring options for a more sustainable approach to commercial waste and resource recovery services in the district.

Waste services were affected by several operational and market pressures during 2025/26. Weather was a particular challenge, with windy days disrupting kerbside and transfer station services and increasing bin replacement costs, and heavy rainfall contributing to an overflow issue at the Colson Road closed landfill.

Changes to processing and transport arrangements for materials from The Sorting Depot, along with fuel prices, transport availability and road closures, also required additional planning, contractor coordination and staff time.

Waste to landfill per household remained relatively steady compared with the previous year, rather than showing the level of reduction targeted. Continued focus is needed on helping residents use Council's waste and resource recovery services effectively to support further waste reduction over time.

Our commitment to you

	Target	Result	Comment
Deliver waste services and education programmes to actively encourage our communities to continually minimise waste levels throughout the district.			
The reduction in total waste to landfill per capita in the district (measured as a year on year percentage).	5%	12% reduction	233 kg per capita[1] (2024/25: 265 kg). (2024/25: 12.6% reduction - Achieved)
The reduction in waste to landfill per household (measured as a year on year percentage).[2]	5%	0.4% reduction	273 kg per household (2024/25: 274 kg). The 2025/26 result shows a small reduction in household waste, after increases each year since 2020. However, the result remains below the 5 per cent target, reflecting the ongoing challenge of reducing household waste. (2024/25: 4.5% increase - Not achieved)
Enhance the environment through low waste and low emissions solutions.			
The number of abatement notices received.	0	0	(2024/25: None - Achieved)
The number of infringement notices received.	0	0	(2024/25: None - Achieved)
The number of enforcement orders received.	0	0	(2024/25: None - Achieved)
The number of convictions received.	0	0	(2024/25: None - Achieved)
Deliver waste management and minimisation services that customers are satisfied with.			
The number of complaints about the Council's waste management and minimisation service received (per 1,000 customers).	2 or less	0.64	There have been 20 complaints from 31,010 customers. The measure allows for 15 or less complaints for each quarter. (2024/25: 0.97 - Achieved)
The percentage of the community satisfied with the kerbside rubbish and recycling collection service (satisfaction survey[3]).	>80%	92%	(2024/25: 91% - Achieved)

[2] The reduction in waste to landfill per household is calculated by dividing the total waste sent to landfill from the kerbside collection by the number of households that are rated for kerbside collection. The per household figure is compared to the previous year's to give a percentage change.

[3] All satisfaction survey targets are excluding 'don't know' responses.

New Plymouth District Council: Funding Impact Statement for 1 July 2025 to 30 June 2026 for Waste Management and Minimisation

	Notes	A/Plan 2025/26 $'000	LTP 2024/25 $'000	LTP 2025/26 $'000	Actual 2025/26 $'000
Sources of operating funding					
General rates, uniform annual charges, rates penalties		4,530	4,760	5,020	4,530
Targeted rates		8,130	7,360	8,250	8,127
Subsidies and grants for operating purposes		-	30	30	-
Fees and charges	1,2	9,360	8,540	9,360	6,049
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding (A)		**22,020**	**20,690**	**22,660**	**18,706**
Applications of operating funding					
Payments to staff and suppliers	2	17,160	16,900	17,490	13,689
Finance costs		460	340	460	418
Internal charges and overheads applied		4,260	3,360	4,070	4,134
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		**21,880**	**20,600**	**22,020**	**18,240**
Surplus/(deficit) of operating funding (A - B)		**140**	**90**	**640**	**466**
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt	3	2,250	3,040	2,300	1,741
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		**2,250**	**3,040**	**2,300**	**1,741**
Applications of capital funding					
Capital expenditure:					
- to meet additional demand		-	-	-	-
- to improve the level of service	3	2,490	3,140	2,530	1,741
- to replace existing assets		220	620	220	522
Increase/(decrease) in reserves		(320)	(630)	190	(55)
Increase/(decrease) of investments		-	-	-	-
Total applications of capital funding (D)		**2,390**	**3,130**	**2,940**	**2,207**
Surplus/(deficit) of capital funding (C-D)		**(140)**	**(90)**	**(640)**	**(466)**
Funding balance (A-B) + (C-D)		**-**	**-**	**-**	**-**

Variance explanation Actual 2025/26 to Long-Term Plan 2025/26

1. Operating 'fees and charges' are lower than budget due to lower volumes at the Commercial Material Recovery Facility (The Sorting Depot).
2. Operating 'fees and charges' and 'payments' are lower than budgeted due to lower volumes of waster disposal.
3. Capital expenditure and debt are lower than budgeted due to the delay of the organic processing facility and historic landfill erosion protection, partially offset by overspend of the new Junction Building.

Wastewater Treatment

Rāwekeweke Waipara

What we do

We are responsible for operating and maintaining the wastewater network that collects and treats sewage from more than 27,000 properties each day across the urban areas of New Plymouth, Bell Block, Waitara, Inglewood and Ōākura.

Through our network of 692 kilometres of sewer pipes, 34 pump stations and a centralised water treatment plant, we treat 25 million litres of wastewater every day, as well as monitoring the flow of trade waste into the network. We also convert treated sludge into a commercially sold biosolid fertiliser BioBoost©, a certified product that recycles biosolids and nutrients. We are the only Council in the country to do this.

Significant effects on community well-being

This service contributes positively to the social, economic, environmental, and cultural well-being of the community, as outlined in the LTP 2024. However, NPDC acknowledges that there can be some negative effects.

Failures within the wastewater network can result in overflows that pose significant risks to public health, the environment, and culturally significant sites and waterways. These incidents have the potential to contaminate receiving environments, expose communities to harmful pathogens, and adversely affect sites of cultural importance.
To minimise these risks, NPDC undertakes regular inspections of critical wastewater infrastructure, including pipe crossings, access chambers, and other high-risk assets. These inspections enable early identification of defects and support timely maintenance and renewal interventions.
NPDC has also developed a hydraulic network model to assess the potential impacts of growth, development, and network modifications on wastewater system performance. This modelling capability enables informed decision-making and helps ensure the network has sufficient capacity to accommodate future growth while reducing the risk of overloading and resulting overflows.

Network performance is continuously monitored, and proactive maintenance activities such as pipe cleaning and blockage prevention programs are undertaken to maintain service reliability. Together, these initiatives support the long-term resilience of the wastewater network, protect public health and the environment, and help ensure the sustainable delivery of wastewater services to the community.



Our work and key challenges in 2025/26

NPDC continues to undertake a proactive CCTV inspection programme across the district's wastewater reticulation network to assess asset conditions and identify renewal and rehabilitation requirements. During the 2025/26 financial year, approximately 8.3 kilometers of wastewater pipeline were inspected through this programme.

The inspections identified several sections of pipeline requiring intervention to maintain network performance and reliability. In response, NPDC delivered a targeted wastewater relining programme, rehabilitating 2,022 kilometers of reticulation at a cost of approximately $775,000.

Relining is a cost-effective and environmentally responsible renewal method that minimises excavation, reduces disruption to communities, and lowers environmental impacts compared with traditional pipe replacement techniques. The programme has improved the condition and resilience of key wastewater assets and extended their operational life, helping to maximise the value of existing infrastructure while deferring more costly replacement works.

This investment supports the long-term sustainability of the wastewater network by extending asset life, reducing network risk, and ensuring continued service delivery for the community.

Our commitment to you

	Target	Result	Comment
Provide an effective wastewater treatment and disposal system.			
The number of dry weather sewerage overflows per 1,000 connections to the wastewater system.[1]	1.5	0.19	There were five dry weather unauthorised discharges from the sewerage system (2024/25: 7). The number of connections for 2025/26 was 31,532 (2024/25: 31,207). 2024/25: 0.22 - Achieved)
Comply with all resource consents for wastewater discharge from our system.			
The number of abatement notices received.	0	0	(2024/25: None - Achieved)
The number of infringement notices received.	0	1	An overflow resulted in untreated wastewater being discharged to land and entering the Kurapete Stream. The affected area was promptly cleaned and sanitised. (2024/25: One - Not achieved)
The number of enforcement orders received.	0	0	(2024/25: None - Achieved)
The number of convictions received.	0	0	(2024/25: None - Achieved)
Respond to customer and maintenance requests in a timely manner.			
The median response time to sewerage overflow callouts (from the time NPDC receives notification to the time that service personnel reach the site[2]).	1 hour or less	0.53	(2024/25: 0.53 hours - Achieved)
The median resolution time for sewerage overflow callouts (from the time NPDC receives notification to the time that service personnel confirm resolution of the fault or interruption).	4 hours or less for sewers <250 dia	1.77	(2024/25: 1.88 hours - Achieved)
	8 hours or less for sewers ≥250 dia	No callouts	(2024/25: No callouts - Achieved)
Ensure customers are satisfied with the wastewater treatment and disposal service.			
The total number of complaints received about sewerage odour; system faults or blockages; or NPDC's response to issues with the sewerage system (per 1,000 connected properties).	13 or less	4.57	There were 144 complaints from 31,532 connections to the wastewater system.[3] (2024/25: 5.32 - Achieved)
Provide a good quality and safe wastewater treatment system.			
The percentage of residents satisfied with the quality and safety of the district's wastewater treatment system (satisfaction survey[4]).	80%	96%	(2024/25: 93% - Achieved)

[1] NPDC defines a 'wet' overflow as one occurring when more than 1 mm of rain has fallen in the previous 24 hours, based on TRC rain gauge data. A 'dry' overflow occurs with less rainfall than this threshold.

[2] The times shown for 'attendance' and 'resolution' are reported by NPDC's operation and maintenance contractor as part of their contracted responsibilities. This includes travel time. The accuracy of these times has been verified by NPDC.

[3] The number of connections is calculated from the rate strike report and is the sum of the sewer drainage charge - Commercial/Industrial, sewer drainage charge - half charge, sewer drainage charge - Residential, Farm and Small Holdings rating units.

[4] All satisfaction survey targets are excluding 'don't know' responses.

New Plymouth District Council: Funding Impact Statement for 1 July 2025 to 30 June 2026 for Wastewater Treatment

	Notes	A/Plan 2025/26 $'000	LTP 2024/25 $'000	LTP 2025/26 $'000	Actual 2025/26 $'000
Sources of operating funding					
General rates, uniform annual charges, rates penalties		1,350	1,130	1,250	1,350
Targeted rates		24,140	21,610	23,810	24,419
Subsidies and grants for operating purposes		-	-	-	60
Fees and charges	1	2,830	2,770	2,830	3,511
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding (A)		**28,320**	**25,510**	**27,890**	**29,341**
Applications of operating funding					
Payments to staff and suppliers		9,060	7,320	8,340	9,274
Finance costs	2	3,370	2,980	3,370	7,047
Internal charges and overheads applied		6,730	5,960	6,520	6,374
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		**19,160**	**16,260**	**18,230**	**22,695**
Surplus/(deficit) of operating funding (A - B)		**9,160**	**9,250**	**9,660**	**6,646**
Sources of capital funding					
Subsidies and grants for capital expenditure	3	3,000	14,240	3,000	7,635
Development and financial contributions	4	3,600	2,450	3,600	1,016
Increase/(decrease) in debt	5	(340)	4,500	13,890	4,580
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		**6,260**	**21,190**	**20,500**	**13,232**
Applications of capital funding					
Capital expenditure:					
- to meet additional demand		3,060	4,750	2,640	2,782
- to improve the level of service	5	10,200	17,220	18,850	10,621
- to replace existing assets	5	14,650	8,660	12,070	9,306
Increase/(decrease) in reserves		(12,490)	(190)	(3,400)	(2,830)
Increase/(decrease) of investments		-	-	-	-
Total applications of capital funding (D)		**15,420**	**30,440**	**30,160**	**19,878**
Surplus/(deficit) of capital funding (C-D)		**(9,160)**	**(9,250)**	**(9,660)**	**(6,646)**
Funding balance (A-B) + (C-D)		**-**	**-**	**-**	**-**

Variance explanation Actual 2025/26 to Long-Term Plan 2025/26

1. Operating 'fees and charges' have increased due to higher trade waste revenue.
2. Finance costs are higher than budgeted due to a higher debt balance.
3. An increase in 'subsidies and grants' is due to the timing of the Thermal Dryer project delivery.
4. Development contribution revenue delayed due to low activity in local growth areas.
5. Due to projects being delayed in the Annual Plan, less debt has been drawn down and there has been less spend on capital expenditure.

Water Supply

Whakaputunga Wai

What we do

We are involved in operating, maintaining and developing water collection, treatment and distribution facilities. The water distribution system is designed to meet the day-to-day requirements of residential, commercial and industrial customers and firefighting requirements in urban areas.

We are responsible for providing a reliable and sustainable supply of drinkable water to over 30,000 households and businesses throughout the district.

The four separate water supply facilities of New Plymouth (including Omata, Bell Block, Waitara and Urenui), Inglewood, Ōākura and Ōkato supply over 30 million litres of drinkable water every day.

We plan, develop, operate and maintain the infrastructure network for these water supply systems, which include treatment plants, pump stations, reticulation pipe networks and critical water storage facilities such as reservoirs.

We are responsible for ensuring that all water supplied is compliant with New Zealand Drinking Water Standards, while also managing water sustainably, particularly in times of high demand, and ensuring that water is available for emergency use, such as firefighting in urban areas.

Significant effects on community well-being

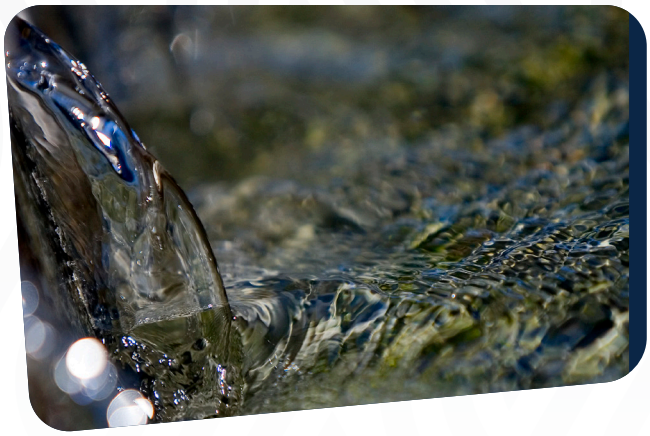
This service contributes positively to the social, economic, environmental, and cultural well-being of the community, as outlined in the LTP 2024. However, NPDC acknowledges that there can be some negative effects.

Water abstraction from surface water and groundwater sources has the potential to impact river health, aquatic ecosystems, and the cultural and recreational values associated with these water bodies. Sustainable water management is therefore essential to protecting the environment while ensuring a reliable water supply for the community.

To support these outcomes, NPDC continues to implement a district-wide water conservation and demand management programme aimed at reducing water consumption, improving network efficiency, and promoting the responsible use of water resources.

Key initiatives include:

- Universal water metering to encourage responsible water use and improve understanding of consumption patterns.



- Proactive network maintenance programs focused on identifying and reducing water losses through leakage.
- Leak detection and repair activities to improve network efficiency and minimise unnecessary water use.
- Demand management measures, including seasonal water restrictions, to reduce peak demand and support water security during periods of increased usage.
- Community education and awareness initiatives that promote water conservation and encourage efficient water use practice.

Through these initiatives, NPDC is reducing pressure on water sources, improving the efficiency of the water supply network, and helping to protect the environmental, cultural, and recreational values of the district's waterways. These efforts contribute to the long-term sustainability and resilience of the community's water resources.

Our work and key challenges in 2025/26

The reticulation network performed strongly throughout the year, with our maintenance contractor responding to 1,847 water service calls. We continued the rollout of water meters, with over 29,044 meters installed, representing 99 per cent of the total 29,166 planned installations. This initiative has significantly enhanced our ability to detect and address private property leaks, resulting in water savings of over 2.5 million litres per day.

The Projects Team extended the water network by an additional 4,3 km, with a total investment of $7.5m in renewals. These upgrades contribute to improved service delivery and long-term network resilience.

Our commitment to you

	Target	Result	Comment
Provide water that is safe to drink.			
Compliance with the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 and DWQAR 2022.[1]	Full compliance	Partially met	See table below for compliance.[2,3] A UV sensor compliance issue was identified at the Ōākura Water Treatment Plant in April 2026, resulting in the T3.91-sens performance measure being assessed as not met. Corrective actions have been implemented, including enhanced monitoring and operator training. No other treatment performance issues were identified, and NPDC assessed that drinking water safety was not compromised. (2024/25: Achieved)
Maintain the reticulated water network in good condition.			
The percentage of real water loss from NPDC's networked reticulation system.[4]	20% or less	14.1%	(2024/25: 16.4% Achieved)
Respond to faults and unplanned interruptions to the water supply network in a timely manner.			
The median response time to urgent callouts (from the time that NPDC receives notification to the time that service personnel reach the site[5]).	1 hour or less	0.53	(2024/25: 0.55 hours - Achieved)
The median resolution time for urgent callouts (from the time NPDC receives notification, to the time that service personnel confirm resolution of the fault or interruption).	4 hours or less for mains <250 dia	1.65	(2024/25: 1.62 hours - Achieved)
	8 hours or less for mains ≥250 dia	No callouts	(2024/25: No callouts - Achieved)

[1] The Department of Internal Affairs (DIA) updated this mandatory performance measure after the Council had published its LTP 2024, which sets our statement of service. The updated measure still covers the bacterial and protozoal compliance of water supplies but now is directly referenced to the relevant rules in the Drinking Water Quality Assurance Rules 2022. Our reporting is, therefore, against those rules.

[2] The rules in scope for the mandatory measures are set out in Section 4 Schedule of rules for each category in the 'DWQAR aggregate compliance rate methodology (released June 2025).

[3] Partial compliance for all water schemes against T3 Bacterial Rules, T3 Protozoal Rules, and D3.29 Microbiological Monitoring Rule.

Mandatory measures (Safety of Drinking Water)

Supply	Category	Compliance Rate (%)	Performance Rating
New Plymouth	T3 Bacterial Rules	100%	All met
	T3 Protozoal Rules	100%	All met
	D3.29 Microbiological Monitoring Rules	100%	All met
Inglewood	T3 Bacterial Rules	100%	All met
	T3 Protozoal Rules	100%	All met
	D3.29 Microbiological Monitoring Rules	100%	All met
Ōākura	T3 Bacterial Rules	100%	All met
	T3 Protozoal Rules	99.2%	Almost met
	D3.29 Microbiological Monitoring Rules	100%	All met
Ōkato	T3 Bacterial Rules	100%	All met
	T3 Protozoal Rules	100%	All met
	D3.29 Microbiological Monitoring Rules	100%	All met

[4] Calculated in line with "Water NZ Benchmarking of Water Losses in New Zealand Manual".

[5] The times shown for 'attendance' and 'resolution' are reported by NPDC's operation and maintenance contractor as part of their contracted responsibilities. This includes travel time. The accuracy of these times has been verified by NPDC.

	Target	Result	Comment
Respond to faults and unplanned interruptions to the water supply network in a timely manner.			
The median response time to non-urgent callouts (from the time NPDC receives notification to the time that service personnel reach the site).	70 hours or less	27.06	(2024/25: 28.70 hours - Achieved)
The median resolution time for non-urgent callouts (from the time NPDC receives notification to the time that service personnel confirm resolution of the fault or interruption).	116 hours or less	68.76	(2024/25: 70.50 hours - Achieved)
Ensure customers are satisfied with our water supply service.			
The total number of complaints (per 1,000 connections) received about any of the following: • drinking water clarity, taste or odour; • drinking water pressure or flow; • continuity of supply; and • NPDC's response to any of these issues.	16 or less	14.45	There were 430 complaints from 29,830 connections to the water system.[6] (2024/25: 18.34 - Not achieved)
Provide a good quality and safe water supply.			
The percentage of residents satisfied with the quality and safety of the district's water supply (satisfaction survey[7])	80%	80%	(2024/25: 91% - Achieved)
Manage demand to minimise the impact of water supply activities on the environment.			
The average consumption of drinking water per day, per resident, within New Plymouth District.[8]	300 litres per day	237 litres per day	(2024/25: 285 litres - Achieved)
The number of abatement notices received.	0	0	(2024/25: None - Achieved)
The number of infringement notices received.	0	0	(2024/25: None - Achieved)
The number of enforcement orders received.	0	0	(2024/25: None - Achieved)
The number of convictions received.	0	0	(2024/25: None - Achieved)

[6] This measure includes both individual complaints and service requests. The number of connections is calculated from the rate strike report and is the sum of the water standardised consumption charge and the restricted flow charge rating units.

[7] All satisfaction survey targets are excluding 'don't know' responses.

[8] The average consumption of drinking water per day is calculated using Benchloss software available from Water NZ.

New Plymouth District Council: Funding Impact Statement for 1 July 2025 to 30 June 2026 for Water Supply

	Notes	A/Plan 2025/26 $'000	LTP 2024/25 $'000	LTP 2025/26 $'000	Actual 2025/26 $'000
Sources of operating funding					
General rates, uniform annual charges, rates penalties		1,340	760	910	1,340
Targeted rates		25,330	20,500	25,100	25,499
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		230	230	230	202
Internal charges and overheads recovered		-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding (A)		**26,900**	**21,490**	**26,230**	**27,042**
Applications of operating funding					
Payments to staff and suppliers	1	8,810	6,720	8,320	6,650
Finance costs		3,690	3,600	3,690	4,620
Internal charges and overheads applied		5,770	4,960	5,430	5,213
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		**18,270**	**15,280**	**17,440**	**16,483**
Surplus/(deficit) of operating funding (A - B)		**8,630**	**6,210**	**8,790**	**10,559**
Sources of capital funding					
Subsidies and grants for capital expenditure		-	140	-	687
Development and financial contributions	2	1,810	1,370	1,810	817
Increase/(decrease) in debt		6,650	6,760	7,500	5,823
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		**8,460**	**8,270**	**9,300**	**7,326**
Applications of capital funding					
Capital expenditure:					
- to meet additional demand		3,490	5,760	4,450	3,015
- to improve the level of service		5,600	3,760	5,460	4,259
- to replace existing assets		8,940	6,910	8,930	7,546
Increase/(decrease) in reserves		(940)	(1,950)	(750)	3,065
Increase/(decrease) of investments		-	-	-	-
Total applications of capital funding (D)		**17,090**	**14,480**	**18,090**	**17,885**
Surplus/(deficit) of capital funding (C-D)		**(8,630)**	**(6,210)**	**(8,790)**	**(10,559)**
Funding balance (A-B) + (C-D)		**-**	**-**	**-**	**-**

Variance explanation Actual 2025/26 to Long-Term Plan 2025/26

1. Operating 'payments' are lower than budget due to alternate water source not yet required, and delay of growth area design works.
2. Development contribution revenue delayed due to low activity in local growth areas.



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New Plymouth District Council

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE for the year ended 30 June 2026

	NOTES	COUNCIL			GROUP	
		2025/26 Actual $'000	2025/26 Budget $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
OPERATING REVENUE						
Rates	4	162,321	160,970	148,258	162,173	148,114
Subsidies and grants	5	31,801	23,880	44,682	33,007	46,360
Development and financial contributions		3,286	10,330	3,844	3,286	3,844
Other revenue	6	44,453	50,300	39,985	55,889	49,818
Interest revenue	29	3,523	3,230	4,888	2,159	3,684
Investment revenue	6	81,450	25,110	42,779	81,450	42,779
Total operating revenue		**326,834**	273,820	**284,436**	**337,964**	**294,599**
OPERATING EXPENDITURE						
Personnel costs	7	(64,575)	(62,470)	(61,227)	(69,431)	(66,242)
Other expenses	8	(117,982)	(115,820)	(115,945)	(118,457)	(115,842)
Waitara Lands Act distributions	16	(1,964)	-	(2,335)	(1,964)	(2,335)
Depreciation and amortisation expenses	9,11,13	(65,011)	(65,750)	(58,750)	(68,679)	(61,388)
Interest expense	29	(16,290)	(18,320)	(16,623)	(16,290)	(16,624)
Total operating expenditure		**(265,822)**	**(262,360)**	**(254,880)**	**(274,821)**	**(262,431)**
Share of joint ventures surplus	14	(340)	-	(399)	(340)	(399)
Surplus before taxation		**60,672**	**11,460**	**29,157**	**62,803**	**31,769**
Income tax expense	23	-	-	-	(796)	(775)
SURPLUS AFTER TAXATION		**60,672**	**11,460**	**29,157**	**62,007**	**30,994**
OTHER COMPREHENSIVE REVENUE AND EXPENSE						
Net gain/(loss) on property, plant and equipment revaluations	24	1,673	-	303,977	7,837	309,461
Financial assets at fair value through other comprehensive revenue and expense	24	78	-	150	78	150
Deferred tax on property revaluation	23	-	-	-	(1,658)	(1,535)
Deferred tax transfers	24	-	-	-	-	1
Total other comprehensive revenue and expense		**1,751**	**-**	**304,127**	**6,257**	**308,077**
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		**62,423**	**11,460**	**333,284**	**68,264**	**339,071**

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in note 2.

New Plymouth District Council

STATEMENT OF FINANCIAL POSITION as at 30 June 2026

	NOTES	COUNCIL 2025/26 Actual $'000	COUNCIL 2025/26 Budget $'000	COUNCIL 2024/25 Actual $'000	GROUP 2025/26 Actual $'000	GROUP 2024/25 Actual $'000
CURRENT ASSETS						
Cash and cash equivalents	17	42,777	4,050	33,966	47,901	36,532
Debtors and other receivables	18	24,285	19,680	26,233	25,292	27,537
Other financial assets	15	400,203	346,920	336,436	400,203	336,436
Intangible assets	11	9	-	9	9	9
Inventories		118	150	165	388	197
Available-for-sale financial assets		-	-	-	-	-
Current tax receivables	23	-	-	-	504	-
Derivative financial instruments	25	1	-	6	1	6
Non-current assets held for sale		-	550	-	-	-
Total current assets		**467,393**	**371,350**	**396,815**	**474,298**	**400,717**
NON-CURRENT ASSETS						
Property, plant and equipment	9	3,830,711	3,855,300	3,792,047	3,945,945	3,901,281
Intangible assets	11	10,996	920	10,727	11,286	10,979
Forestry assets	12	4,737	3,610	4,714	4,737	4,714
Investment property	10	-	-	1,250	-	1,250
Equity accounted investments	14	634	-	949	634	949
Investment in CCOs and other similar entities	15	85,270	82,690	83,192	1,033	955
Other financial assets	15	115,952	100,810	114,625	115,952	114,625
Derivative financial instruments	25	-	7,250	18	-	18
Other non-current assets	13	2,477	-	-	2,477	-
Deferred tax asset		-	-	-	50	54
Total non-current assets		**4,050,779**	**4,050,580**	**4,007,522**	**4,082,113**	**4,034,825**
TOTAL ASSETS		**4,518,171**	**4,421,930**	**4,404,337**	**4,556,411**	**4,435,542**
CURRENT LIABILITIES						
Creditors and other payables	19	35,700	44,278	32,065	38,143	35,599
Waitara Lands Act liability	16	22,170	21,592	21,084	22,170	21,084
Borrowings	20	156,685	80,140	90,000	156,685	90,000
Provisions	21	299	1,020	158	299	158
Employee entitlements	22	5,563	5,050	4,585	6,079	5,093
Derivative financial instruments	25	130	300	11	130	11
Provision for tax		-	-	-	-	175
Total current liabilities		**220,547**	**152,380**	**147,903**	**223,506**	**152,120**
NON-CURRENT LIABILITIES						
Borrowings	20	273,100	389,000	293,500	273,097	293,497
Derivative financial instruments	25	2,024	30	2,599	2,024	2,599
Provisions	21	1,682	2,240	1,943	1,682	1,943
Employee entitlements	22	314	520	311	314	311
Deferred tax liabilities	23	-	-	-	13,393	10,941
Total non-current liabilities		**277,120**	**391,790**	**298,353**	**290,510**	**309,291**
TOTAL LIABILITIES		**497,667**	**544,170**	**446,256**	**514,016**	**461,411**
NET ASSETS		**4,020,504**	**3,877,760**	**3,958,081**	**4,042,395**	**3,974,131**
EQUITY						
Accumulated funds	24	2,407,732	1,684,840	2,303,631	2,397,814	2,291,970
Other reserves	24	1,612,772	2,192,900	1,654,450	1,644,581	1,682,161
TOTAL EQUITY		**4,020,504**	**3,877,740**	**3,958,081**	**4,042,395**	**3,974,131**

The accompanying notes form part of these financial statements. Explanations of major variances against budget are included in note 2.

New Plymouth District Council
STATEMENT OF CHANGES IN NET ASSETS/EQUITY
for the year ended 30 June 2026

	NOTES	COUNCIL			GROUP	
		2025/26 Actual $'000	2025/26 Budget $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Equity at the beginning of the year		**3,958,081**	**3,866,270**	**3,624,797**	**3,974,131**	**3,635,060**
Total comprehensive revenue and expense		62,423	11,460	333,284	68,264	339,071
EQUITY AT THE END OF THE YEAR	**24**	**4,020,504**	**3,877,730**	**3,958,081**	**4,042,395**	**3,974,131**

The accompanying notes form part of these financial statements. Explanations of major variances against budget are included in note 2.

New Plymouth District Council
STATEMENT OF CASH FLOWS
for the year ended 30 June 2026

	NOTES	COUNCIL			GROUP	
		2025/26 Actual $'000	2025/26 Budget $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from rates revenue		161,766	160,970	147,214	161,613	147,068
Interest received		3,955	3,230	5,181	2,595	3,984
Dividends received		7	-	7	7	7
Other revenue received		75,881	81,170	80,448	88,967	91,958
Payments to suppliers and employees		(159,930)	(171,890)	(169,473)	(165,449)	(174,157)
Waitara Lands Act disbursements		(1,120)	(570)	(699)	(1,120)	(699)
Goods and services tax (net) refunded/(paid)		(181)	-	4,378	173	4,046
Income tax paid		-	-	-	(680)	(1,320)
Interest paid		(16,850)	(18,320)	(15,757)	(16,897)	(15,593)
Net cash flows from operating activities		**63,528**	**54,590**	**51,299**	**69,209**	**55,294**
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of discontinued operation		-	-	25	-	25
Receipts from sale of property, plant and equipment		1,415	1,360	1,193	1,416	1,238
PIF release to Council		12,539	15,560	11,800	12,539	11,800
Receipts from sale of other financial assets		70,564	750	30,622	70,564	30,622
Repayments received from Papa Rererangi i Puketapu Ltd		1,000	-	-	-	-
Distributions received from joint ventures and associates (joint venture share of profit/(losses))		-	-	378	-	378
Borrowings advanced to Papa Rererangi i Puketapu Limited		(3,000)	-	(10,600)	-	-
Purchase of property, plant and equipment		(107,628)	(135,620)	(106,729)	(112,695)	(126,464)
Purchase of intangible assets		(3,963)	-	(1,784)	(4,020)	(1,805)
Purchase of other financial assets		(71,929)	(1,010)	(15,351)	(71,929)	(15,351)
Net cash flows from investing activities		**(101,002)**	**(118,960)**	**(90,446)**	**(104,125)**	**(99,557)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from borrowings		117,363	115,000	85,000	117,363	85,000
Repayment of borrowings		(71,078)	(51,000)	(31,144)	(71,078)	(31,144)
Net cash flows from financing activities		**46,285**	**64,000**	**53,856**	**46,285**	**53,856**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**8,811**	**(370)**	**14,709**	**11,369**	**9,593**
Cash and cash equivalents at 1 July		33,966	4,420	19,257	36,532	26,939
CASH AND CASH EQUIVALENTS AT 30 JUNE		**42,777**	**4,050**	**33,966**	**47,901**	**36,532**

The accompanying notes form part of these financial statements.

New Plymouth District Council
STATEMENT OF CASH FLOWS (continued)
for the year ended 30 June 2026

Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Surplus after taxation	**60,672**	**29,157**	**62,007**	**30,994**
Non-cash items:				
Depreciation and amortisation expense	65,011	58,750	68,679	61,388
Vested assets	(5,426)	(4,579)	(5,426)	(4,579)
(Gains)/losses on disposal of assets	11,641	7,926	11,641	7,926
(Gains)/losses on derivative financial instruments	(433)	5,856	(433)	5,856
(Gains)/losses in fair value of forestry assets	(23)	43	(23)	43
Net gain on sales included in investing activities	(75,553)	(39,161)	(74,962)	(41,107)
	(4,783)	**28,835**	**(524)**	**29,527**
Add/(less) movements in other working capital items:				
Change in debtors and other receivables	1,953	1,129	2,570	599
Change in creditors and other payables	2,793	(9,868)	1,343	(8,441)
Change in capital creditors	881	-	881	-
Change in inventory	47	11	(191)	(3)
Change in Waitara Lands Act	1,109	2,022	1,086	2,022
Change in provisions	(120)	(214)	(120)	(214)
Change in tax payable	-	-	(175)	(561)
Movement in deferred tax	-	-	2,452	1,585
Change in employee entitlements	976	227	(120)	(214)
	7,639	**(6,693)**	**7,726**	**(5,227)**
NET CASH FLOW FROM OPERATING ACTIVITIES	**63,528**	**51,299**	**69,209**	**55,294**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

1. Statement of Accounting Policies for the year ended 30 June 2026

1.1 Reporting Entity

New Plymouth District Council (NPDC) is a territorial authority, domiciled in New Zealand. It is governed by the following legislation:

- Local Government Act 2002 (LGA).
- The Local Government (Rating) Act 2002 (LG(R)A).

The financial statements presented are those of the New Plymouth District Council (the Council) together with its Council Controlled Organisations (CCOs) and joint ventures (the Group). The group consists of:

- Papa Rererangi i Puketapu Limited – 100% owned (Council Controlled Trading Organisation).
- New Plymouth PIF Guardians Limited – 100% owned.
- Venture Taranaki Trust – 100% owned.
- McKay Family Joint Venture – 56.50% owned.
- Duthie Joint Venture – 54.82% owned.
- Wai Hononga Water Services Limited - 100% owned. Wai Hononga is a new CCO which was incorporated in February 2026. However, it was exempted for the financial year ending 30 June 2026 from being treated as a CCO for reporting purposes by Council under section 7(3) of the Local Government Act 2002 at a meeting dated 24 June 2026.

The Council's primary objective is to provide goods or services and benefit for the community rather than making a financial return. Accordingly, the Council designates itself and the Group as public benefit entities (PBEs) and applies Tier 1 PBE Accounting Standards. These standards are based on International Public Sector Accounting Standards (IPSAS), with amendments for the New Zealand environment.

Legislative compliance

Section 98 of the Local Government Act 2002 requires the New Plymouth District Council to prepare and adopt an annual report within four months after the end of each financial year.

The Annual Report 2025/26 was adopted by resolution of the New Plymouth District Council on 29 October 2026.

1.2 Basis of preparation

This section sets out the significant accounting policies that relate to these financial statements as a whole. Significant accounting policies have also been included in the related note disclosures.

The notes include information which is required to understand the financial statements and is material and relevant to the financial position and performance of NPDC. Information is considered relevant and material if:

- The amount is significant due to its size or nature.
- The amount is important to understanding the financial statements.
- It helps to explain the impact of significant changes in how the Council operates.
- It relates to an aspect of the Council's operations that is important to the community.

Statement of compliance

The financial statements have been prepared:

- In line with New Zealand Generally Accepted Accounting Practice (NZ GAAP), the LGA, the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R) and comply with PBE Accounting Standards.
- On a historical cost basis, except for financial instruments which have been measured at fair value and certain classes of property, plant and equipment notes which have been subsequently measured at fair value.
- On the going concern basis and the accounting policies have been applied consistently throughout the period.

- In New Zealand dollars (functional and reporting currency), rounded to the nearest thousand ($000), unless stated otherwise.

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 used to measure value in use depends on the nature of the impairment and availability of information.

Value-in-use cash-generating assets

Cash generating assets are those assets 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.

Foreign currency transactions

Foreign currency transactions are translated into NZD (the functional currency) using the spot exchange rate at the dates of the transactions. Foreign exchanges gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Budget figures

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

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except billed receivables and payables which include GST. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

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 the 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.

Cost allocation

The costs of providing support services for the Council are accumulated and allocated to each Council activity using appropriate allocation bases which reflect the usage and/or capacity for each activity.

- Direct costs directly attributable to a significant activity are charged directly to that activity.
- Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Changes in accounting policies

The Council has adopted a cost-based valuation model for the Puke Ariki General Library Collection for the 2025/26 financial year and onwards. Due to the General Library Collection being held exclusively for service delivery purposes, there is no observable market value once the books have been acquired. By moving to a cost valuation model approach, this recognises that the General Library Collection is difficult to value and that a cost-based method provides more faithful representation of the consumption of service potential over time.

New or amended standards adopted

There has been no new or adopted standards impacting the 2025/26 financial reporting period.

The amendments below are effective for the 2025/26 financial reporting period. These changes had no impact on financial statements of the Council and Group, other than additional disclosures.

Standards and amendments issued that are not yet effective and have not been early adopted

Standards and amendments issued but not yet effective, that have not been early adopted, and which are relevant to the Council and 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 non-current.

It is not expected to have a significant impact on the Council and Group's financial statements.

Critical accounting estimates and assumptions

Financial statement preparation requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from those estimates.

Estimates are continually evaluated and are based on historical experience and other factors, including expectations or future events that are considered reasonable under the circumstances.

The significant estimates and assumptions that have the greatest risk of causing a material adjustment to the reported amounts are:

- Estimating the fair value of infrastructural assets – refer note 9.
- Estimating the fair value of land and buildings – refer note 9.
- Estimating the value of forestry assets – refer note 12.
- Recognition of deferred lease arrangement costs - refer note 13.
- Estimating the management fee for the Private Equity portion of the PIF investment - refer note 15.
- Estimating the landfill aftercare provision – refer note 21.

Impairment of assets

At each balance date the carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists (including indefinite life intangibles) the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, estimates are made of the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the greater of market value less costs to sell and value-in-use. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount with the expense being recognised in the surplus or deficit.

For non-revalued assets impairment losses are recognised as an expense immediately.

For revalued assets, other than investment property, the impairment loss is treated as a revaluation decrease to the extent it reverses previously accumulated revaluation increments for that asset class.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases 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 the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

1.3 Basis of consolidation

The group financial statements are prepared by adding together like items of assets, liabilities, equity, revenue and expenses on a line-by-line basis. Significant transactions and balances between the Council and its subsidiaries are eliminated in preparing the group financial statements.

The group 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 the Council obtains control of the entity and ceases when it loses that control.

1.4 Operating revenue

Accounting policy

Exchange and non-exchange revenue

Most of the Council's revenue is from non-exchange transactions accounted for under PBE IPSAS 23 (i.e. rates, subsidies and grants, provision of services partial cost recovery/subsidised, vested assets and financial/development contributions). Exchange transactions are recognised under PBE IPSAS 9 (i.e. targeted rates for water supply, provision of services full cost recovery, sale of goods, interest and dividends).

Professional judgement is exercised to determine whether the substance of a transaction is non-exchange or exchange. Revenue is measured at fair value which is usually the cash value of a transaction. For non-exchange revenue there is a recognition of a liability to the extent of unfulfilled conditions.

Rates revenue

- General rates and uniform annual general charges (UAC) (excluding water-by-meter), are recognised at the start of the financial year to which the Council rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Revenue 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. Revenue is based on the actual usage as a result of meter reading. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of the Taranaki Regional Council (TRC) are not recognised in the financial statements, as the Council is acting as an agent for the TRC.

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 allocated to the appropriate reserve until such time as the Council provides, or is able to provide, the service.

NZ Transport Agency (NZTA) roading subsidies

The Council receives funding assistance from NZTA which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. Roading claim payments (reimbursements) are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Other grants

Other grants are 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.

Landfill fees

Fees for disposing of waste at the Council's landfill are recognised as waste is disposed by users.

Sales of goods

Revenue from the sale of goods is recognised when a product is sold to the customer and title has passed.

Infringement fees and fines

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued.

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its 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 fair value is based on construction price information provided by the property developer.

Interest and dividends

Interest revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

2. Explanation of major variances against budget

Accounting policy

The budget figures are those approved by the Entity in its Annual Plan 2025/26. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Explanations of major budget variances against the budget information at the start of the financial year are as follows.

Statement of Comprehensive Revenue and Expense

	Council Actual $'000
BUDGET - SURPLUS BEFORE TAX	**11,460**
Variances are made up of :	
Non-cash items	
– Significant gains from the Perpetual Investment Fund (PIF) contributed positively, reflecting a strong performance in this financial year	56,340
– Gains from derivatives due to inherent uncertainties not anticipated in the budget	816
– Greater vested assets received	218
– Depreciation was lower than budget due to lower uplift on asset base from revaluation	739
– Loss on disposal of assets as part of asset data cleansing	(4,664)
– Vested assets to third parties greater than budget	(3,264)
– PIF management fee greater than budget due to strong performance	(2,497)
– Share of a joint venture surplus/(deficit)	(340)
Funds held on behalf	
– Increase in Waitara Lands Act gains and distributions sales	(687)
Operating items	
Revenue items	
– Water rates greater than budget due to increased usage	1,351
– Reduced development contributions due to fewer greenfield developments than anticipated	(7,044)
– Lower revenue from off-street parking due to reduced activity	(1,152)
– Lesser sales actvitiy - this includes lower revenue from the Commercial Sorting Depot Facility ($1.6m) and forestry harvest ($3.6m) delayed until future years as log prices remain low	(5,323)
– Greater grant funding recognised for capital grants which were budgeted for 2025/26	7,921
– Greater expenses recovered than budgeted for NZ Transport Agency and TSB Showplace offsetting Transfer Station under-recoveries	524
– Waste levey rebate greater than budgeted	443
Expenditure items	
– Higher personnel costs due to additional resourcing required across ERP project, procurement and overall projects portfolio	(2,105)
– Unbudgeted Fringe Benefit Tax payment required to ensure historic compliance	(385)
– Lesser insurance premiums than budgeted	676
– Lower expenses due to forestry harvest delay	3,587
– One-off rates remission was provided to ratepayers to correct average residential rates increase	(3,038)
– New water source ($1.2m), Delivery and Enablement project costs ($1.2m) and CCO establishment ($0.7m) were lower than budget	3,127
– Transfer Station disposal costs less than budget due to reduced activity	1,577
– Business cases for ring road and river crossing projects not progressed	413
– Net finance costs are less than budget due to improved interest revenue from investment strategies, such as prefunding and better rates for term deposit	2,323
– Other net operating cost savings	(345)
ACTUAL - SURPLUS BEFORE TAX	**60,672**

Statement of Financial Position

	Council Actual $'000
BUDGET - TOTAL NET ASSETS	**3,877,760**
Cash on hand includes ring-fenced funds such as those held for Waitara Lands Act that cannot be utilised for NPDC operations ($33.4m).	38,727
Actual accrued revenue at 30 June 2026 includes $3m grant funding for Thermal Drying Facility retention, quarter four water billing and Tangaroa Restoration	4,599
Favourable investment market fluctuations throughout the year to 30 June 2026	68,425
Net increase in derivatives liability due to hedged instruments approaching maturity	(9,073)
Although actuals for Property, Plant and Equipment are lower than budget by $24.6m, the variance is only a decrease of 0.6 per cent on the prior year and is expected due to the revaluation of library and museum assets and data cleansing work	(24,589)
Intangibles are higher than budget due to two new classes added for resource consents and water network models	10,076
Higher investment in CCO's due to the timing of borrowing projections for Solar Farm and Runway Alignment projects, with actual opening balance in the Annual Report $18.9m greater than budget	2,580
Forestry harvest budgeted for year to 30 June 2026 deferred to future year	1,127
Previously unbudgeted deferred lease costs recognised through lease agreement entered in the current financial year	2,477
Creditors are lower due to lower than expected outstanding June invoices	8,499
Actual liability is above budget for Waitara Lands as budget was conservative due to low land sales	(579)
Debt is lower than budget due to capital expenditure under delivery	39,355
Net change across other items	1,120
ACTUAL - TOTAL NET ASSETS	**4,020,504**

3. Revenue classified as exchange or non-exchange transactions

	NOTES	COUNCIL 2025/26 Actual $'000	COUNCIL 2024/25 Actual $'000	GROUP 2025/26 Actual $'000	GROUP 2024/25 Actual $'000
REVENUE FROM EXCHANGE TRANSACTIONS					
Interest revenue	29	3,523	4,888	2,159	3,684
Investment revenue	6	81,450	42,780	81,450	42,780
Water - targeted metered rates	4	8,189	6,546	8,189	6,546
Other revenue (excluding vested assets, fines and levies)	6	34,352	31,708	45,787	41,541
Total revenue from exchange transactions		**127,513**	**85,921**	**137,584**	**94,550**
REVENUE FROM NON-EXCHANGE TRANSACTIONS					
Rates (excluding water targeted metered rates)	4	154,133	141,712	153,985	141,568
Subsidies and grants	5	31,801	44,682	33,007	46,360
Development/financial contributions		3,286	3,844	3,286	3,844
Fines and levies	6	4,678	3,697	4,678	3,697
Vested assets	6	5,426	4,579	5,426	4,579
Total revenue from non-exchange transactions		**199,324**	**198,514**	**200,382**	**200,048**
TOTAL OPERATING REVENUE		**326,837**	**284,435**	**337,966**	**294,598**

4. Rates

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.

Breakdown of rates revenue

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
General rates	95,661	90,901	95,536	90,772
Sewerage - UAC	24,419	21,994	24,419	21,994
Water - UAC	17,156	13,822	17,133	13,807
Water - targeted metered rates	8,189	6,546	8,189	6,546
Refuse collection - UAC	8,127	7,357	8,127	7,357
Roading - UAC	4,429	4,387	4,429	4,387
Community facilities targeted	78	76	78	76
Stormwater	4,262	3,175	4,262	3,175
TOTAL RATES REVENUE	**162,321**	**148,258**	**162,173**	**148,114**

In 2025/26, the Council allowed rate remissions of $1,284,635 excluding GST (2024/25: $1,093,624).

In 2025/26 Council also applied a one-off remission of $3,036,439 excluding GST to general rates. The remission is included in other expenses.

The Council's rating base information relating to the preceding financial year follows:

As at 30 June 2025	Rateable	Non-rateable
Number of rating units	37,605	1,142
Total capital value of rating units ($m)	35,787	1,538
Total land value of rating units ($m)	20,982	921

Non-rateable property

Under the Local Government (Rating) Act 2002, certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens, and reserves. These non-rateable properties may be subject to targeted rates in respect of sewerage, water, refuse, and sanitation. The non-rating of non-rateable land does not constitute a remission under the Entity's rates remission policy.

5. Breakdown of subsidies and grants

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Operating subsidies and grants - NZTA	6,678	9,530	6,678	9,530
Operating subsidies and grants - other	3,772	4,500	4,978	6,178
Capital NZTA – roads	11,086	9,231	11,086	9,231
Capital - other	10,265	21,421	10,265	21,421
TOTAL SUBSIDIES AND GRANTS	**31,801**	**44,682**	**33,007**	**46,360**

6. Other revenue

a) Breakdown of other revenue

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
User fees and charges	12,459	11,782	23,085	20,643
Regulatory revenue	5,704	5,814	5,704	5,809
Property rent and charges	5,744	5,488	6,693	6,503
Waitara Lands Act - gain on sale	661	560	661	560
Rental income from investment properties	12	100	12	100
Fines, levies and rebates	4,678	3,697	4,678	3,697
Council venue hire	900	1,021	900	1,021
Vested assets	5,426	4,579	5,426	4,579
Insurance recoveries	1	47	1	47
Other revenue	8,412	6,897	8,273	6,859
Net gain on derivative financial instruments	433	-	433	-
Net gain on forestry assets	23	-	23	-
TOTAL OTHER REVENUE	**44,453**	**39,985**	**55,889**	**49,818**

b) Breakdown of investment revenue

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Net gains on other investments	3,823	2,161	3,823	2,161
Settlement received	-	25	-	25
Net gains on the PIF investment (Note 15)	77,621	40,586	77,621	40,586
Dividends	7	7	7	7
TOTAL INVESTMENT REVENUE	**81,450**	**42,779**	**81,450**	**42,779**

c) Operating leases as a lessor

The Council and Group leases out land, buildings and office space. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Within one year	1,724	1,684	2,500	2,374
Later than one year and not later than five years	5,879	5,998	8,155	8,299
Later than five years	7,640	8,277	10,312	11,094
TOTAL MINIMUM LEASE REVENUE	**15,243**	**15,959**	**20,967**	**21,767**
Average lease term (years)	7	8	9	10
Number of leases	460	464	491	496

No contingent rents have been recognised during the current or prior years.

7. Personnel costs

a) Personnel costs

Accounting policy

Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund and the State Sector Retirement Savings Scheme, which are defined contribution superannuation schemes, are expensed in the surplus or deficit as incurred.

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Salaries and wages and related entitlements	62,646	59,459	67,457	64,432
Defined contribution plan employer contributions	1,929	1,768	1,974	1,810
TOTAL PERSONNEL COSTS	**64,575**	**61,227**	**69,431**	**66,242**

b) Elected representatives

	2025/26 Actual $	2024/25 Actual $
Max Brough (current mayor, former councillor)	144,763	56,119
Neil Holdom (former mayor)	58,348	166,705
EJ Barrett	44,878	-
Tony Bedford	21,612	61,731
Sam Bennett	63,801	58,926
Gina Blackburn	44,878	-
Gordon Brown	84,680	67,343
David Bublitz	82,420	92,596
Anneka Carlson	20,826	59,486
Graham Chard	55,554	-
Murray Chong	81,733	58,842
Amanda Clinton-Gohdes	23,577	67,343
Harry Duynhoven	23,110	64,537
Christine Fabish	51,290	-
Damon Fox	43,170	-
Moira George	61,102	-
Bali Haque	23,577	67,343
Te Waka McLeod	65,509	58,926
Dinnie Moeahu	65,765	64,537
Marie Pearce	22,595	64,537
Bryan Vickery	20,630	58,171
Kerry Vosseler	44,878	-
John Woodward	50,001	-
TOTAL ELECTED REPRESENTATIVES REMUNERATION	**1,198,697**	**1,067,142**

2025/26 full time equivalents 15 (2024/25: 15).

Elected member professional development expenditure incurred during the year (exclusive of GST) was:

	2025/26 $	2024/25 $
Max Brough (current mayor, former councillor)	1,955	-
Neil Holdom (former mayor)	475	2,669
EJ Barrett	1,444	-
Sam Bennett	1,129	-
Gina Blackburn	565	-
Gordon Brown	565	-
David Bublitz	565	-
Anneka Carlson	-	1,233
Graham Chard	1,205	-
Murray Chong	565	-
Amanda Clinton-Gohdes	-	162
Christine Fabish	565	-
Damon Fox	1,450	-
Moira George	1,205	-
Te Waka McLeod	565	235
Dinnie Moeahu	609	770
Kerry Vosseler	565	-
John Woodward	1,450	-
TOTAL ELECTED REPRESENTATIVES PROFESSIONAL DEVELOPMENT	**14,877**	**5,069**

c) Staff employed full-time equivalent

At balance date the Council employed 563 full time employees (2024/25: 540) with the balance of staff representing 118 full-time equivalent employees (2024/25: 112). A full-time employee is determined on the basis of a 40-hour working week.

d) Individuals receiving total remuneration by band

	Number of Employees 2025/26
< $60,000	221
$60,000 - $79,999	182
$80,000 - $99,999	178
$100,000 - $119,999	121
$120,000 - $139,999	87
$140,000 - $159,999	29
$160,000 - $179,999	12
$180,000 - $199,999	7
$200,000 - $279,999	8
$280,000 - $399,999	-
$400,000 - $419,999	-
TOTAL HEAD COUNT	**845**

	Number of Employees 2024/25
< $60,000	221
$60,000 - $79,999	181
$80,000 - $99,999	193
$100,000 - $119,999	106
$120,000 - $139,999	64
$140,000 - $159,999	32
$160,000 - $179,999	7
$180,000 - $199,999	8
$200,000 - $279,999	7
$280,000 - $399,999	-
$400,000 - $419,999	1
TOTAL HEAD COUNT	**820**

Total remuneration includes any non-financial benefits provided to employees.

The remuneration band disclosures for the prior year (2024/25) have been restated to reflect revised classification thresholds and corrections identified during the preparation of the financial statements. These adjustments ensure that the prior year figures more accurately represent remuneration levels applicable at that time.

e) Severance payments

For the year ended 30 June 2026, Council made one severance payment to an employee. This was for $10,000 (2024/25: three severance payments made totalling $14,000, $30,000 and $30,000 respectively).

f) Chief executive

The former Chief Executive resigned March 2026. An Interim Chief Executive was appointed in March 2026 and remained in the position at year end.

The total remuneration (including any non-financial benefits) paid or payable for the year to individuals occupying the chief executive role is:

	2025/26 Actual	2024/25 Actual
Chief Executive - Gareth Green (former)	313,827	412,412
Chief Executive - Steve Ruru (current)	105,468	-
TOTAL CHIEF EXECUTIVE REMUNERATION	**419,295**	**412,412**

g) Key management personnel

Due to the difficulty in determining the full-time equivalent for councillors, the full-time equivalent figure is taken as the number of councillors.

	2025/26 Actual	2024/25 Actual
Councillors, including the Mayor:		
Remuneration ($'000)	1,199	1,067
Full-time equivalent members (as at 30 June)	15	15
Senior management team, including the Chief Executive:		
Remuneration ($'000)	1,840	1,672
Full-time equivalent members (as at 30 June)	6	6
TOTAL KEY MANAGEMENT PERSONNEL COMPENSATION ($'000)	**3,039**	**2,739**
Total full-time equivalent personnel (as at 30 June)	**21**	**21**

8. Other expenses

Accounting policy

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. 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 expense over the lease term.

Grant expenditure

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 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. They are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant.

Interest rate swaps

Interest rate swaps (derivative financial instruments) are measured at fair value with gains or losses on remeasurement recognised in the surplus or deficit in the year of remeasurement (note 25).

a) Breakdown of other expenses

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Fees incurred for services provided by the 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:				
Audit of the financial report	416	402	523	490
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 audit report on page 166. 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.				
Audit or review related services:				
– Audit of the Long-Term Plan 2024-2034	-	15	-	15
– Assurance engagement in relation to the Debenture Trust Deed	6	6	6	6
Total fees incurred for services provided by The Audit Office	**422**	**423**	**530**	**511**
A Council Controlled Organisation's financial statements and service performance information for the year ended 30 June 2025 are audited by Silks Audit on behalf of the Auditor-General.				
Audit of the Financial Statements:				
– Audit of the Venture Taranaki Trust Annual Report	-	-	36	35
Total fees incurred for services provided by Silks Audit	**-**	**-**	**36**	**35**

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
General operating expenses	28,962	22,444	31,276	24,432
Direct cost of activities and materials	70,973	64,693	66,792	60,793
Consultants and legal fees	9,716	9,656	10,848	10,365
Insurance premiums	3,465	3,532	3,802	3,788
Impairment of receivables	1	291	(50)	313
Operating lease costs	408	521	530	520
Directors fees	137	-	792	591
Net loss on disposal of assets	3,847	8,486	3,850	8,595
Loss on revaluation of assets	51	-	51	-
Net loss on derivative financial instruments	-	5,856	-	5,856
Net loss on forestry assets	-	43	-	43
Other Expenses	**117,560**	**115,522**	**117,891**	**115,296**
TOTAL OTHER EXPENSES	**117,982**	**115,945**	**118,457**	**115,842**

b) Operating leases as lessee

The Council and the Group lease buildings, and plant and equipment in the normal course of its business. The non-cancellable term for these leases ranges between seven months and 21 years. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Within one year	330	415	646	581
Later than one year and not later than five years	1,030	1,029	1,725	1,301
Later than five years	124	236	3,406	236
TOTAL MINIMUM LEASE PAYMENTS	**1,484**	**1,680**	**5,777**	**2,118**

9. Property, Plant and Equipment

Accounting policy

Asset categories

Operational assets: These are land, buildings (including any improvements), vehicles, furniture, fittings and equipment and library books. Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation and impairment losses. Vehicles and furniture, fittings and equipment are measured at cost less accumulated depreciation and impairment losses. Library books are carried at historical cost.

Restricted assets: These are land and buildings that are subject to restrictions on use, disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977) or other restrictions (such as bequest land or buildings or donation that restricts the purpose for which the assets can be used). These assets are measured at fair value.

Infrastructural assets: These are the fixed utility systems owned by the Council. They usually display some or all of the following characteristics: part of a system or network, specialised in nature and usually do not have alternative uses, immoveable and may be subject to constraints on disposal. Examples are road networks, sewer systems and water systems. These assets are measured at fair value less accumulated depreciation, with the exception of land under roads which is accrued at historical cost.

Revaluation

All property, plant and equipment except for operational motor vehicles, furniture, fittings and equipment, esplanade strips (included as part of restricted land assets) and work-in-progress are re-valued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value, at least every three years. Infrastructural land under roads was last revalued by TelferYoung (Taranaki) Limited in 2022. Library books were last revalued by Kees Beentjes BSc, BE(Hons) and Chris Jenkins BE(Hons), MIPENZ, MInstD of SPM Assets Ltd as at 31 March 2023. The Council has elected to use the fair value of library books at 31 March 2023 as the deemed cost. Due to the nature of these assets, ascertaining a fair value would be highly judgemental and recognising the value by cost method would be the most appropriate. The Council has elected to use the fair value of land under roads as at 30 June 2022 as the deemed cost. As such, land under roads and library books are no longer revalued.

Fair value is determined by reference to the depreciated replacement cost or market value on an asset class basis. The carrying values of revalued assets are assessed annually to ensure they do not differ materially from the assets' fair values. If there is a material difference then the off-cycle asset classes are revalued.

Revaluation movements are accounted for 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 would result 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 recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant and equipment is recognised as an asset 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.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is recognised at cost. Where an asset is acquired at no cost, or a nominal cost (e.g. vested asset), it is recognised at fair value at the date of acquisition.

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

The costs of servicing property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Disposals

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposal are reported net in the surplus or deficit. When revalued assets are sold, any amounts included in asset revaluation reserves are transferred to accumulated funds.

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment other than land and restricted assets, at rates which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Depreciation commences when the assets are ready for their intended use. Depreciation rates and useful lives are reviewed annually. Depreciation on assets is charged to the surplus and deficit. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

	Years	Depreciation
Infrastructural assets		
Roading - infrastructure/formation	2 - 150	0.6% - 50%
Roading - land under roads		Not depreciated
Laboratory	9 - 45	2.2% - 11.1%
Waste management and minimisation - plant and machinery/landfill	10 - 100	1% - 10%
Waste management and minimisation - earthmoving/site works		Not depreciated
Stormwater	10 - 201	0.5% - 10%
Flood protection	25 - 135	0.7% - 4%
Water	8 - 166	0.6% - 12.5%
Wastewater	6 - 206	0.5% - 16.7%
New Plymouth Airport runway/services	1 - 69	1.4% - 100%
Work in progress		Not depreciated
Operational assets		
Land		Not depreciated
Buildings/improvements	5 - 184	0.5% - 20%
Vehicles	3 - 20	5% - 33.3%
Furniture, fittings and equipment	1 - 99	1% - 100%
Puke Ariki book collection (general in-use)	7 - 25	4% - 14.3%
Work in progress		Not depreciated
Restricted assets		
Parks and reserves		Not depreciated
Waitara Lands Act land		Not depreciated
Puke Ariki book collection (heritage collection)		Not depreciated
Puke Ariki museum collection		Not depreciated
Govett-Brewster Art Gallery/Len Lye Centre collection		Not depreciated

Impairment

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 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 increases 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.

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 used 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.

a) Critical accounting estimates and assumptions

Estimating fair value

Infrastructural assets

All infrastructural assets, excluding work in progress, land under roads and earthmoving works, were independently valued at depreciated replacement cost as detailed below.

Asset class	Valuer	Valuation date
Roading (excluding land under roads)	Aaron Hartland, WSP Opus	31 March 2025
Laboratory		
Solid Waste		
Stormwater	Colin Gerrard, GHD Limited	31 March 2025
Flood Protection		
Water		
Wastewater		
New Plymouth Airport runway/services	Bayleys Valuation Limited	30 June 2026

There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction. Unit rates can vary based on asset location, topography and ground conditions.
- Contracts in the region for similar assets.
- Roads include derived values for land not held on title (road reserve). The average value of the road reserve is the current average land value calculated for each government roll number. The following factors have been applied:
  - unformed roads 55% of average value
  - formed roads (urban) 45% of average value
  - formed roads (rural) 25% of average value
- Estimates are made when determining the remaining useful life over which the assets will be depreciated. These estimates can be affected by local conditions, for example, weather patterns, and traffic growth.

  If useful lives do not reflect the consumption of the benefits of the asset, then the Council could be under or over estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense. To minimise this risk the Council has determined the infrastructural asset useful lives with reference to 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.

- The physical deterioration and condition of the assets. For example, the Council could be carrying an asset at an amount that does not reflect its physical condition. This is particularly relevant for those assets which are not visible such as stormwater, wastewater and water supply pipes that are underground. The risk is minimised by the Council performing a number of physical inspections and condition modelling assessments of assets.

Land (operational) and parks and reserves (restricted assets)

These assets were independently valued by Mike Drew, Director (BBS (VPM) ANZIV, MPINZ), CBRE (registered valuers).

Operational land is valued as at 31 March 2025 at fair value with reference to highest and best use.

Adjustments have been made to the 'unencumbered' land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely. Such land is valued based on rural land value plus a location adjustment to reflect different zoning, which rely on the valuer's judgement.

Waitara Lands Act Land (restricted assets)

The land subject to the New Plymouth District Council (Waitara Lands) Act 2018 was revalued to fair value at 31 March 2025 by Mike Drew, Director (BBS (VPM) ANZIV, MPINZ), CBRE (registered valuers). Fair value was determined by using a discounted cash flow over a 10 year investment horizon. The take up rates used have been adopted based on other leasehold portfolios in New Plymouth that have offered freeholding and six years of evidence from the Waitara leases. The overall value of the net present value of the cash flow, plus the remaining leasehold portfolio, has been prorated over the remaining 310 properties. Other key assumptions used are presented in the following table::

Input	Assumption
Average section value	$191,000
Legal fees per section	$1,650
Valuation fees per section	$800
Discount rate	10%

Buildings (operational)

These assets were independently valued by Mike Drew, Director (BBS (VPM) ANZIV, MPINZ), CBRE (registered valuers), at 31 March 2025.

The majority of NPDC buildings were considered to be specialised buildings where no sales market data is available to value such buildings. Fair value was estimated using the depreciated replacement cost method. Depreciated replacement cost is determined using several significant assumptions, including:

- The replacement asset is based on the replacement with modern equivalent assets using modern construction methods, technology materials, and compliance.
- The replacement cost is derived from recent construction contracts of similar assets, published construction cost data and QV Costbuilder cost information.
- Base lives vary by component and are based on the NAMS Building Component guidelines, IIMM valuation manual or on experience.
- Remaining useful lives are assessed mainly as the difference between the base life and the age of the asset, but may be extended as a result of asset condition inspections.
- Straight-line depreciation has been deducted to reflect physical condition, all relevant forms of obsolescence and optimisation.

Commercial properties have been valued on the basis of actual and/or potential net income earning capacity, capitalised at returns analysed from sales of similar commercial properties in New Plymouth.

New Plymouth Airport buildings and runway/services

These assets were independently valued by Tony Pratt, Director (Registered Plant and Machinery Valuer, FPINZ, MRICS, AAPI (CPV - Plant and Machinery), Bayleys Valuation Limited (registered valuers), at 30 June 2026.

The valuation process was undertaken on a depreciated replacement cost basis. The depreciation model reflects the assets' future economic benefits or service potential expected to be consumed by the entity. Adjustments to the assets have been considered in various types of obsolescence; physical, functional and external obsolescence.

Puke Ariki heritage book collection (restricted assets)

Puke Ariki heritage collections are valued at depreciated replacement cost. The most recent valuation was undertaken by the Council as at 31 March 2026 and reviewed by James Parkinson and Melissa Parkinson of Found Objects Ltd..

Puke Ariki museum collection (restricted assets)

Museum collections are valued at optimised replacement cost. The most recent valuation was undertaken by the Council as at 30 June 2026 and reviewed by James Parkinson and Melissa Parkinson of Found Objects Ltd.

Govett-Brewster Art Gallery/Len Lye Centre collection (restricted assets)

The most recent valuation of these assets was performed by Ben Plumbly BA, First Class Honors, Director of Art, Art + Object, the 21st Century Auction House. The revaluation was effective as at 30 June 2026.

This collection is valued at fair value using various methods as follows:

- Reference to observable prices in an active market. Where that market exists for the same or similar asset the market prices are deemed to be fair value. The values ascribed are primarily based on observable prices in both the primary retail market and the secondary auction market.
- If there is no active market, fair value is determined by other market based evidence adjudged by the valuers as active and knowledgeable participants in the market.

b) Changes in Carrying Values of Property, Plant and Equipment

2025/26	Cost/ revaluation 1 July 2025 $'000	Accumulated depreciation & impairment charges 1 July 2025 $'000	Carrying amount 1 July 2025 $'000	Current year additions $'000	Current year transfers from WIP $'000	Current year vested $'000	Current year disposals $'000
COUNCIL 2025/26							
Infrastructural assets							
Roading	902,367	405	901,962	-	17,849	1,353	-
Roading land	874,993	-	874,993	-	-	2,619	-
Laboratory	499	83	416	-	(16)	-	-
Solid waste	9,257	398	8,859	-	5,546	-	-
Stormwater	460,141	2,352	457,789	-	1,006	511	(487)
Flood protection	15,505	65	15,440	-	263	-	-
Water	284,758	2,721	282,037	-	13,795	295	(2,602)
Wastewater	426,012	3,195	422,817	-	78,946	404	(734)
Work in progress (WIP)	124,295	-	124,295	108,818	(131,174)	-	-
Operational assets:							
Land	105,308	-	105,308	-	-	243	(135)
Buildings/improvements	292,824	5,971	286,853	-	9,903	-	(174)
Vehicles	8,237	2,565	5,672	-	1,185	-	(889)
Furniture, fittings and equipment	41,461	30,677	10,784	-	1,894	-	-
Puke Ariki book collection	4,689	1,311	3,378	-	803	-	-
Restricted assets:							
Parks and reserves land	214,474	-	214,474	-	-	-	-
Waitara Lands Act land	19,571	-	19,571	-	-	-	(309)
Puke Ariki library heritage book collection	1,901	-	1,901	-	-	-	-
Puke Ariki museum collection	34,446	-	34,446	-	-	-	-
Govett-Brewster/Len Lye Centre collection	21,049	-	21,049	-	-	-	-
TOTAL COUNCIL	**3,841,787**	**49,743**	**3,792,044**	**108,818**	**-**	**5,425**	**(5,331)**
GROUP 2025/26							
Infrastructural assets							
Roading	902,367	405	901,962	-	17,849	1,353	-
Roading land	874,993	-	874,993	-	-	2,619	-
Laboratory	499	83	416	-	(16)	-	-
Solid waste	9,257	398	8,859	-	5,546	-	-
Stormwater	460,141	2,352	457,789	-	1,006	511	(487)
Flood protection	15,505	65	15,440	-	263	-	-
Water	284,758	2,721	282,037	-	13,795	295	(2,602)
Wastewater	426,012	3,195	422,817	-	78,946	404	(734)
Work in progress (WIP)	141,357	-	141,357	111,926	(150,374)	-	-
New Plymouth Airport runway/services	32,352	1,981	30,371	125	1,963	-	-
Operational assets:							
Land	121,342	-	121,342	-	-	243	(135)
Buildings/improvements	333,376	5,998	327,378	102	9,902	-	(177)
Vehicles	10,201	2,665	7,536	64	1,185	-	(889)
Furniture, fittings and equipment	45,475	31,313	14,162	92	19,132	-	(73)
Puke Ariki book collection	4,689	1,311	3,378	-	803	-	-
Restricted assets:							
Parks and reserves land	214,474	-	214,474	-	-	-	-
Waitara Lands Act land	19,571	-	19,571	-	-	-	(309)
Puke Ariki library heritage book collection	1,901	-	1,901	-	-	-	-
Puke Ariki museum collection	34,446	-	34,446	-	-	-	-
Govett-Brewster/Len Lye Centre collection	21,049	-	21,049	-	-	-	-
TOTAL GROUP	**3,953,765**	**52,487**	**3,901,278**	**112,309**	**-**	**5,425**	**(5,406)**

Current year impairments $'000	Current year depreciation $'000	Accumulated depreciation disposed/ revalued $'000	Revaluation surplus/ (deficit) 30 June 2026 ($'000	Cost transfers/ adjustments ($'000	Depreciation transfers/ adjustments ($'000	Cost revaluation 30 June 2026 $'000	Accumulated depreciation & impairment charges 30 June 2026 $'000	Carrying amount 30 June 2026 $'000
-	16,984	-	-	-	-	921,570	17,389	904,181
-	-	-	-	-	-	877,613	-	877,613
-	18	-	-	-	-	483	101	382
-	657	-	-	-	-	14,803	1,055	13,748
-	7,889	(19)	-	-	-	461,171	10,222	450,949
-	266	-	-	-	-	15,768	331	15,437
-	8,400	(211)	-	-	-	296,246	10,910	285,336
-	12,720	(38)	-	-	(55)	504,628	15,822	488,806
-	-	-	(1,481)	(9,799)	-	90,660	-	90,660
-	-	-	-	-	-	105,416	-	105,416
-	13,326	(27)	482	-	55	302,599	18,890	283,710
-	589	(491)	-	-	-	8,533	2,663	5,870
-	2,479	-	-	-	-	43,355	33,156	10,199
-	745	-	-	-	-	5,492	2,056	3,436
-	-	-	-	1,200	-	215,674	-	215,674
-	-	-	-	-	-	19,262	-	19,262
-	-	-	(47)	-	-	1,854	-	1,854
-	-	-	118	-	-	34,564	-	34,564
-	-	-	2,569	-	-	23,618	-	23,618
-	**64,071**	**(785)**	**1,641**	**(8,599)**	**-**	**3,943,743**	**113,030**	**3,830,711**

-	16,984	-	-	-	-	921,570	17,389	904,181
-	-	-	-	-	-	877,613	-	877,613
-	18	-	-	-	-	483	101	382
-	657	-	-	-	-	14,803	1,055	13,748
-	7,889	(19)	-	-	-	461,171	10,222	450,949
-	266	-	-	-	-	15,768	331	15,437
-	8,400	(211)	-	-	-	296,246	10,910	285,336
-	12,720	(38)	-	-	(55)	504,628	15,822	488,806
-	-	-	(1,481)	(9,799)	-	91,630	-	91,630
-	1,466	(3,447)	1,526	-	-	35,965	-	35,965
-	-	-	244	-	-	121,694	-	121,694
-	14,783	(1,467)	(11)	-	55	342,756	18,934	323,823
-	704	(491)	-	-	-	10,561	2,878	7,682
-	3,090	(72)	-	-	-	64,625	34,330	30,293
-	745	-	-	-	-	5,492	2,056	3,436
-	-	-	-	1,200	-	215,674	-	215,674
-	-	-	-	-	-	19,262	-	19,262
-	-	-	(47)	-	-	1,854	-	1,854
-	-	-	118	-	-	34,564	-	34,564
-	-	-	2,569	-	-	23,618	-	23,618
-	**67,722**	**(5,745)**	**2,918**	**(8,599)**	**-**	**4,059,976**	**114,030**	**3,945,945**

2024/25	Cost/ revaluation 1 July 2024 $'000	Accumulated depreciation & impairment charges 1 July 2024 $'000	Carrying amount 1 July 2024 $'000	Current year additions $'000	Current year transfers from WIP $'000	Current year vested $'000	Current year disposals $'000
COUNCIL 2024/25							
Infrastructural assets							
Roading	824,556	32,863	791,693	-	15,188	1,092	-
Roading land	873,071	-	873,071	-	-	1,939	(17)
Laboratory	514	124	390	-	155	-	-
Solid waste	9,199	1,583	7,616	-	188	-	(14)
Stormwater	308,039	10, 874	297,165	-	4,334	534	(956)
Flood protection	22,984	432	22,552	-	-	-	-
Water	256,831	13,243	243,588	-	15,909	509	(1,240)
Wastewater	475,923	24,890	451,033	-	14,599	499	(6,453)
Work in progress (WIP)	91,775	-	91,775	113,235	(74,645)	-	-
Operational assets:							
Land	102,962	-	102,962	-	1,116	-	-
Buildings/improvements	264,608	19,799	244,809	-	15,307	6	(1,532)
Vehicles	7,555	2,596	4,959	-	1,875	-	(1,193)
Furniture, fittings and equipment	36,137	28,040	8,097	-	5,306	-	-
Puke Ariki book collection	4,021	656	3,365	-	667	-	-
Restricted assets:							
Parks and reserves land	222,019	-	222,019	-	-	-	-
Waitara Lands Act land	20,922	-	20,922	-	-	-	(330)
Puke Ariki library heritage book collection	1,901	-	1,901	-	-	-	-
Puke Ariki museum collection	34,446	-	34,446	-	-	-	-
Govett-Brewster/Len Lye Centre collection	21,049	-	21,049	-	-	-	-
TOTAL COUNCIL	**3,578,512**	**135,100**	**3,443,412**	**113,235**	**-**	**4,579**	**(11,735)**
GROUP 2024/25							
Infrastructural assets							
Roading	824,556	32,863	791,693	-	15,188	1,092	-
Roading land	873,071	-	873,071	-	-	1,939	(17)
Laboratory	514	124	390	-	155	-	-
Solid waste	9,199	1,583	7,616	-	188	-	(14)
Stormwater	308,039	10,874	297,165	-	4,334	534	(956)
Flood protection	22,984	432	22,552	-	-	-	-
Water	256,831	13,243	243,588	-	15,909	509	(1,240)
Wastewater	475,923	24,890	451,033	-	14,599	499	(6,453)
Work in progress (WIP)	95,118	-	95,118	132,505	(80,150)	-	-
New Plymouth Airport runway/services	28,403	866	27,537	592	3,442	-	(85)
Operational assets:							
Land	118,996	-	118,996	-	1,116	-	-
Buildings/improvements	301,395	21,030	280,365	620	15,352	6	(1,532)
Vehicles	7,813	2,713	5,100	131	3,563	-	(1,306)
Furniture, fittings and equipment	39,660	28,466	11,194	214	5,637	-	(54)
Puke Ariki book collection	4,021	656	3,365	-	667	-	-
Restricted assets:							
Parks and reserves land	222,019	-	222,019	-	-	-	-
Waitara Lands Act land	20,922	-	20,922	-	-	-	(330)
Puke Ariki library heritage book collection	1,901	-	1,901	-	-	-	-
Puke Ariki museum collection	34,446	-	34,446	-	-	-	-
Govett-Brewster/Len Lye Centre collection	21,049	-	21,049	-	-	-	-
TOTAL GROUP	**3,666,861**	**137,741**	**3,529,120**	**134,062**	**-**	**4,579**	**(11,987)**

Current year impairments $'000	Current year depreciation $'000	Accumulated depreciation disposed/ revalued $'000	Revaluation surplus/ (deficit) 30 June 2025 ($'000	Cost transfers/ adjustments ($'000	Depreciation transfers/ adjustments ($'000	Cost revaluation 30 June 2025 $'000	Accumulated depreciation & impairment charges 30 June 2025 $'000	Carrying amount 30 June 2025 $'000
-	15,383	(48,267)	58,544	2,987	426	902,367	405	901,962
-	-	-	-	-	-	874,993	-	874,993
-	124	(167)	(170)	-	-	499	83	416
-	1,072	(2,258)	(124)	8	1	9,257	398	8,859
-	6,046	(14,103)	151,525	(3,334)	(469)	460,141	2,348	457,793
-	230	(622)	(7,604)	125	25	15,505	65	15,440
-	7,565	(18,351)	9,384	3,365	265	284,758	2,721	282,037
-	12,088	(33,489)	(55,198)	(3,358)	(293)	426,012	3,195	422,817
-	-	-	-	(6,071)	-	124,295	-	124,295
-	-	-	1,377	(147)	-	105,308	-	105,308
-	11,216	(25,089)	14,091	344	45	292,824	5,971	286,853
-	601	(632)	-	-	-	8,237	2,565	5,672
-	2,620	-	-	-	-	41,443	30,660	10,783
-	655	-	-	-	-	4,689	1,311	3,378
-	-	-	(7,545)	-	-	214,474	-	214,474
-	-	-	(1,021)	-	-	19,571	-	19,571
-	-	-	-	-	-	1,901	-	1,901
-	-	-	-	-	-	34,446	-	34,446
-	-	-	-	-	-	21,049	-	21,049
-	**57,600**	**(142,978)**	**163,258**	**(6,081)**	**-**	**3,841,769**	**49,722**	**3,792,047**

-	15,383	(48,267)	58,544	2,987	426	902,367	405	901,962
-	-	-	-	-	-	874,993	-	874,993
-	124	(167)	(170)	-	-	499	83	416
-	1,072	(2,258)	(124)	8	1	9,257	398	8,859
-	6,046	(14,103)	151,525	(3,334)	(469)	460,141	2,348	457,793
-	230	(622)	(7,604)	125	25	15,505	65	15,440
-	7,565	(18,351)	9,384	3,365	265	284,758	2,721	282,037
-	12,088	(33,489)	(55,198)	(3,358)	(293)	426,012	3,195	422,817
-	-	-	-	(6,117)	-	141,357	-	141,357
-	1,115	-	-	-	-	32,352	1,981	30,371
-	-	-	1,377	(147)	-	121,342	-	121,342
-	12,395	(27,472)	17,190	345	45	333,377	5,998	327,379
-	697	(745)	-	-	-	10,201	2,665	7,535
-	2,859	(30)	-	-	-	45,457	31,296	14,161
-	655	-	-	-	-	4,689	1,311	3,378
-	-	-	(7,545)	-	-	214,474	-	214,474
-	-	-	(1,021)	-	-	19,571	-	19,571
-	-	-	-	-	-	1,901	-	1,901
-	-	-	-	-	-	34,446	-	34,446
-	-	-	-	-	-	21,049	-	21,049
-	**60,229**	**(145,504)**	**166,358**	**(6,126)**	**-**	**3,953,747**	**52,466**	**3,901,281**

c) Core infrastructure asset disclosures

	Additions			
	Closing book value $'000	Assets constructed by the Council $'000	Assets transferred to the Council $'000	Estimated replacement cost $'000
2025/26 - INFRASTRUCTURAL ASSETS				
Water treatment plant and facilities	62,805	673	-	113,704
Other water assets	222,531	13,122	295	428,876
Wastewater treatment plant and facilities	172,707	72,593	-	323,108
Other wastewater assets	316,099	6,353	404	637,856
Stormwater drainage	450,949	1,006	534	742,363
Flood protection	15,437	263	-	29,794
Roading	904,181	17,849	1,092	1,405,311
TOTAL INFRASTRUCTURAL ASSETS	**2,144,709**	**111,859**	**2,325**	**3,681,012**
2024/25 - INFRASTRUCTURAL ASSETS				
Water treatment plant and facilities	64,612	763	-	116,975
Other water assets	217,425	15,146	509	419,036
Wastewater treatment plant and facilities	104,608	4,322	-	195,706
Other wastewater assets	318,209	10,277	499	638,911
Stormwater drainage	457,793	4,334	534	753,630
Flood protection	15,440	-	-	29,800
Roading	901,962	15,188	1,092	1,401,862
TOTAL INFRASTRUCTURAL ASSETS	**2,080,049**	**50,030**	**2,634**	**3,555,920**

d) Depreciation and amortisation by group of activities

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Parks and Open Spaces	5,051	3,956	5,051	3,956
Transportation	17,004	15,832	17,004	15,832
Stormwater Management	7,963	5,656	7,963	5,656
Flood Protection and Control Works	283	247	283	247
Waste Management and Minimisation	941	1,378	941	1,378
Water Supply	8,703	8,108	8,703	8,108
Wastewater Treatment	13,757	12,784	13,757	12,784
Emergency Management and Business Continuance	89	94	89	94
Community Partnerships	314	357	314	357
Govett-Brewster Art Gallery/Len Lye Centre	1,214	737	1,214	737
Puke Ariki and Community Libraries	2,957	2,438	2,957	2,438
Venues and Events	2,964	2,724	2,964	2,724
Customer and Regulatory Solutions	274	298	274	298
Management of Investments and Funding	19	-	19	-
Support Services	3,479	4,141	3,479	4,141
Council Controlled Organisations	-	-	3,669	2,638
TOTAL DEPRECIATION AND AMORTISATION	**65,011**	**58,750**	**68,679**	**61,388**

The following significant activities in both Council and Group had nil depreciation and amortisation expense in the current and prior years: Economic Development and Governance.

e) Work in progress

Property, plant and equipment in the course of construction by class of asset are detailed below.

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Wastewater	17,006	73,491	17,006	73,491
Solid Waste	3,159	6,685	3,159	6,685
Water	9,581	8,665	9,581	8,665
Stormwater	6,468	4,899	6,468	4,899
Flood Protection	-	206	-	206
Buildings/improvements	33,561	17,832	33,561	17,832
Roading	19,080	12,500	19,080	12,500
Furniture, fittings and equipment	1,805	17	1,805	17
Council Controlled Organisations	-	-	970	17,062
TOTAL WORK IN PROGRESS	**90,660**	**124,295**	**91,630**	**141,357**

f) Significant capital projects

Significant work in progress for 2025/26 as follows:

	Total budget $'000	Total expenditure $'000	Variance $'000	Comments
Te Pae o te Rangi Walkway Extension	11,563	(4,461)	7,102	Stage 1 was 50 per cent complete as at 30 June 2026. Design work completed for Stage 2. Negotiations are ongoing for remaining land purchases.
TSB Showplace - foyer upgrade and safety works	2,737	(3,971)	(1,234)	Physical works were completed in June 2026. The budget was exceeded on this project largely due to unforeseen issues within concealed building elements. The large number of issues that were encountered reflects the complexity of delivering structural upgrades within an occupied and ageing facility.
Universal water metering	3,784	(3,653)	131	The installation of water meters is 99 per cent complete as at 30 June 2026.
Thermal Dryer Facility Crown Infrastructure funded	10,109	(9,428)	681	The project was handed over to operational team in March 2026 and is now capitalised as at 30 June 2026.
Housing for the Elderly - Wynyard Street Phase One	4,211	(3,775)	436	The construction of first nine units is completed. The final block containing the three final units is in construction and due to be completed by December 2026.
Urenui and Onaero sewer system	1,158	(210)	948	Concept design is progressing, with the Cultural Landscape Plan completed and master planning underway with Ngāti Mutunga. Resource consent is expected to be sought in 2027. Budget has been rephased in the outer years of the project to align with the updated delivery programme.
Tūparikino Active Community Hub	17,264	(12,331)	4,933	Enabling works completed with the construction of the hub building commenced in May 2026.
West Quay Pump Station	5,072	(547)	4,525	Construction contract awarded. Working through construction methodology/ temporary works designs with an aim to commence physical works in October 2026.
	55,898	**(38,376)**	**17,522**	

g) Capital commitments

The amount of commitments for acquisition of property, plant and equipment is:

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Building/improvements	35,191	8,621	35,191	8,621
Roading network	3,682	819	3,682	819
Waste management	17	-	17	-
Wastewater	6,107	4,868	6,107	4,868
Water	784	5,532	784	5,532
Stormwater	176	112	176	112
Parks and Open Spaces	6,409	1,163	6,409	1,163
New Plymouth Airport solar power plant	-	-	532	2,277
Venture Taranaki Trust hemp processor	-	-	-	53
TOTAL CAPITAL COMMITMENTS	**52,366**	**21,115**	**52,898**	**23,445**

h) Insurance cover

	Cover	Sum insured $'000
Total value of all assets covered by insurance contracts	Material damage and forestry	881,665
Total value of all assets covered by financial risk sharing arrangements	Local Authority Protection Programme	2,316,279
Total value of all assets that are self-insured	Self-insurance	3,097

As guardians of community assets with a gross current replacement cost of $4.2 billion[1] the Council is responsible for ensuring that it is adequately protected from a range of perils so critical assets can be repaired or replaced as soon as possible after an event and service delivery is disrupted as little as possible. Those perils include volcanic, earthquake, flood, storm, fire and tsunami hazards.

[1] The optimised depreciated replacement cost of those assets is $3.0 billion. Of that amount, $1.2 billion is not insured as it is the roading network. The recovery from widespread damage to the network is expected to be assisted by central government.

10. Investment property

Accounting policy

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Property held to meet service delivery objectives is classified as property, plant, and equipment.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, all investment property is measured at fair value at each reporting date.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

The Metro Plaza building, located in New Plymouth's Central Business District, was purchased by Council in 2020 and in the 2025/26 year it was reclassified following Council's decision to redevelop the site. The land component was transferred to the Parks asset class within Property, Plant and Equipment at its carrying amount ($1.2m) on the date of reclassification, while the building component ($50,000) was derecognised following demolition. The Council did not hold any investment property at 30 June 2026.

a) Breakdown of investment property and further information

	COUNCIL AND GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000
BALANCE AT 1 JULY	**1,250**	**1,250**
Loss on disposal	(50)	-
Reclassification to land	(1,200)	-
BALANCE AT 30 JUNE	**-**	**1,250**

b) Revenue and expenses in relation to investment properties

	COUNCIL AND GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000
Rental income	12	100
Direct operating expenses from investment property generating revenue	30	58
Direct operating expenses from investment property not generating revenue	23	-
Contractural obligations for capital expenditure	400	1,503
Contractual obligations for operating expenditure	54	46

c) Valuation

At 30 June 2026 the Metro Plaza building was valued at $Nil due to the building having been demolished during the year.

Independent registered valuers CBRE valued investment property as at 30 June 2025.

Market based evidence of rentals, land sales and development property sales was used to confirm the current market value reported.

11. Intangible assets

Accounting policy

Intangible assets are defined as identifiable non-monetary assets without physical form. Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs, maintenance and web related costs are recognised in the surplus or deficit when incurred.

Resource consents

Resource consents are classified as intangible assets where the consent is a requirement for the ongoing operation of infrastructure assets owned by Council (see note 9 Property, Plant and Equipment). Resource consents are capitalised on the basis of the costs incurred to apply for and acquire the resource consent. Direct costs include application fees, employee costs and an appropriate portion of relevant overheads.

Software as a Service (SaaS)

SaaS arrangements are service contracts providing the customer with the right to access the SaaS provider's application software over the contract period. Costs incurred to configure or customise software in a cloud computing arrangement can be recognised as intangible assets only if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premises systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives are reviewed at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

Costs that do not result in intangible assets are expensed as incurred unless they represent payment for future services to be received. In which case a prepayment is initially recognised and then expensed as those subsequent services are received over the expected term of the cloud computing arrangement.

Water network models

Digital water network models are classified as intangible assets as the models are expected to generate efficiencies in the ongoing maintenance and upkeep of water network assets owned by Council (see note 9 Property, Plant and Equipment). Water network models are capitalised on the basis of costs directly associated with the development of the models for internal use. Direct costs include the model development, employee costs and an appropriate portion of relevant overheads.

Goodwill

Goodwill has arisen primarily from Papa Rererangi i Puketapu Limited (PRIP)'s acquisition of the Rescue Fire Service. It reflects the benefit to PRIP of acquiring the business. Goodwill is initially recognised at the difference between the cost paid to acquire the business and the fair value of the assets acquired. The carrying amount of goodwill is reviewed at balance date to determine if there is any indication of impairment.

Carbon credits

Purchased carbon credits are recognised at cost on acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of assets have been estimated as follows:

Class of intangible asset	Estimated useful life	Amortisation rates
Computer software	3 - 12 years	8.3% - 33.3%
Water network models	10 - 38 years	2.6% - 10%
Resource consents	4 - 100 years	1% - 25%

	Computer software $'000	Resource consent $'000	Goodwill	Water network models $'000	Total $'000
COUNCIL					
At 30 JUNE 2025					
Cost	12,322	2,756	-	8,158	23,236
Accumulated amortisation and impairment	(11,705)	(121)	-	(683)	(12,509)
NET BOOK AMOUNT	**617**	**2,635**	**-**	**7,474**	**10,727**
30 JUNE 2026					
Opening net book amount	617	2,635	-	7,475	10,727
Additions	-	1,151	-	-	1,151
Work in progress	-	(786)	-	1,062	276
Disposals	-	-	-	-	-
Amortisation charge	(207)	(93)	-	(619)	(919)
Transfers to property, plant and equipment	(187)	(53)	-	-	(240)
CLOSING NET BOOK AMOUNT	**224**	**2,854**	**-**	**7,918**	**10,996**
At 30 JUNE 2026					
Cost	12,135	3,068	-	9,220	24,423
Accumulated amortisation and impairment	(11,911)	(214)	-	(1,302)	(13,427)
NET BOOK AMOUNT	**224**	**2,854**	**-**	**7,918**	**10,996**
GROUP					
At 30 JUNE 2025					
Cost	12,479	2,756	237	8,158	23,630
Accumulated amortisation and impairment	(11,847)	(121)	-	(683)	(12,651)
NET BOOK AMOUNT	**632**	**2,635**	**237**	**7,475**	**10,979**
30 JUNE 2026					
Opening net book amount	632	2,635	237	7,475	10,979
Additions	56	1,151	-	-	1,207
Work in progress	-	(786)	-	1,062	276
Disposals	-	-	-	-	-
Amortisation charge	(226)	(93)	-	(619)	(938)
Transfers to property, plant and equipment	(185)	(53)	-	-	(238)
CLOSING NET BOOK AMOUNT	**277**	**2,854**	**237**	**7,918**	**11,286**
At 30 JUNE 2026					
Cost	12,349	3,068	237	9,220	24,874
Accumulated amortisation and impairment	(12,072)	(214)	-	(1,302)	(13,588)
NET BOOK AMOUNT	**277**	**2,854**	**237**	**7,918**	**11,286**

The Council currently holds carbon credits with a net book value of $9,173 (2024/25: $9,173).

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

There were $62,000 in intangible asset capital commitments as at 30 June 2026 (2024/25: $172,000).

Carbon credits are expected to be fully utilised by the Council in satisfying carbon obligations from its landfill. As such, no impairment has been recognised (2024/25: Nil).

12. Forestry assets

Accounting policy

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

	COUNCIL AND GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000
BALANCE AT 1 JULY	**4,714**	**4,758**
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	23	(139)
Other changes	-	95
BALANCE AT 30 JUNE	**4,737**	**4,714**

The Council owns 234 hectares (2024/25: 234 hectares) of pinus radiata forest which are at varying stages of maturity ranging from two to 49 years (2024/25: ranging from five to 48 years). In addition, the Council is involved in two joint ventures (refer note 14) comprising 95.3 hectares (2024/25: 95.3 hectares) at varying stages of maturity ranging from 29 to 31 years (2024/25: 28 to 30 years).

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

Valuation

Independent registered valuers, Alan Bell & Associates Limited have valued forestry assets as at 30 June 2026 based on methodology recommended by the New Zealand Institute of Forestry.

A discount rate of 7.8 per cent, applied to pre-tax cash flows, has been used (2024/25: 7.8 per cent).

No allowance for inflation has been provided.

The sensitivity of crop value to discount rate is shown below:

As at 30 June 2026	7.3%	7.8% (as used)	8.3%
Tree crop value ($m)	5	5	5

Log prices are based on a three year historical rolling average. Costs are current average costs and no allowance has been made for cost improvements in future operations.

The sensitivity of crop value to changes in log prices and production costs is shown below:

As at 30 June 2026	5%	Base (as used)	-5%
Tree crop value ($m)	5	5	4

Key financial risks arise from increase in costs associated with logging/loads and cartage harvesting costs. Also there is a risk in sale price for forestry. The Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future. Therefore, no measures have been taken 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.

13. Deferred lease arrangement costs

Accounting policy

Expenditure incurred by Council in securing long-term lease rights and associated contractual arrangements is capitalised where the expenditure is directly attributable to obtaining future economic benefits or service potential that extend beyond the current reporting period.

Deferred lease arrangement costs are initially recognised at cost and represent expenditure incurred to secure rights and benefits under long-term lease and development arrangements. Such expenditure is recognised as an asset where Council expects to obtain future service potential over the term of the relevant arrangement and where the expenditure does not meet the definition of property, plant and equipment.

Deferred lease arrangement costs are subsequently measured at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight-line basis over the period during which the related lease rights and associated benefits are expected to be consumed.

The carrying amount of deferred lease arrangement costs is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment loss is recognised immediately in surplus or deficit.

Deferred lease arrangement costs

During the year, Council completed construction of race day tie-up facilities as part of a wider agreement with Taranaki Racing Incorporated that enabled the execution of a long-term lease arrangement and the development of the Tūparakino Active Community Hub.

Management assessed the substance of the arrangement and concluded that the expenditure was incurred primarily to secure long-term contractual rights and associated future service potential rather than to acquire a Council-controlled item of property, plant and equipment.

Accordingly, the expenditure has been recognised as a deferred lease arrangement cost and is being amortised over the term of the associated lease arrangement.

	COUNCIL AND GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000
BALANCE AT 1 JULY	**-**	**-**
Additions for the year	2,496	-
Amortisation charge for the year	(19)	-
BALANCE AT 30 JUNE	**2,477**	**-**

The recognition of deferred lease arrangement costs involves significant judgement regarding the nature of the future benefits obtained by Council and whether the expenditure represents Property, Plant and Equipment, an immediate expense, or a deferred asset.

14. Equity accounted investments (joint ventures)

Accounting policy

A joint arrangement is a binding arrangement that confers enforceable rights and obligations on the parties to the arrangement 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.

Investments in joint ventures are accounted for in the Council's financial statements using the equity method of accounting. The investment is initially recognised at cost. The carrying amount is increased or decreased to recognise the Council's share of the change in the net assets of the entity after the date of acquisition. The Council's share of the surplus or deficit is recognised in the Council's surplus or deficit.

If the share of deficits of the joint venture equals or exceeds the interest in the joint venture, the Council discontinues recognising its share of further deficits. After the Council's interest is reduced to zero, additional deficits are provided as a liability to the extent that the Council has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports surpluses, the Council will resume recognising its share of those surpluses after its share of the surpluses equals the share of deficits not recognised.

Breakdown of investment in joint venture and further information

As at 30 June 2026, the Council is involved in two forestry joint venture agreements (2024/25: two forestry joint ventures) - Duthie Joint Venture (Council share 54.8 per cent) and McKay Joint Venture (Council share 56.5 per cent). Both joint ventures are domiciled in New Zealand.

The Council's interest in the forestry joint ventures is measured using the equity method of accounting in the group financial statements.

	DUTHIE JV		MCKAY JV		TOTAL Council and Group	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Investment (at cost)	**192**	**192**	**568**	**568**	**760**	**760**
Summarised financial information of joint ventures:						
- Non-current assets: forestry	474	382	677	1,325	1,151	1,707
- Current liabilities: creditors and other payables	(5)	(5)	(5)	(5)	(10)	(10)
Net assets	**469**	**377**	**672**	**1,320**	**1,141**	**1,697**
Gain on forestry assets	92	(250)	(648)	(424)	(556)	(674)
Operating expenditure	(10)	(10)	(12)	(11)	(25)	(21)
Net surplus/(deficit)	**82**	**(260)**	**(660)**	**(435)**	**(89)**	**(695)**
Attributable to Council and Group[1]	**41**	**(148)**	**(378)**	**(251)**	**(340)**	**(399)**
Reconciliation to equity accounted carrying amount						
Joint ventures net assets ($'000)	469	377	672	1,320	1,141	1,697
Council and Group's share	54.82%	54.82%	56.50%	56.50%	-	-
Equity accounted carrying amount ($'000)	**254**	**203**	**380**	**746**	**634**	**949**
Risks associated with the Council's investment in joint ventures						
Shareholder funding commitments for next three years	15	28	32	14	47	42

[1] Share of joint venture surplus attributable to Council and Group = gain on forestry assets x Council and Group share of joint venture - total operating expenditure.

15. Other financial assets

Accounting policy

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

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

The classification of a financial asset depends on its cash flow characteristics and the Council and Group's management model for managing them.

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

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

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

Subsequent measurement of financial assets at amortised cost

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

Loans to subsidiaries and associates includes the loan to Papa Rererangi i Puketapu Limited, which is carried at Amortised cost as there is no obligation to repay principal until expiry, and the interest rate is aligned with market rates, providing minimal benefit from fair value measurement.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses which are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value, with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and Group designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term. Instruments in this category are bonds and shareholding in NZ Local Government Funding Agency (NZ LGFA) and shareholdings in Civic Financial Services Limited.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

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

Instruments in this category include LGFA borrower notes, derivatives and Council's investment in Tasmanian Land Company Limited and the Perpetual Investment Fund.

Expected credit loss allowance (ECL)

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

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

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

Subsidiaries

The Council consolidates in the group financial assets those entities it controls. Control exists if all three of the following elements are present: power over the entity, exposure to variable returns from the entity and the ability for the Council to use its power to affect those variable returns.

Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The financial statements of the Group's controlled entities are included in the Group financial statements from the date that control commences until the date that control ceases.

The Council's investments in its subsidiaries (Papa Rererangi i Puketapu Limited, New Plymouth PIF Guardians Limited and Venture Taranaki Trust) are carried at cost in the Council's financial statements and are consolidated at Group level.

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
CURRENT ASSETS				
Other financial assets				
Term deposits with maturities of four to 12 months	10,035	8,386	10,035	8,386
Community and other loans	619	1,022	619	1,022
Waitara Perpetual Community Fund	27,836	24,181	27,836	24,181
Bonds, shares and other investments (PIF)	359,691	301,383	359,691	301,383
LGFA borrower notes	2,021	1,464	2,021	1,464
Total other financial assets	**400,203**	**336,436**	**400,203**	**336,436**
NON-CURRENT ASSETS				
Other financial assets				
Term deposits with maturities greater than 12 months	-	200	-	200
Community and other loans	1,594	2,206	1,594	2,206
Bonds, shares and other investments (PIF)	104,145	102,542	104,145	102,542
LGFA borrower notes	10,213	9,677	10,213	9,677
Total other financial assets	**115,952**	**114,625**	**115,952**	**114,625**
Investment in CCOs and similar entities				
Unlisted shares in Civic Financial Services Ltd and the LGFA	1,033	955	1,033	955
Unlisted shares in Papa Rererangi i Puketapu Limited	49,138	49,138	-	-
Loan to Papa Rererangi i Puketapu Limited	35,099	33,099	-	-
Total investment in CCOs and similar entities	**85,270**	**83,192**	**1,033**	**955**

a) Breakdown of Council's investment in subsidiaries

Investment In	Principal Activity	2025/26 Actual $'000	2024/25 Actual $'000
Papa Rererangi i Puketapu Limited	Operates the New Plymouth Airport	84,237	82,237
New Plymouth PIF Guardians Limited	Oversees the Council's Perpetual Investment Fund	-	-
Venture Taranaki Trust	Taranaki's regional development agency	-	-
Tasmanian Land Company Limited	Wound up	-	-
TOTAL INVESTMENT		**84,237**	**82,237**

b) Unlisted shares in subsidiaries (investment in CCOs)

Papa Rererangi i Puketapu Limited (PRIP)

The Council's unlisted shares in PRIP of $49.1m (2024/25: $49.1m) includes a $14.1m 99-year finance lease for land. Under a finance lease, substantially all the risks and rewards incidental to legal ownership are transferred by the Council to PRIP. The substance of the transaction is that the Council has made a contribution to PRIP reflective of the difference between the fair value of the land ($14.1m) and the present value of the minimum lease payments ($99).

The leasehold interest in the land was last valued as at 30 June 2026 by Bayleys Valuation Limited in accordance with 2025 International Valuation Standards. The fair value of the land at 30 June is $16,277,900 (2024/25: $16,034,015).

While the land is owned by the Council, the Crown retains a 50 per cent beneficial interest, including a share of any proceeds if it were to be sold in the future. The land cannot be disposed of without prior consent from the Crown.

c) Loans to Papa Rererangi i Puketapu Limited (PRIP)

On 3 July 2017 the Council entered into a facility agreement with PRIP, making available to the Company both a non-current loan facility and a current facility.

The interest rate on the non-current loan has been set at the Council's cost of funds of 3.72 per cent (2024/25: 4.28 per cent) plus 0.15 per cent margin per annum. During the year to 30 June 2026, Council obtained funding from a Green and Social (GS) Loan relating to the solar farm constructed by PRIP. The interest rate on this loan (3.15 per cent) is lower than Council's cost of funds, therefore interest on the portion of the facility relating to the solar farm ($14.6m) has been charged at this cost plus 0.15 per cent margin.

Drawdowns of $3m have been made against the current facility during the year to 30 June 2026 (2024/25: $10.6m). Repayments of $1m have been made against the facility during the year (2024/25: Nil).

d) Bonds, shares and other investments (PIF)

The PIF is recorded at fair value and has been independently valued by Mercer. Gains or losses on remeasurement are recognised in the surplus or deficit.

	COUNCIL	
	2025/26 Actual $'000	2024/25 Actual $'000
OPENING BALANCE	**403,927**	**378,745**
Revenue and gains:		
Net unrealised gains	77,621	40,586
Total revenue and gains	**77,621**	**40,586**
Less direct expenses	(5,173)	(3,327)
NET SURPLUS FOR THE YEAR	**72,448**	**37,259**
Transfers in/(out) of the fund:		
Reimbursement of costs to the Council	(277)	(277)
Release to the Council (including interest)	(12,262)	(11,800)
Total transfers in/(out) of the fund	**(12,539)**	**(12,077)**
Net change in PIF investment	**59,909**	**25,182**
CLOSING BALANCE	**463,836**	**403,927**
Portfolio asset allocation:		
Alternative assets	81,406	69,639
Private equity	104,145	102,542
Developed market global equities	168,092	135,299
Emerging markets	25,228	19,921
Fixed revenue	68,603	59,408
Cash	16,362	17,118
CLOSING BALANCE	**463,836**	**403,927**

Through the PIF, the Council has commitments to subscribe to a number of private equity funds. As of 30 June 2026 $16.9m (2024/25: $24.6m) of this commitment was yet to be called up.

On 28 June 2023, Parliament passed the New Plymouth District Council (Perpetual Investment Fund) Act. The objectives of the Act are to:

a) ensure that the funds are only used for the benefit of communities in the New Plymouth District;

b) to provide principles for sustainable management of the funds; and

c) to ensure investment decisions are made on an independent and prudent commercial basis.

The Act was given Royal Assent on 6 July 2023.

16. Waitara Lands Act

The New Plymouth District Council (Waitara Lands) Act 2018 (the Act) was passed by Parliament and became effective from 17 March 2019. Its purpose is to benefit to the Waitara community by allowing leaseholders of 780 designated properties to purchase freehold their leased land at market value. In addition, it allows for other land parcels amounting to 118 hectares to be gifted and/or purchased by the Waitara hapū.

Under the Act, the land is recognised under restricted assets (refer note 9), which imposes limitations on the ownership and disposal of the land by the Council. The Act mandates the establishment of several funds:

- Waitara River Improvement Fund[1]: Aimed at enhancing the health and well-being of the Waitara River and its catchment area.
- Hapū Land Fund[2]: Designed to assist the Waitara hapū in purchasing, developing, and managing land in and around Waitara.
- Waitara Perpetual Community Fund[3]: Intended to improve the social, economic, cultural, and environmental well-being of Waitara.

[1] The Taranaki Regional Council has statutory interests in some of the proceeds from these funds and holds specific roles and responsibilities regarding the Waitara River and its catchment. It has established the Waitara River Committee to oversee these interests.

[2] The Te Kōwhatu Tū Moana Trust was created by the Act to manage the Hapū Land Fund. On 17 March 2020, $1.57m of land previously owned by the Council was transferred to the Trust. The Trust's funds are kept in a separate bank account and are invested according to instructions from the Trust. The remaining funds are recorded as a liability in the Council's Statement of Financial Position under Waitara Lands Act liability.

[3] The Te Tai Pari Board contributed to the development of the Waitara Perpetual Community Fund's Statement of Investment Policy and Objectives (SIPO). This document outlines the investment strategy, objectives, and the allocation of responsibilities among the Board, Council, and the Fund Outsource Agent, who is appointed by Council for the selection and oversight of investment managers, as well as maintaining the investment portfolio consistent with the SIPO. Ultimately, the Council retains responsibility for investment management and compliance with the SIPO. The Board determines the annual distributions from the Fund in accordance with the SIPO's guidelines.

Further information on the activities performed by the Board are listed in our website https://www.npdc.govt.nz/community/community-partnerships/te-tai-pari-board/

Freehold sales

For the year ended 30 June, six land parcels were purchased freehold (2024/25: 8). At year end, 475 properties in total have been purchased freehold since the Act came into effect (2024/25: 469). Proceeds from the sales to date amount to $55m (2024/25: $53.9m). No additional sales were awaiting settlement at balance date (2024/25: one sale, with proceeds of $0.2m).

For the year ended 30 June, proceeds from the freehold sales have been distributed as follows:

	COUNCIL AND GROUP			
	2024/25 Total sales $'000	Share of sales proceeds from former Borough and portfolio land $'000	Share of sales proceeds from other land $'000	2025/26 Total sales $'000
Waitara Perpetual Community Fund	223	175	189	364
Hapū Land Fund	222	175	189	364
Taranaki Regional Council (River Fund)	445	-	377	377
NPDC (reimburse costs)	-	-	-	-
TOTAL FREEHOLD SALES	**890**	**350**	**755**	**1,105**

Leasehold income

For the year ended 30 June, leasehold incomes have been distributed as follows:

	COUNCIL AND GROUP			
	2024/25 Total leasehold income $'000	Share of leasehold income from former Borough and portfolio land $'000	Share of leasehold income from other land $'000	2025/26 Total leasehold income $'000
Waitara Perpetual Community Fund	455	221	155	376
Hapū Land Fund	455	221	155	376
Taranaki Regional Council (River Fund)	378	-	329	329
NPDC (reimburse costs)	111	-	129	129
TOTAL LEASEHOLD INCOME	**1,399**	**441**	**767**	**1,209**

Distributions

For the year ended 30 June, proceeds from the Waitara Lands Act have been distributed as follows:

	COUNCIL AND GROUP				
	2024/25 Total distributions $'000	Share of freehold sales $'000	Share of leasehold income $'000	Interest earned $'000	2025/26 Total distributions $'000
Waitara Perpetual Community Fund	-	-	-	-	-
Hapū Land Fund	1,512	364	376	519	1,259
Taranaki Regional Council (River Fund)	823	377	329	-	706
TOTAL WAITARA LANDS ACT DISTRIBUTION EXPENSE	**2,335**	**741**	**704**	**519**	**1,964**

Waitara Lands Act restricted reserves and liability

The Council recognises a liability for funds held on behalf the Hapū Land Fund and the Taranaki Regional Council (River Fund) until such time that the funds can be remitted. The amounts held in the Waitara Perpetual Community Fund are included in Council's restricted reserves until the annual releases are determined by the Council for distribution in accordance with Council's Long Term policy.

	COUNCIL AND GROUP				
	Balance at 1 July 2025 $'000	Net gain/ (losses) on investments $'000	Share of distributions $'000	Payments made $'000	Balance at 30 June 2026 $'000
Restricted reserves					
Waitara Perpetual Community Fund[1]	24,607	3,675	740	(402)	28,620
Total restricted reserves	**24,607**	**3,675**	**740**	**(402)**	**28,620**
Liability					
Hapū Land Fund[2]	20,185	519	740	(150)	21,294
Taranaki Regional Council (River Fund)[3]	899	-	706	(728)	877
Total liability	**21,084**	**519**	**1,445**	**(878)**	**22,170**
TOTAL WAITARA LANDS ACT RESTRICTED RESERVES AND LIABILITY	**45,691**	**4,194**	**2,185**	**(1,280)**	**50,790**

[1] The Council holds an investment fund with Mercer on behalf of the Waitara Community Board for the establishment of Waitara Perpetual Community Fund (refer note 15).

At 30 June, $0.3m was held in a separate bank account (refer note 16) (2024/25: $0.6m) and $27.8m was invested in two portfolios through Mercer New Zealand as fully outsourced agent (2024/25: $24.2m). At 30 June there was $0.7m yet to be transferred by the Council to the Waitara Perpetual Community Fund bank account (2024/25: $0.6m).

[2] The Council holds funds in a separate bank account held for the establishment of the Hapū Land Fund (refer note 16). At 30 June, the balance of the account was $20.4m (2024/25: $19.4m). As at 30 June there was $0.7m yet to be transferred by the Council to the Hapū Land Fund bank account (2024/25: $0.6m).

[3] During the year, cash distributions totalling $0.7m were made to the Taranaki Regional Council (River Fund) (2024/25: $0.3m). At 30 June 2026, there was $0.9m yet to be distributed (2024/25: $0.9m).

17. Cash and cash equivalents

Accounting policy

Cash and cash equivalents are made up of cash on hand, on-demand deposits and other short-term highly liquid investments, net of bank overdrafts. Bank overdrafts form part of Council's cashflow management and therefore are included as a component of cash and cash equivalents. The carrying value of cash at bank and short-term deposits with original maturities less than three months approximates their fair value.

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Cash at bank and on hand	42,777	33,966	47,901	36,532
TOTAL CASH AND CASH EQUIVALENTS	**42,777**	**33,966**	**47,901**	**36,532**

Funds subject to restrictions

The Council holds unspent funds of $33.4m (2024/25: $30.4m) that are subject to restrictions and are included in cash and cash equivalents and other financial assets. These unspent funds relate to trusts and bequests received, term deposits associated with underlying loans, lump sum contributions, Waitara Lands Act operations account, Waitara Perpetual Community Fund and Hapū Land and other funds received with restrictions where the spending of the funds is separately monitored. The restrictions generally specify how the funds are required to be spent.

18. Debtors and other receivables

Accounting policy

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.

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

Rates are "written-off":

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

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.

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Net trade receivables				
Trade receivables	7,806	9,097	8,660	9,693
Rates receivables	6,507	5,951	6,507	5,951
Other receivables	2,114	3,752	2,193	4,061
Provision for doubtful receivables	(1,628)	(1,625)	(1,630)	(1,685)
Net debtors	**14,799**	**17,175**	**15,730**	**18,020**
Prepayments				
Insurance	1,098	-	1,098	-
Other prepayments	2,464	3,369	2,483	3,433
	3,562	**3,369**	3,581	**3,433**
Accruals				
Accrued revenue	3,058	3,003	3,058	3,069
GST receivable	2,866	2,686	2,923	3,015
	5,924	**5,689**	**5,981**	**6,084**
TOTAL DEBTORS AND OTHER RECEIVABLES	**24,285**	**26,233**	**25,292**	**27,537**
Total receivables comprise:				
Receivables from exchange transactions[1]	15,116	16,181	15,574	17,356
Receivables from non-exchange transactions[2]	9,169	10,052	9,718	10,181
TOTAL DEBTORS AND OTHER RECEIVABLES	**24,285**	**26,233**	**25,292**	**27,537**

[1] Includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates.

[2] Includes outstanding amounts for rates, grants, infringements and fees and charges that are partly subsidised by rates.

a) Expected credit loss

The expected credit loss rates for receivables at 30 June 2026 and 30 June 2025 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the recoverability of receivables. Given the short period of credit risk exposure, the impact of macroeconomic factors is not considered significant.

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

The allowance for credit losses at 30 June 2026 and 1 July 2025 was determined as follows:

	Receivable days past due				
	Current	More than 30 days	More than 60 days	More than 90 days	Total
COUNCIL					
30 June 2026					
Expected credit loss rate	0%	0%	0%	22%	-
Gross carrying amount ($'000)	11,209	544	120	7,531	19,403
Lifetime expected credit loss ($'000)	-	-	-	1,630	1,630
30 June 2025					
Expected credit loss rate	0%	0%	0%	19%	-
Gross carrying amount ($'000)	11,368	1,317	790	8,431	21,906
Lifetime expected credit loss ($'000)	-	-	-	1,625	1,625
GROUP					
30 June 2026					
Expected credit loss rate	0%	0%	70%	21%	-
Gross carrying amount ($'000)	12,567	571	128	7,530	20,796
Lifetime expected credit loss ($'000)	-	-	6	1,630	1,636
30 June 2025					
Expected credit loss rate	0%	0%	2%	20%	-
Gross carrying amount ($'000)	13,047	1,342	804	8,475	23,668
Lifetime expected credit loss ($'000)	-	-	14	1,669	1,683

b) Rates receivables

The Council and Group does not provide for ECLs on rates receivable. The Council has various powers under the Local Government (Rating) Act 2002 (LG(R)A 2002) 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 judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

All receivables greater than 30 days in age are considered to be past due. In accordance with the Local Government (Rating) Act 2002, the Council is required to disclose the amount of rates written off under Sections 90A (unrecoverable rates) and 90B (rates of deceased owners of Māori freehold land). The Chief Exectuive approved the write-off of $24,065 of rates receivable under Section 90A during the year. No rates were written off under either section during 2024/25.

The Council holds no other collateral as security or other credit enhancements over receivables that are either past due or uncollectable.

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
At 1 July	1,625	1,456	1,685	1,493
Additional provisions made during the year	3	169	(54)	192
TOTAL PROVISION FOR UNCOLLECTABILITY	**1,628**	**1,625**	**1,631**	**1,685**

19. Creditor and other payables

Accounting policy

Creditors and other payables are non-interest bearing and are normally settled on 30 day terms. Therefore, the carrying value of creditors and other payables approximates their fair value. All amounts in creditors and other payables are assessed as exchange as these balances arose from transactions carried out on normal business terms.

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Trade payables	21,945	18,570	22,669	20,435
Deposits and bonds	944	1,176	944	1,176
Revenue in advance	6,785	6,284	8,403	7,317
Contract retentions	311	87	384	329
Other payables	3,606	3,279	3,634	3,307
Accrued interest on borrowings	2,109	2,669	2,109	3,035
TOTAL CREDITORS AND OTHER PAYABLES	**35,700**	**32,065**	**38,143**	**35,599**
TOTAL CREDITORS AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS	**35,700**	**32,065**	**38,143**	**35,599**

20. Borrowings

Accounting policy

All loans and borrowings are initially recognised at fair value of the consideration received plus transaction costs.

All borrowing costs are recognised as an expense in the period in which they are incurred and are calculated using the effective interest method.

Borrowings are classified as current liabilities unless the Council or Group has an unconditional right to defer settlement of the liability for at lease 12 months after the balance date.

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Current				
Debenture stock	29,000	29,000	29,000	29,000
Local Government Funding Agency	127,685	61,000	127,685	61,000
TOTAL CURRENT BORROWINGS	**156,685**	**90,000**	**156,685**	**90,000**
Non-Current				
Local Government Funding Agency	273,100	293,500	273,097	293,497
TOTAL NON-CURRENT BORROWINGS	**273,100**	**293,500**	**273,097**	**293,497**

Interest terms

The Council has $149.2m of its total debt of $429.8m issued at fixed rates of interest (2024/25: $66.5m of $383.5m). The remainder of the Council's loans are issued at floating interest rates. For floating rate debt, the interest rate is reset quarterly based on the 90-day bank bill rate plus a margin for credit risk.

No additional debt was required beyond that forecast in the Annual Plan 2025/26 (2024/25: $9.6m of additional debt approved by Council for cashflow management).

Interest rates range from 2.2 per cent to 6.0 per cent (2024/25: 1.4 per cent to 6.0 per cent) – weighted average rate of 3.8 per cent (2024/25: 4.3 per cent). Total interest costs were $16.3m (2024/25: $16.6m).

The Council has $167m of interest rate swaps and no forward interest rate swaps in place to fix and manage the debt issued at floating interest rates (refer note 25) (2024/25: $166m of interest rate swaps and $15m in forward interest rate swaps).

Security

The Council's loans have been issued in accordance with the LGA. The loans are secured through the debenture trust deed over all rates. As at 30 June, the Council has issued to its bankers security certificates totaling $28.5b (2024/25: $26.4b) to secure the various bank loan facilities, bank overdraft and guarantees issued on behalf of the Council.

Fair value

Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of the majority of secured loans approximates their fair value. There are $70.5m (2024/25: $56.5m) of secured loans that have been issued at fixed rate and have greater than 12 months to maturity. The fair value of these loans is $71.0m (2024/25: $57.0m). Fair value has been determined using contractual cash flows discounted using a rate based on market borrowing rates at balance date of 4.4 per cent (2024/25: 4.5 per cent).

21. Provisions

Accounting policy

A provision is recognised 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 an outflow of future economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at balance date and are discounted to present value where the effect is material.

	COUNCIL AND GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000
Current provisions		
Landfill aftercare provision	232	-
Other	67	157
TOTAL CURRENT PROVISIONS	**299**	**157**
Non-current provisions		
Landfill aftercare provision	1,682	1,943
TOTAL NON-CURRENT PROVISIONS	**1,682**	**1,943**

	Weather-tightness Claims	Landfill Aftercare	Carbon Credits	Other	Council and Group
BALANCE AT 30 JUNE 2025	**-**	**1,943**	**-**	**157**	**2,100**
Additional provisions made	-	232	-	36	268
Amounts used	-	(262)	-	(126)	(387)
BALANCE AT 30 JUNE 2026	**-**	**1,913**	**-**	**67**	**1,981**

a) Weathertightness claims

No new claims have been lodged with the Weathertight Homes Resolution Service (WHRS) in the year to 30 June 2026 (2024/25: Nil).

The Council acknowledges that it may be liable for claims in the future relating to weathertightness of buildings not yet identified. Information regarding these potential claims is subject to extreme uncertainty and therefore no provision or contingent liability has been made for any potential future claims.

b) Landfill closure and aftercare liability

The long-term nature of these liabilities means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and known changes to legal requirements, an inflation factor of 2.35 per cent (2024/25: 2.90 per cent) and a discount rate of between 2.97 to 5.3 per cent (2024/25: 5.44 per cent).

The Council has responsibility under the consent to provide ongoing maintenance and monitoring of a landfill after a site is closed. Post-closure responsibilities include: treatment and monitoring of leachate, groundwater and surface monitoring, gas monitoring and recovery, implementation of remedial measures such as needing for cover and control systems, ongoing site maintenance for drainage systems and final cover and vegetation.

22. Employee entitlements

Accounting policy

Provision is made in respect of the Council's liability for retiring gratuity allowances, annual and long service leave and sick leave.

The retirement gratuity liability and long service leave liability is assessed on an actuarial basis using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement.

Liabilities for accumulating short-term compensated absences (e.g. annual and sick leave) are measured as the additional amount of unused entitlement accumulated at the balance sheet date.

Sick leave, annual leave, vested long service leave and non-vested long service leave and retirement gratuities that are expected to be settled within 12 months of balance date are classified as current.

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Current employee entitlements				
Annual leave	4.872	4,187	5,152	4,455
Payroll accruals	691	398	927	638
TOTAL CURRENT EMPLOYEE ENTITLEMENTS	**5,563**	**4,585**	**6,079**	**5,093**
Non-current employee entitlements				
Long service leave	-	5	-	5
Retirement gratuities	314	306	314	306
TOTAL NON-CURRENT EMPLOYEE ENTITLEMENTS	**314**	**311**	**314**	**311**

23. Tax

Accounting policy

Income tax

Income tax expense includes components relating to current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax and deferred tax are calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

a) Components of tax expense

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Current tax	-	-	(2)	723
Deferred tax	-	-	798	52
TOTAL INCOME TAX (REFUND)/EXPENSE	**-**	**-**	**796**	**775**

b) Relationship between tax expense and accounting profit

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Surplus/(deficit) before tax	**60,672**	**29,157**	**62,803**	**31,769**
Tax at 28 per cent	16,988	8,164	17,585	8,941
(Less)/plus tax effect of non-assessable revenue	(16,988)	(8,164)	(16,789)	(8,166)
TOTAL INCOME TAX/(REFUND)	**-**	**-**	**796**	**775**

c) Current tax asset/(liability)

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
TAX (PAYABLE)/RECEIVABLE	**-**	**-**	**504**	**(175)**

The Council has $1,785,925 (2024/25: $1,805,567) unrecognised tax losses available to carry-forward.

d) Group deferred tax asset/(liability)

	Property, plant and equipment $'000	Other provisions and tax losses $'000	Total $'000
BALANCE AT 1 JULY 2024	**(8,866)**	**(434)**	**(9,300)**
Charged to surplus or deficit	(50)	(2)	(52)
Charged to equity	(1,535)	-	(1,535)
BALANCE AT 30 JUNE 2025	**(10,451)**	**(436)**	**(10,887)**
Charged to surplus or deficit	(798)	-	(798)
Charged to equity	(1,658)	-	(1,658)
Prior period adjustment	(50)	-	(50)
BALANCE AT 30 JUNE 2026	**(12,957)**	**(436)**	**(13,393)**

24. Equity and capital management

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 the following components:

- Accumulated funds.
- Ordinary reserves.
- Restricted reserves.
- Asset revaluation reserves.

Accumulated funds

Accumulated funds are the capital fund made up of accumulated surpluses and deficits. A surplus in any year is added to the fund and a deficit in any year is deducted from the fund.

Ordinary reserves

Ordinary reserves are reserves created by Council decision. The Council may alter the purpose of a reserve without reference to a third party or the Courts. Transfers to and from these reserves is at the discretion of the Council.

Restricted reserves

Restricted reserves are those reserves 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. Transfer from these reserves can be made for certain specified purposes or when certain specified conditions are met.

Asset revaluation reserves

This reserve relates to the revaluation of property, plant, and equipment to fair value.

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
ACCUMULATED FUNDS				
Balance at 1 July	**2,303,631**	**1,650,943**	**2,291,970**	**1,637,445**
Transfers from ordinary reserves	97,067	44,219	97,067	44,219
Transfers to ordinary reserves	(50,725)	(38,581)	(50,725)	(38,581)
Transfers from restricted reserves	3,144	4,764	3,144	4,764
Transfers to restricted reserves	(6,057)	(5,884)	(6,057)	(5,884)
Transfers from property revaluation reserve on disposal	-	619,012	-	619,012
Prior year adjustments	-	-	407	-
Surplus/(deficit) for the year	60,672	29,157	62,007	30,995
TOTAL ACCUMULATED FUNDS AT 30 JUNE	**2,407,732**	**2,303,631**	**2,397,814**	**2,291,970**
i) Ordinary Reserves				
Balance at 1 July	**15,920**	**21,558**	**15,920**	**21,558**
Transfers from accumulated funds	50,725	38,581	50,725	38,581
Transfers to accumulated funds	(97,067)	(44,219)	(97,067)	(44,219)
Balance at 30 June	**(30,422)**	**15,920**	**(30,422)**	**15,920**
ii) Restricted Reserves				
Balance at 1 July	**22,628**	**21,508**	**22,628**	**21,508**
Transfers from accumulated funds	5,823	5,309	5,823	5,309
Transfers to accumulated funds	(3,144)	(4,764)	(3,144)	(4,764)
Interest earned on restricted reserves	234	575	234	575
Balance at 30 June	**25,541**	**22,628**	**25,541**	**22,628**

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
iii) Property, Plant and Equipment Revaluation Reserve				
Balance at 1 July	**1,615,651**	**1,930,686**	**1,643,362**	**1,954,448**
Revaluation gains/(losses)	1,673	303,977	7,837	309,461
Prior year adjustments	-	-	(408)	-
Deferred tax on revaluation	-	-	(1,658)	(1,535)
Transfer to accumulated funds - land under roads carried at cost	-	(619,012)	-	(619,012)
Balance at 30 June	**1,617,324**	**1,615,651**	**1,649,133**	**1,643,362**
FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSES				
Balance at 1 July	**251**	**101**	**251**	**101**
Change in fair value - unlisted shares	78	150	78	150
Balance at 30 June	**329**	**251**	**329**	**251**
TOTAL RESERVES AT 30 JUNE	**1,612,722**	**1,654,450**	**1,644,581**	**1,682,161**
TOTAL EQUITY AT 30 JUNE	**4,020,504**	**3,958,081**	**4,042,395**	**3,974,131**

	COUNCIL AND GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000
i) Ordinary Reserves consist of:		
Operating reserves	122	2,696
Development funds	(36,723)	5,009
Renewal and disaster funds	6,179	8,215
Total Ordinary Reserves	**(30,422)**	**15,920**
ii) Restricted Reserves consist of:		
Restricted reserves, trust and bequest funds	(3,079)	(1,979)
Waitara Perpetual Community Fund	28,620	24,607
Total Restricted Reserves	**25,541**	**22,628**

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
iii) Property, Plant and Equipment Revaluation Reserve consist of:				
Infrastructure	1,290,455	1,290,880	1,296,302	1,293,412
Operational land	56,019	56,019	70,219	69,975
Operational buildings	124,587	125,175	136,349	136,398
Restricted land	127,518	127,518	127,518	127,518
Restricted museum	6,755	6,637	6,755	6,637
Restricted art	11,990	9,422	11,990	9,422
Total Property, Plant and Equipment Revaluation Reserve	**1,617,324**	**1,615,651**	**1,649,133**	**1,643,362**

a) Ordinary and restricted reserves

	Activities to which the reserve is applied	Opening balance at 1 July 2025 $'000	Transfer to reserve $'000	Transfer from reserve $'000	Closing balance at 30 June 2026 $'000
ORDINARY RESERVES					
Agility Reserve Fund	All activities	287	-	-	287
Community Board Discretionary Fund	Governance	635	750	(748)	637
Community Housing Reserve	Community Partnerships	175	-	(98)	77
Economic Development and Covid-19 Reserve	Economic Development	548	500	(1,007)	41
Esplanade Strips	Infrastructure projects	(758)	-	-	(758)
Event Attraction Reserve	Venues and Events	200	-	-	200
Events Underwrite Reserve	Venues and Events	1,250	-	(1,050)	200
Forestry Reserve Fund	All activities	(521)	-	(382)	(903)
General Accounting Reserve Fund - GARF	All activities	426	-	(342)	84
NP Partners Minor Co-Funding Opportunities Reserve	Infrastructure projects	50	-	-	50
Ratepayer Assistance Scheme	Establishment of LGNZ Ratepayer Assistance Scheme	-	-	(300)	(300)
Refuse Collection Operating Reserve	Waste Management and Minimisation	(1,074)	588	-	(486)
TEMO Operational Fund	Emergency Management and Business Continuance	(270)	156	-	(114)
Waste Levy Operating Reserve	Waste Management and Minimisation	1,748	715	(1,356)	1,107
Development funds					
Development Contributions	Growth driven capital expenditure (excluding Water Supply, Wastewater Treatment)	5,009	3,286	(4,117)	4,178
Development Contributions: Wai Hononga	Growth driven capital expenditure (Water Supply, Wastewater Treatment only)	-	4,117	(45,018)	(40,901)
Renewal and disaster funds					
Disaster Recovery Fund	All activities, when uninsured losses are suffered	2,397	700	-	3,097
Renewal Reserve: General Assets	Capital expenditure for renewal of existing assets	28,223	11,069	(12,829)	26,463
Renewal Reserve: Kerbside Collection	Capital expenditure for renewal of existing assets	818	45	(680)	183
Renewal Reserve: Housing for the Elderly	Capital expenditure for renewal of existing assets	8	395	(528)	(125)
Renewal Reserve: Solid Waste	Capital expenditure for renewal of existing assets	4,041	101	-	4,142
Renewal Reserve: Stormwater	Capital expenditure for renewal of existing assets	(637)	3,682	(2,655)	390
Renewal Reserve: Transport	Capital expenditure for renewal of existing assets	(7,747)	5,637	(6,550)	(8,660)
Renewal Reserve: Wastewater	Capital expenditure for renewal of existing assets	(9,859)	6,965	(11,663)	(14,557)
Renewal Reserve: Water	Capital expenditure for renewal of existing assets	(9,029)	12,019	(7,744)	(4,754)
TOTAL ORDINARY RESERVES		**15,920**	**50,725**	**(97,067)**	**(30,422)**

	Activities to which the reserve is applied	Opening balance at 1 July 2025 $'000	Transfer to reserve $'000	Transfer from reserve $'000	Closing balance at 30 June 2026 $'000
RESTRICTED RESERVES					
Bequests and funds held in trust*	Govett-Brewster Art Gallery/ Len Lye Centre, Parks and Open Spaces, Puke Ariki and Community Libraries	592	220	-	812
Built Heritage Maintenance Fund	Approved non-Council heritage projects	339	161	(80)	420
Commercial Material Recovery Facility Reserve	Waste Management and Minimisation	(3,750)	-	-	(3,750)
Housing For Elderly Operating Reserve	Community Partnerships	294	432	(78)	648
Mayor's Emergency Relief Fund	Funds available for use at the Mayor's discretion	19	5	(8)	16
Natural & Cultural Heritage Maintenance Fund	Assist landowners with permanent fencing to exclude livestock	584	113	(219)	478
Sale of Junction Road Properties	Transportation	8,814	209	(1,324)	7,699
Solid Waste Development Fund	Waste Management and Minimisation	946	-	(342)	604
Sustainable Lifestyle Capital Reserve	All activities (restricted to capital expenditure only)	250	500	-	750
Urenui Onaero Sewer Development Fund	Wastewater Treatment	(10,067)	-	(689)	(10,756)
Waitara Perpetual Community Fund	Waitara Perpetual Community Fund, for expenditure in the Waitara geographical area approved by the Te Tai Pari Board	24,607	4,417	(404)	28,620
TOTAL RESTRICTED RESERVES		**22,628**	**6,057**	**(3,144)**	**25,541**

* Bequests and funds held in trust is comprised of Art Gallery No.1 Trust, Ngamotu Masonic Lodge Bursary Fund, bequest from Molly Morpeth Canaday, bequest from J T Gibson, bequests to Monica Brewster Art Gallery, bequests to Puke Ariki Library/Museum.

b) Purpose of each reserve

Council created reserves include self-insurance (disaster) reserves, trust and bequest reserves and reserves for different areas of benefit.

Renewal and disaster funds

The Council sets aside funding to meet the renewal of its infrastructural and operating assets to ensure the continued ability to provide services. The renewal funds are applied to all activities throughout Council. The Council maintains a disaster fund as part of its insurance strategies, which can be made available for specific unforeseen events. This reserve is built up annually from general rates and can only be used with Council approval.

Restricted reserves, Trust and bequest funds

These reserves have been created for funds which are restricted for a particular purpose such as bequests or operations in trust under specific Acts. Changing the use of the funds would need court or third party approval. Transfers from these reserves can be made only for certain specified purposes, or when specified conditions are met. Deductions are made where the funds have been used and interest is added to these reserves where applicable. Restricted reserves include the heritage funds, proceeds from sale of Junction Road leases, Ngāmotu Masonic Lodge Bursary Fund and certain bequest funds: Monica Brewster, Molly Morpeth Canaday and J T Gibson. These funds are applied to infrastructural asset activities and Puke Ariki and Len Lye Centre/Govett-Brewster Art Gallery activities.

Other reserves

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers. Any surplus or deficit relating to these separate areas is applied to the specific reserves. Other reserves include the following:

- **Operating reserve funds.** These are set aside to fund short-term operational matters such as holding short-term surpluses arising from water supply and wastewater treatment operations and some internal services.
- **Smoothing reserve funds**. These fund significant costs incurred generally every three years. An annual general charge is made to level out the impacts of these costs on rates. These include asset revaluations, Long-Term Plan audit fee, Council elections and orthophotography. These funds are applied to infrastructural services, some internal services and civic and democracy services.
- **Development funds.** These arise from development and financial contributions levied by the Council for capital works and are intended to contribute to the growth related capital expenditure in the infrastructural asset activities of Roads, Water Supply, Wastewater, Stormwater, Flood Protection, Parks, Recreation and Events, Puke Ariki and Govett-Brewster Art Gallery/ Len Lye Centre. These reserves also include the waste management and minimisation fund which was set up for capital, renewal and emergency maintenance works associated with the District's solid waste disposal systems.

c) Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The LGA 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 interest of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and other financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA 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 that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The LGA requires the Council to make adequate and effective provision in its Long-Term Plan and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The LGA also 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 funding and financial policies in the Council's Long-Term Plan.

25. Financial risk management

Accounting policy

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date the contract is entered into. They are subsequently remeasured to fair value each month with the associated gains or losses recognised in the surplus or deficit.

Derivative financial instruments are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Derivative financial instruments that are settled within 12 months are treated as current.

The Council does not designate any derivatives as hedging instruments.

Other financial instruments

PBE IPSAS 41 requires debt instruments to be subsequently measured at FVTSD, amortised cost, or FVTOCRE. This classification is based on the business model for managing the debt instruments, and whether the payments are for solely payments of principal or interest on the principal amount outstanding.

Council's debt instruments are solely comprised of contractual cash flows solely for payments of principal and interest, in line with basic lending arrangements. This assessment was based on the facts and circumstances as at the initial recognition of the assets.

PBE IPSAS 41 requires equity instruments to be classified at FVTSD. However, it permits entities to make an irrevocable election on transition to PBE IPSAS 41 to subsequently measure at FVTOCRE if the shares are not held for trading. The Council has elected to subsequently measure all of its shares at FVTOCRE.

a) Market risk

Interest rate risk

Interest rate risk is the risk that the Council may be affected by changes in the general level of interest rates. The Council is exposed to interest rate risk as it borrows funds at floating interest rates. The risk is managed by the use of interest rate swaps contracts (derivative financial instruments).

Under interest rate swap contracts the Council agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Council to mitigate the risk of changing interest rates on debt held.

The fair values of interest rate swaps are measured against the prevailing market conditions at balance date. The Council's interest rate swaps have been independently valued using Hedgebook software, which uses daily rate feeds of floating rate references such as BKBM (Bank Bill Market Rate) and BBSW (Bank Bill Swap Rate) from industry benchmark sources. The fair value of interest rate swaps are disclosed below.

	COUNCIL AND GROUP					
	Average Contract Fixed Interest		Notional Principal Amount		Fair Value	
Outstanding fixed or floating	2025/26 %	2024/25 %	2025/26 $'000	2024/25 $'000	2025/26 $'000	2024/25 $'000
Less than one year	3.66	3.39	24,000	14,000	(129)	(5)
One to five years	3.84	3.75	129,000	113,000	(1,778)	(1,748)
Greater than five years	4.01	3.96	14,000	54,000	(246)	(833)
	3.82	**3.76**	**167,000**	**181,000**	**(2,153)**	**(2,586)**

Sensitivity analysis

The tables below illustrate the potential surplus or deficit and equity (excluding accumulated funds) impact from possible market movements, with all other variables held constant, based on the Council and Group's financial instrument exposures at balance date.

30 JUNE 2026	COUNCIL AND GROUP			
	-100pbs		+100bps	
	Surplus/ (Deficit) $'000	Equity $'000	Surplus/ (Deficit) $'000	Equity $'000
Financial assets				
Cash at bank and term deposits	-	-	-	-
Derivative financial instruments	(8)	-	6	-
LGFA borrower notes	(243)	-	241	-
Financial liabilities				
Derivative financial instruments	(4,546)	-	4,332	-
Borrowings - secured loans	7,074	-	(7,074)	-
TOTAL SENSITIVITY	**2,277**	**-**	**(2,495)**	**-**

30 JUNE 2025	COUNCIL AND GROUP			
	-100pbs		+100bps	
	Surplus/ (Deficit) $'000	Equity $'000	Surplus/ (Deficit) $'000	Equity $'000
Financial assets				
Cash at bank and term deposits	-	-	-	-
Derivative financial instruments	(152)	-	144	-
LGFA borrower notes	(295)	-	295	-
Financial liabilities				
Derivative financial instruments	(5,892)	-	5,595	-
Borrowings - secured loans	8,886	-	(8,886)	-
TOTAL SENSITIVITY	**2,547**	**-**	**(2,852)**	**-**

b) 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. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits, which gives rise to credit risk.

The Council is exposed to credit risk as a guarantor of all of New Zealand Local Government Funding Agency's (LGFA) borrowings. Information about this exposure is explained in note 28.

The PIF invests in a variety of investments; equities, bonds and private equity funds. Credit risk is managed by diversification of the investment portfolio in accordance with advice from New Plymouth PIF Guardians Limited (NPG), which includes limits set on individual investments in any one financial institution or organisation.

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 debt from ratepayers.

The Council holds no collateral or credit enhancements for financial instruments that give rise to credit risk.

The Council's Treasury Management Policy limits the amount of credit exposure to any one financial institution or organisation. The Council's maximum credit exposure for each class of financial instrument is as follows:

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
MAXIMUM EXPOSURE TO CREDIT RISK				
Cash at bank and term deposits	52,812	42,552	57,936	45,118
Debtors and other receivables	20,721	22,864	21,386	24,104
Community and related party loans	37,312	36,327	2,213	3,228
LGFA borrower notes	12,234	11,141	12,234	11,141
Bonds, shares and other investments (PIF)	463,836	403,925	463,836	403,925
	586,915	**516,808**	**557,605**	**487,516**
CREDIT QUALITY OF FINANCIAL ASSETS				
Counterparties with credit ratings - cash at bank and term deposits and LGFA borrower notes				
AA- or higher	60,323	53,493	63,262	56,059
BBB+	4,724	200	6,908	200
TOTAL CASH AT BANK AND TERM DEPOSITS	**65,047**	**53,693**	**70,170**	**56,259**

c) 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 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 credit lines available.

The Council manages its borrowings in accordance with its funding and financial policies, which includes a Treasury Management Policy.

The Council has a maximum amount that can be drawn down against call facilities at two separate banks totalling $20m (2024/25: $20m). There are no restrictions on the use of the facilities. At balance date, nothing had been drawn down on these facilities (2023/24: $Nil).

The Council is exposed to liquidity risk as a guarantor of all of 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 26.

Contractual maturity analysis of financial liabilities (excluding derivative financial instruments)

The following tables analyse the Council's financial assets and liabilities (excluding derivative financial instruments) into maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments and receipts.

COUNCIL 2026	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000	Contractual cash flows $'000	Carrying amount $'000
Financial assets					
Cash and cash equivalents	42,777	-	-	42,777	42,777
Debtors and other receivables	20,721	-	-	20,721	20,717
Term deposits	10,207	-	-	10,207	10,035
Community and related party loans	3,533	11,813	30,819	46,165	37,312
LGFA borrower notes	2,068	9,547	2,087	13,702	12,234
TOTAL FINANCIAL ASSETS	**79,306**	**21,360**	**32,906**	**133,572**	**123,075**
Financial liabilities					
Creditors and other payables	28,954	-	-	28,954	28,954
Borrowings	169,223	232,458	65,809	467,490	429,785
TOTAL FINANCIAL LIABILITIES	**198,177**	**232,458**	**65,809**	**496,444**	**458,739**

COUNCIL 2025	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000	Contractual cash flows $'000	Carrying amount $'000
Financial assets					
Cash and cash equivalents	33,966	-	-	33,966	33,966
Debtors and other receivables	22,864	-	-	22,864	22,864
Term deposits	8,445	216	-	8,661	8,586
Community and related party loans	2,409	6,391	43,167	51,967	36,327
LGFA borrower notes	1,500	10,596	581	12,677	11,141
TOTAL FINANCIAL ASSETS	**69,184**	**17,203**	**43,748**	**130,135**	**112,883**
Financial liabilities					
Creditors and other payables	25,781	-	-	25,781	25,781
Borrowings	104,154	234,155	90,648	428,957	383,500
TOTAL FINANCIAL LIABILITIES	**129,935**	**234,155**	**90,648**	**454,738**	**409,281**

GROUP 2026	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000	Contractual cash flows $'000	Carrying amount $'000
Financial assets					
Cash and cash equivalents	47,901	-	-	47,901	47,901
Debtors and other receivables	21,386	-	-	21,386	21,386
Term deposits	10,207	-	-	10,207	10,035
Community and related party loans	620	157	-	777	2,213
LGFA borrower notes	2,068	9,547	2,087	13,702	12,234
TOTAL FINANCIAL ASSETS	**82,182**	**9,704**	**2,087**	**93,973**	**93,769**
Financial liabilities					
Creditors and other payables	29,420	-	-	29,420	29,420
Borrowings	169,223	232,458	65,809	467,490	429,782
TOTAL FINANCIAL LIABILITIES	**198,177**	**232,458**	**65,809**	**496,910**	**459,202**

GROUP 2025	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000	Contractual cash flows $'000	Carrying amount $'000
Financial assets					
Cash and cash equivalents	36,532	-	-	36,532	36,532
Debtors and other receivables	24,104	-	-	24,104	24,104
Term deposits	8,445	216	-	8,661	8,586
Community and related party loans	1,022	843	-	1,865	3,228
LGFA borrower notes	1,500	10,596	581	12,677	11,141
TOTAL FINANCIAL ASSETS	**71,603**	**11,655**	**581**	**83,839**	**83,591**
Financial liabilities					
Creditors and other payables	28,282	-	-	28,282	28,282
Borrowings	104,154	234,155	90,648	428,957	383,497
TOTAL FINANCIAL LIABILITIES	**132,436**	**234,155**	**90,648**	**457,239**	**411,779**

d) Fair value estimation

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

- Quoted market price (level 1). Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2). 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.
- Valuation techniques with significant non-observable inputs (level 3). 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.

	VALUATION TECHNIQUE			
	Total $'000	Quoted market price $'000	Observable inputs $'000	Significant non-observable inputs $'000
30 JUNE 2026 - COUNCIL				
Financial assets				
Bonds, shares and other investments (PIF)	463,837	359,691	-	104,146
Shares in Civic Financial Services Ltd and the LGFA	1,033	-	1,033	-
Derivative financial instruments	1	-	1	-
Financial liabilities				
Derivative financial instruments	2,154	-	2,154	-
30 JUNE 2025 - COUNCIL				
Financial assets				
Bonds, shares and other investments (PIF)	403,925	301,383	-	102,542
Shares in Civic Financial Services Ltd and the LGFA	955	-	955	-
Derivative financial instruments	24	-	24	-
Financial liabilities				
Derivative financial instruments	2,610	-	2,610	-
30 JUNE 2026 - GROUP				
Financial assets				
Bonds, shares and other investments (PIF)	463,837	359,691	-	104,146
Shares in Civic Financial Services Ltd and the LGFA	1,033	-	1,033	-
Derivative financial instruments	1	-	1	-
Financial liabilities				
Derivative financial instruments	2,154	-	2,154	-
30 JUNE 2025 - GROUP				
Financial assets				
Bonds, shares and other investments (PIF)	403,925	301,383	-	102,542
Shares in Civic Financial Services Ltd and the LGFA	955	-	955	-
Derivative financial instruments	24	-	24	-
Financial liabilities				
Derivative financial instruments	2,610	-	2,610	-

There were no transfers between the different levels of the fair value hierarchy.

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
BALANCE AT 1 JULY	**102,542**	**94,123**	**102,542**	**94,123**
Purchases	3,265	3,224	3,265	3,224
Sales	(14,751)	(3,426)	(14,751)	(3,426)
Gains and losses recognised in the surplus or deficit	13,090	8,621	13,090	8,621
BALANCE AT 30 JUNE	**104,106**	**102,542**	**104,106**	**102,542**

e) Reconciliation of movements in liabilities arising from financing activities

The table below provides a reconciliation between the opening and closing balance of liabilities with cash flows that were, or future cash flows that will be, classified as a financing activity in the Statement of Cash Flows.

	COUNCIL		GROUP	
	2025/26 Debentures and other loans $'000	2024/25 Debentures and other loans $'000	2025/26 Debentures and other loans $'000	2024/25 Debentures and other loans $'000
BALANCE AT 1 JULY	**383,500**	**329,644**	**383,497**	**329,641**
Cash inflows	117,363	85,000	117,363	85,000
Cash outflows	(71,078)	(31,144)	(71,078)	(31,144)
Non-cash changes	-	-	-	-
BALANCE AT 30 JUNE	**429,785**	**383,500**	**429,782**	**383,497**

f) Financial instrument risks

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. A balance is achieved through having variable terms that spread the risk of fluctuating interest rates. Council mitigates exposure to cash flow interest rate risk by having a mixture of floating and fixed loans and using interest rate swaps.

	COUNCIL AND GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000
Derivative financial instruments		
Current asset	1	6
Non-current asset	-	18
Current liability	(130)	(11)
Non-current liability	(2,024)	(2,599)
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS	**(2,153)**	**(2,586)**

Foreign exchange and equity price risk

Price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Council is exposed to equity securities price risk on its investments arising from market movements in listed securities.

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 exposed to currency risk on its investments as some are denominated in various foreign currencies.

Both price and currency risks are managed by diversifying the Council's investment portfolio in accordance with the Treasury Management Policy and advice from New Plymouth PIF Guardians.

	2025/26 $'000				2024/25 $'000			
	-100pbs		+100bps		-100pbs		+100bps	
	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity
PIF Investments								
Foreign exchange risk	(10,979)	-	-	10,979	(8,715)	-	8,715	-
Equity price risk	(27,473)	-	-	27,473	(22,486)	-	22,486	-
TOTAL SENSITIVITY	**(38,452)**	**-**	**-**	**38,452**	**(31,201)**	**-**	**31,201**	**-**

The PIF investments are fully hedged in the base currency, mitigating the foreign exchange risk.

The foreign exchange sensitivity is based on a reasonable possible movement in foreign exchange rates, with all other variables held constant, measured as a percentage movement in the foreign exchange rate.

g) Financial instrument categories

The acounting policies for financial instruments have been applied to the following categories.

Financial Assets	Financial Liabilities
FAIR VALUE THROUGH SURPLUS OR DEFICIT	**FAIR VALUE THROUGH SURPLUS OR DEFICIT**
Interest rate swaps - refer notes 25(a), 25(d)	Interest rate swaps - refer notes 25(a), 25(d)
Local Government Funding Agency borrower notes	
Investment in Tasmanian Land Company Limited	
Bonds, shares and other investments (PIF) – refer note 15	
AMORTISED COST	**AMORTISED COST**
Cash and cash equivalents – refer note 17	Creditors and other payables – refer note 19
Debtors and other receivables – refer note 18	Borrowings – refer note 20
Other financial assets – refer note 15	- Debenture stock
- Term deposits	- Local Government Funding Agency
- Loan to Papa Rererangi i Puketapu Ltd	
- Community loans	
FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE	
Other financial assets – refer note 15	
- Unlisted shares in Civic Financial Services Ltd and the LGFA	

The carrying amount is the approximate fair value for each of these classes of financial instruments, as shown in the Statement of Financial Position.

26. Related party transactions

The consolidated financial statements include the results and assets and liabilities of Council and other entities in which Council has a controlling interest. Related party disclosures have not been made for transactions with entities within the Group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such Group transactions.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that is it reasonable to expect Council and Group would have adopted in dealing with the party at arms-length in the same circumstances.

During the year councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the Council (such as payment of rates). These goods and services were supplied on normal commercial terms.

At 30 June 2026, Council was in the unique position of sharing a Chief Executive with Taranaki Regional Council. Whilst there were many transactions between New Plymouth District Council and Taranaki Regional Council during the year, all of these were completed on normal commercial terms.

During the 2025/26 year there were no related party transactions to disclose (2024/25: $250,000 was advanced from Council to TAFT on 20 January 2025 under the Facilities Agreement approved by Council on 11 July 2023. A further sum of $550,000 was advanced from Council to TAFT on 4 March 2025. Both amounts advanced were subject to interest of 4.50 per cent per annum. On 24 March 2025 TAFT repaid the advances to Council in full, including incurred interest of $3,204).

No provision has been required, nor any expense recognised, for impairment of receivables for any loans or other receivables to related parties (2024/25: $Nil).

Refer to note 7 for key management personnel disclosures.

27. Local Water Done Well

On 12 August 2025, Council adopted the Water Services Delivery Plan approving the establishment of a Water Services Council Controlled Organisation (WSCCO) for the delivery of drinking water and wastewater services. Council will retain ownership through holding 100 per cent of the entity's shares, with NPDC Councillors appointing the board and setting shareholder expectations which must be followed by the WSCCO. Council also nominates a NPDC representative to sit on the WSCCO Board.

The Water Services Delivery Plan also approved retaining the delivery of stormwater services within the Council.

In February 2026, Wai Hononga Water Services Limited (Wai Hononga) was established to with the intention of transferring drinking and wastewater services at 1 July 2027. As at 30 June 2026, Council had completed the set-up of the new entity, appointed a Board of Directors, secured an establishment team, set a Constitution and agreed to a Statement of Expectations with NPDC. Implementation remains on track relative to the approved timetable. The entity is currently in its contract delivery model phase with full establishment on track for transfer to take place on 1 July 2027.

While details of the assets and liabilities to be transferred on 1 July 2027 are still to be finalised, no contingent liabilities are expected to be transferred based on current information available. It has been agreed that NPDC will pay for Wai Hononga's establishment costs (as outlined below), which will then be transferred to Wai Hononga as part of the transfer agreement.

The current expected asset balances to be can be viewed under note 9 - Property, plant and equipment. Most of the assets relate to water and wastewater asset classes, but some assets from land and buildings may be transferring over but this is still yet to be determined. While the transfer of these water and wastewater assets will impact Council assets and liabilities, at a Group level there will not be a material impact.

Out of Council's total borrowings of $429.8m, $204.3m of these relate debt funding for property, plant and equipment for Water Supply and Wastewater Treatment activities is proposed to transfer to the new entity at 1 July 2027. Borrowings from Local Government Funding Authority totalling $204.3m are expected to be included in the transfer of assets and liabilities from Council to Wai Hononga Water Services Ltd on 1 July 2027.

For information regarding current revenue and expense for water and wastewater, refer to the Funding Impact Statements on pages 69 (Wastewater Treatment) and 73 (Water Supply). For depreciation, see note 9.

	COUNCIL	
	2025/26 Actual $'000	**2024/25 Actual $'000**
Personnel costs	1,037	-
Directors fees	182	-
Professional services	374	-
Other expenses	186	-
Secondees paid for by NPDC	(334)	-
Grant revenue from Department of Internal Affairs	(60)	-
NPDC Loan	50	-
NET ESTABLISHMENT COSTS	**1,434**	**-**

28. Contingent liabilities and assets

Contingent liabilities

Contingent liabilities include those items where a liability may be incurred if certain events or outcomes occur, or where a present obligation exists but the extent of the liability cannot be measured reliably for recognition in the financial statements.

Management consider the likelihood of a particular event or outcome occurring to determine whether a contingent liability should be disclosed. No disclosure is made when the possibility of an outflow of resources is considered to be remote. Where amounts are disclosed the amount shown is the maximum potential cost.

Emissions Trading Scheme (ETS)

The Council has 235.9 hectares (2023/24: 235.9 hectares) of pre-1990 forest land determined under the Climate Change Response Act 2002 (CCR). Under the ETS, the Council will incur financial penalties should the land be deforested as defined by CCR. There were no trees harvested in 2025/26 (2024/25: no trees harvested).

Local Government Funding Agency (LGFA)

The Council is both a shareholder and guarantor of the LGFA, which was incorporated in December 2011 with the purpose of providing debt funding to local authorities across New Zealand. Recently, LGFA's financial strength was reaffirmed with a domestic credit rating of 'AA+' from Fitch Ratings and 'AAA' from S&P Global Ratings, matching the credit rating of the New Zealand Government.

The Council is one of 30 local authority shareholders and 74 local authority guarantors of the LGFA. The aggregate amount of uncalled shareholder capital 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 LGFA's borrowings. This is based on the Council's rates as a proportion of the total rates for all guaranteeing local authorities. At 30 June 2026, LGFA had borrowings totalling $26.55b (2024/25: $25.53b).

Financial reporting standards require the Council to recognise the guarantee 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 LGFA defaulting on repayment of interest or capital to be very low on the basis that the Council is 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.

Riskpool

NPDC previously obtained public liability and professional indemnity insurance cover as a member of the New Zealand Mutual Liability Riskpool scheme until 30 June 2017. Riskpool operated as a mutual fund where each member made an annual contribution to obtain cover, however, should claims exceed contributions then calls can be made on the members of that fund year, for the shortfall amount. The scheme is in wind-down. The council has an on-going obligation to contribute to the scheme should a funding call be made in respect of historical claims (to the extent those claims are not covered by reinsurance or where reinsurance recovery is delayed), and to fund the on-going operations of the scheme. Ongoing litigation involving other Council members of Riskpool has introduced a high level of uncertainty about both the level of the council's potential financial exposure and its timing. At this stage, Riskpool cannot quantify the total potential liability associated with these matters.

A call of $34,402 was made during the year to 30 June 2026 (2024/25:$34,402 with a provision of $89,070 made to reflect a payment made in August 2025).

Event underwriting

In May 2021 Council entered into an agreement to underwrite the Taranaki Arts Festival Trust for an one off payment up to $1.9m in case of a pandemic related cancellation of WOMAD between 2022 and 2026 inclusive. The underwrite is for a period of five years.

The cancellation of the 2022 WOMAD was funded by Central Government and no claims were made against the current agreement as at 30 June 2026.

Weather events

A large slip occurred on Council owned reserve land as a result of heavy rainfall events in July 2022, which has affected adjoining land owners' property. Council has completed a range of legal and geotechnical assessments and decided not to contribute to remediation of the slip. It is currently too early to determine whether any formal claim will be made against Council as a result, and what the financial exposure might be.

Aside from emails asserting that Council needs to act, no formal proceedings have been initiated since Council declined to financially contribute to any remedial works on the slipped land on 8 March 2023, and this matter will now be removed from these reports. Regular inspections and clearing of the fan drains is ongoing.

Reasonable care

It is claimed that Council has not exercised reasonable skill and care and is liable for costs to remediate construction defects and associated damage to a residential building. A Statement of Defence was filed on 1 September 2023. The Plaintiff appealed to the Court of Appeal. In February 2026, the Plaintiff abandoned their appeal and the Court ordered for costs to fall where they lay. Subsequently, the Plaintiff has now advanced a claim for $5m in negligence damages against Council. Council has notified the insurers and engaged in external advice.

Construction defect

It is claimed a Code Compliance Certificate should not have been issued on a commercial property. On 27 March 2025 the Council was served with High Court proceedings relating to a commercial property, to which Council consented, inspected and issued a code compliance certificate. Alleged defects have materialised, and the building's owners have obtained an expert opinion that alleges non-compliance with the building code. Council has notified the insurers and filed a Statement of Defence denying that it was negligent. It should be noted that the claim against Council is not yet quantified however the Plaintiff has alleged remediation work to be $3.1m. Council is to begin retaining experts shortly. It is likely that this matter will proceed to mediation as a first step and Council has indicated its openness for this to occur.

Environmental appeal

The Council is involved in an Environment Court proceeding involving a Site of Significance to Māori in its proposed District Plan. Mediation is currently ongoing with this matter. There remain a small number of outstanding topics that are yet to be resolved and/or involve ongoing mediation. These relate to the Hazardous Substances Chapter and some site specific heritage topics. A one day hearing is scheduled for July 2026.

The Proposed District Plan appeals do not contain any financial claims or potential liabilities, other than the small prospect of an adverse costs award against Council. This would only occur if Council were unsuccessful, and the Court departs from its usual practice for plan review appeals which is to let costs lie where they fall. .

There are no other known material contingent liabilities as at 30 June 2026 apart from those disclosed above (2024/25: Nil).

Contingent assets

There are no known material contingent assets as at 30 June 2026 (2024/25: Nil).

29. Finance income and finance costs

	COUNCIL		GROUP	
	2025/26 Actual $'000	2024/25 Actual $'000	2025/26 Actual $'000	2024/25 Actual $'000
Finance income				
Interest income - term deposits	2,119	3,603	2,156	3,678
Interest income - related party loans	1,404	1,285	3	6
Total finance income	**3,523**	**4,888**	**2,159**	**3,684**
Interest on bank borrowing (note 19)	(16,290)	(16,598)	(16,290)	(16,599)
IRD use of money	-	(25)	-	(25)
Total finance costs	**(16,290)**	**(16,623)**	**(16,290)**	**(16,624)**
NET FINANCE COSTS	**(12,767)**	**(11,735)**	**(14,131)**	**(12,940)**

30. Events occurring after the balance date

Simplifying Local Government Reform

In November 2025, the Government announced plans to simplify local government by creating more unitary authorities, organisations that carry out both regional and district council functions. NPDC and Taranaki Regional Council began looking at what that could mean for Taranaki, with the aim of working collaboratively with all four councils in the region.

In May 2026, the Government announced the Head Start Pathway. If councils did not take part, or if their proposals were rejected, the Government would make the decision through the Backstop process after the 2028 local body elections. Council and Taranaki Regional Council developed the 'Pathfinder' proposal which was submitted to the Government on 7 August 2026 to contribute to the Head Start discussion. Pathfinder does not meet the official Head Start criteria, because an outline proposal can only be made by at least two district councils. However, the proposal is intended to help inform the Government's next steps for Taranaki.

On 24 September 2026, the Government announced that Head Start proposals would not be considered until early 2027. As such, the outcome and timing of the reforms is uncertain. The financial statements are prepared on a going concern basis due to the uncertainty over the outcome and timing of any change.

New Plymouth District Council Funding Impact Statement

Ngā tuhituhi ki ngā Tauāki Pūtea

for the year ended 30 June 2026

	Long-Term Plan 2024/25 $'000	Annual Report 2024/25 $'000	Annual Plan 2025/26 $'000	Actual 2025/26 $'000
Sources of operating funding				
General rates, uniform annual charges, rates penalties	91,040	90,901	95,440	95,661
Targeted rates	56,770	57,357	65,530	66,633
Subsidies and grants for operating purposes	10,690	14,031	8,980	10,450
Fees and charges	36,870	33,249	43,530	36,547
Interest and dividends from investments	17,380	20,082	18,790	21,136
Local authorities fuel tax, fines, infringement fees, and other receipts	1,330	1,360	1,560	1,309
Total operating funding (A)	**214,080**	**216,979**	**233,830**	**231,736**
Applications of operating funding				
Payments to staff and suppliers	168,030	164,724	178,090	180,608
Finance costs	16,440	16,623	18,320	16,290
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	**184,470**	**181,347**	**196,410**	**196,898**
Surplus/(deficit) of operating funding (A - B)	**29,610**	**35,633**	**37,420**	**34,838**
Sources of capital funding				
Subsidies and grants for capital expenditure	33,050	30,652	14,900	21,351
Development and financial contributions	6,630	3,844	10,330	3,286
Increase in debt	39,000	53,903	64,000	44,128
Gross proceeds from sale of assets	5,170	1,246	1,360	1,415
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	**83,850**	**89,645**	**90,590**	**70,180**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	16,150	16,231	15,760	9,643
- to improve the level of service	62,500	49,330	67,020	44,324
- to replace existing assets	43,100	43,429	52,850	46,065
Increase/(decrease) in reserves	(8,290)	11,616	(9,960)	6,351
Increase/(decrease) of investments	-	4,671	2,340	(1,365)
Total applications of capital funding (D)	**113,460**	**125,277**	**128,010**	**105,018**
Surplus/(deficit) of capital funding (C - D)	**(29,610)**	**(35,632)**	**(37,420)**	**(34,838)**
FUNDING BALANCE (A - B) + (C - D)	**-**	**-**	**-**	**-**

Other information to be provided
Clause 5(4), Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense				
Depreciation expense	53,470	58,749	65,750	65,011
less deferred/unfunded	(22,560)	(27,855)	(29,950)	(29,203)
Net funding transferred to renewals reserves	**30,910**	**30,894**	**35,800**	**35,808**

New Plymouth District Council Funding Impact Statement	Long-Term Plan 2024/25 $'000	Annual Report 2024/25 $'000	Annual Plan 2025/26 $'000	Actual 2025/26 $'000
Reconciliation				
Total operating funding	214,080	216,979	233,830	231,736
Plus - Subsidies and grants for capital expenditure (note 5)	33,050	30,652	14,900	21,351
Plus - Development contributions (Statement of Comprehensive Revenue and Expense)	6,630	3,844	10,330	3,286
Plus - Waitara Lands gain (note 6)	-	560	-	661
Plus - Contributions vested assets (note 6)	5,090	4,579	5,210	5,426
Plus - Net gain on other investments (note 6)	9,400	2,161	9,570	3,819
Plus - Settlement received (note 6)	-	25	-	-
Plus - Net Gain on Perpetual Investment Fund (note 15)	-	40,586	-	77,621
Plus - Gain on sale of assets	3,850	-	-	-
Plus/(Less) - Other revenue	-	176	(20)	368
Less - Perpetual investment Fund withdrawal (note 15)	-	(11,800)	-	(12,262)
Less - Perpetual Investment Fund direct expenses (note 15)	-	(3,327)	-	(5,173)
Operating revenue as per Statement of Comprehensive Revenue and Expense	**272,100**	**284,436**	**273,820**	**326,834**
Total applications of operating funding	184,470	181,347	196,410	196,898
Plus - Depreciation and amortisation (Statement of Cashflow)	53,470	58,750	65,750	65,011
Plus - Loss on sale of fixed assets (note 8)	-	8,486	-	3,847
Plus - Impairment of receivables (note 8)	-	291	-	1
Plus - Loss on derivatives (note 8)	-	5,856	-	-
Plus/(Less) - Forestry asset revaluation loss (note 8)	2,180	44	-	-
Plus - Other expenses	-	106	200	65
Operating expenditure as per Statement of Comprehensive Revenue and Expense	**240,120**	**254,880**	**262,360**	**265,822**
Less - Share of joint ventures surplus	-	399	-	340
SURPLUS AS PER THE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE	**31,980**	**29,157**	**11,460**	**60,672**

Disclosure Statement

Tauākī Whawhāki

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 benchmark

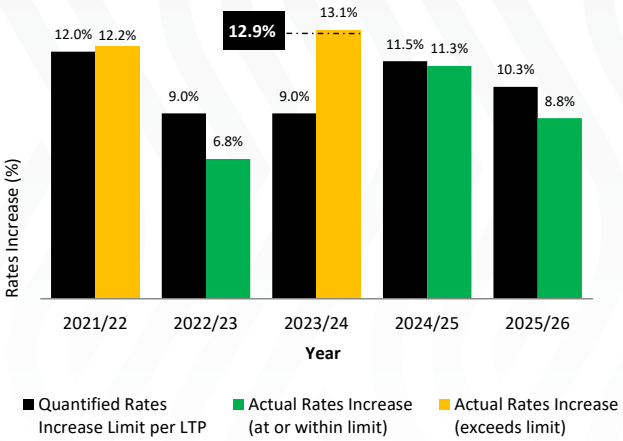
The Council meets the rates affordability benchmark if its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (increase) affordability

The following graph compares the Council's actual rates increases (excluding targeted rates) with a quantified limit on rates increases contained in the Financial Strategy included in the Council's LTP. The quantified limits for each year are as follows:

- 2021/22 - it must not exceed 12 per cent.
- 2022/23 - it must not exceed the 9 per cent limit set in the LTP 2021-2031.
- 2023/24 - it must not exceed the 9 per cent limit set in the LTP 2021-2031, however rates were reset to 12.9 per cent in the Annual Plan 2023/24.
- 2024/25 - it must not exceed the 11.5 per cent limit set in the LTP 2024-2034, however the quantified limit calculation in the Financial Strategy was changed from 'average rate increase' to 'average residential rate increase'.
- 2025/26 - it must not exceed the 10.3 per cent limit set in the LTP 2024-2034.

In 2023/24 rates, rates were reset in the Annual Plan to 12.9 per cent to account for the cost increases post covid pandemic and higher inflationary due to challenging global economic factors, however, the increase was slightly above planned by 0.2 per cent. The measure was achieved in 2020/21, 2022/23 and 2024/25.

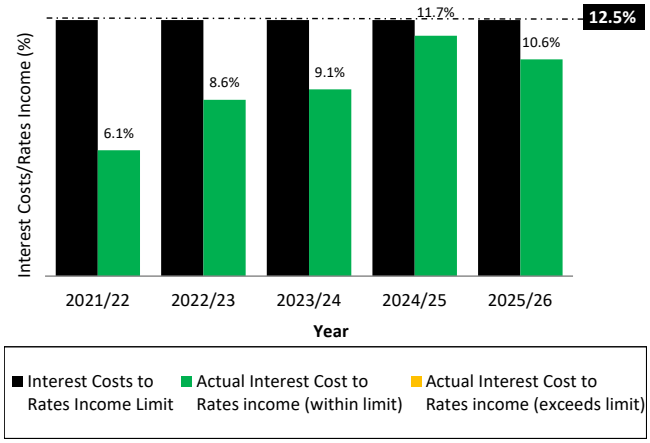


Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

Debt (expense) affordability

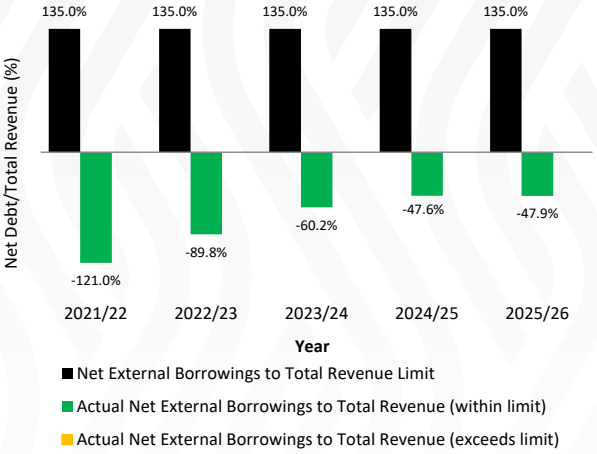
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the Financial Strategy included in the Council's LTP. The quantified limit is that interest costs on external debt should be less than 12.5 per cent of annual rates revenue.



Debt affordability

The following graph compares NPDC's planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this LTP. The quantified limit per the Financial Strategy is for net external borrowings to be no more than 135 per cent of total revenue.

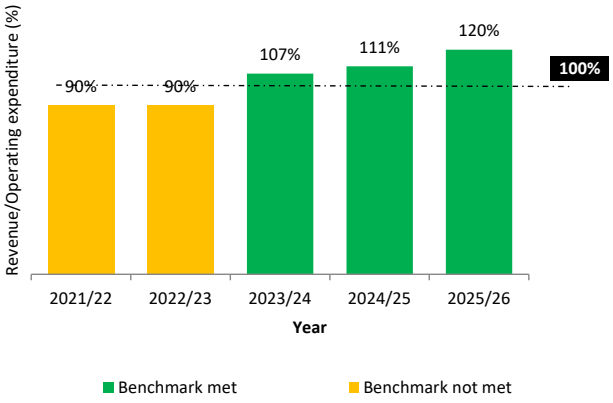
The results are well below target. The negative numbers means we actually have more in liquid assets than we owe, so our net debt is effectively zero.



Balanced budget benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative instruments and revaluations of property, plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment). The Council meets this benchmark if its revenue equals or is greater than its operating expenses.

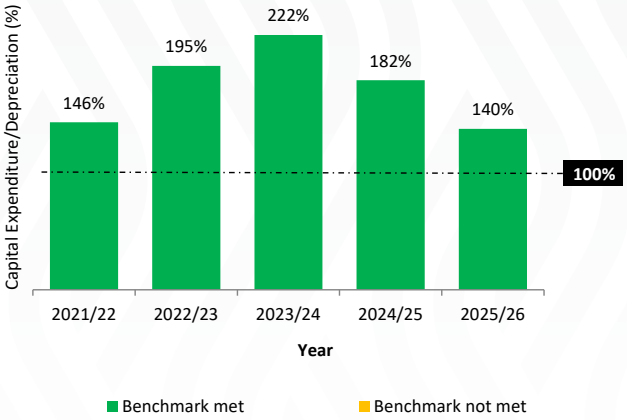
In 2021/22 and 2022/23, inflation and asset revaluations have led to heightened asset depreciation on long-life assets, further impacting the benchmark. This increase, however, was not funded by rate payers, resulting in escalated costs without a corresponding rise in revenue.



Note: Prior years have been updated to include gain on investments in revenue and loss of Property, Plant and Equipment in operating expenditure as per guidelines.

Essential services benchmark

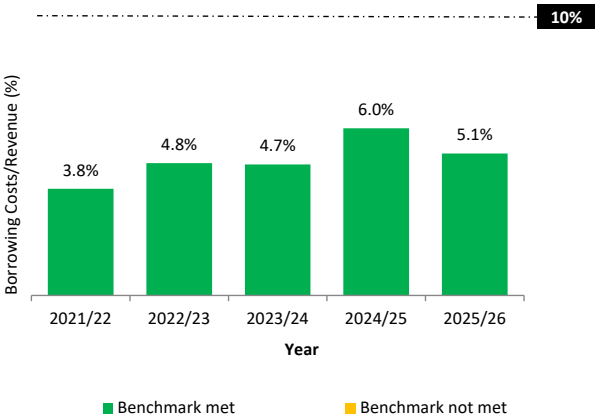
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services is greater than depreciation on network services.



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 instruments and revaluations of property, plant or equipment).

Because Statistics New Zealand projects the population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowings costs equal or are less than 10% of its revenue.

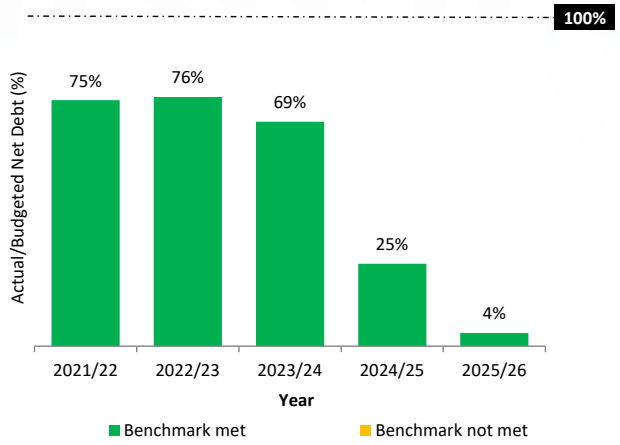


Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities(*) less financial assets (excluding trade and other receivables). The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

In the 2025/26 financial year, the Council had more financial assets than expected in the Long-Term Plan. Because net debt is worked out by subtracting financial assets from total debt, this increase in assets meant the actual net debt was much lower than planned.

As shown in the graph, the ratio of actual net debt to planned net debt was well below 100 per cent. This indicates strong financial performance and effective asset management during the year.

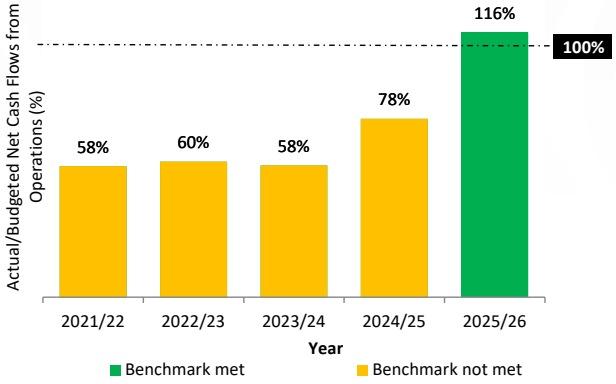


(*) Financial liabilities include the Waitara Lands Act Liability.

Operations control benchmark

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

From 2021/22 to 2023/24 the timing of budgeting and receipting of government grants has impacted the benchmark significantly due to projects delivery been behind the budgeted timeline, consequently delaying the receipting of grants. For 2024/25, the variance between Actual and Budget net operating cash flows was $13.9m. This variance was mainly due to lower greenfield development contributions ($3m), lower revenue from the comercial sorting depot facility ($1.6m) and delayed forestry harvest ($3.6m) due to low log prices..





Council Controlled Organisations

Ngā Tōpūtanga Mā Te Kaunihera e Whakahaere

Forestry Joint Ventures

Nature and scope of activity

The Council has two joint venture forestry developments that have varying levels of Council ownership (55 to 57 per cent) and are therefore deemed to be Council Controlled Organisations. For convenience they are covered by one combined statement of intent. The woodlots will complement the harvest regime of the Council's own forestry investment activities.

Forest plantations have been established under the following agreements:

- McKay Family Joint Venture (57 per cent) – 83.5 hectares.
- Duthie Joint Venture (55 per cent) – 22.7 hectares.

Under the joint venture agreements a total of 95.3 hectares are managed. The landowners of each joint venture provide land and property related inputs. The Council provides management and tending programmes for the crop. Both parties share the returns from the forest harvest on an agreed ratio of respective inputs.

The Council's longer-term objective for these investments is to review its involvement after each joint venture is harvested.

Key performance results for 2025/26

Silvicultry and harvesting

1. Complete all programmes outlined in the Forest Management Plans and Agreements.

   Assessment: All programmes outlined in the Forest Management Plan for 2025/26 have been completed.

2. Report annually in compliance with agreements.

   Assessment: The joint venture forest has been inspected by Taranaki Forestry Services with reports sent to the owners annually.

Financial Performance

	Actual 2025/26 ($m)	Budget 2025/26 ($m)	Projected 2026/27 ($m)	Projected 2027/28 ($m)
Operating expenditure (NPDC funded)	22	24	10	10

Significant policies and objectives on ownership and control

These joint ventures were originally set up to augment the harvest rotation for Council owned forestry. The Council will currently retain the joint ventures to harvest and then review its future position. There are no formal board structures.

New Plymouth PIF Guardians Limited

Nature and scope of activity

New Plymouth PIF Guardians Limited (NPG) is a 100 per cent Council owned company with an independent board of directors. NPG was formerly Taranaki Investment Management Limited and changed its name during 2017 when Council resolved to change the organisational architecture for the management of the Perpetual Investment Fund (PIF) by moving to a full outsourced model. Mercer New Zealand Limited (Mercer) manage the PIF.

Key performance results for 2025/26

Operational performance

A Governance Deed was entered into between the Council and NPG on 1 March 2017 and sets out the objectives for the management of the PIF:

1. Portfolio return target: A prime focus for the Council is to ensure that returns from the PIF are at a level that meets its objectives for the fund. The total return on the portfolio (net of all costs) measured on a rolling five-year basis is currently a target of 3.3 per cent per annum plus NZ inflation (as measured by the Consumers Price Index).

   Assessment: Actual return net of costs was 17.9 per cent[1] for the 12-month period to 30 June 2026. The total return of the portfolio for the past five years is 9.2 per cent per annum which is 1.5 per cent above the rolling five-year target.

2. Market comparison target: The portfolio has two distinct categories of assets:

   a) Listed Securities (equities/fixed income/cash) comprising $278.3m.

      The return on this proportion of the portfolio is targeted to be 0.5 per cent per annum above the weighted average benchmark, before fees. NPG will measure and report on these securities quarterly, annually and on a rolling five-year basis.

      Assessment: The total gross return on these securities for the 12-month period to 30 June 2026 was 19.8 per cent which was 0.1 per cent better than the benchmark of 19.7 per cent.

   b) Unlisted Securities (private equity/alternative assets) comprising $185.6m[1].

      These assets are illiquid, are largely not traded on markets and are valued infrequently. Therefore, performance cannot be compared to benchmark returns on a short-term basis. NPG will report on the performance of these securities annually.

      Assessment: The return for the 12-month period to 30 June 2026 from private equity and alternative assets was 15.1 per cent[1].

3. Reporting target

   Provide a quarterly report to the shareholder covering activities undertaken by the Company, and the performance of and significant issues relating to the Perpetual Investment Fund. The report will provide the information outlined in the Governance Deed.

   Assessment: Quarterly reports have been provided throughout the year with information provided as per the Governance Deed.

4. Timely response target

   Provide investment advice within one month to the shareholder on any significant developments that may have an impact on either the income stream to the Council or the value of the Council's PIF.

   Assessment: Information has been provided by the Directors in a timely manner throughout the year. Mercer provided monthly reports to the shareholder during the year.

[1] NPG adopted its 2025/26 Annual Report on 21 September 2026. Subsequent to this date, updated valuations for private equity investments within the PIF as at 30 June 2026 were released. The figures presented above incorporate these updated valuations and therefore differ from those presented in NPG's Annual Report.

Financial performance

1. NPG is operated on a full cost recovery basis and is therefore budgeted to operate at a nil net cost.

Assessment:

	Actual 2025/26 ($m)	Budget 2025/26 ($m)	Projected 2026/27 ($m)	Projected 2027/28 ($m)
Operating revenue/expenditure	286	385	392	400
Net profit	-	-	-	-

Fund performance

1. PIF release payment and closing balance of the fund target.

	Actual 2025/26 ($m)	Budget 2025/26 ($m)	Projected 2026/27 ($m)	Projected 2027/28 ($m)
Release payment	12.5	12.2	12.7	13.2
Closing balance of the fund	458.3	412.2	421.4	430.2

Significant policies and objectives on ownership and control

The performance of Mercer will be monitored and reviewed by NPG, a Council Controlled Organisation with a board of highly experienced directors.

Papa Rererangi i Puketapu Limited

Nature and scope of activity

In July 2017, the Council established Papa Rererangi i Puketapu Ltd (PRIP) as a separate Council Controlled Trading Organisation (CCTO) to manage the full operations of New Plymouth Airport and to oversee a major redevelopment of the Airport's terminal and surrounding infrastructure. The Council still retains ownership of the Airport company, the Aerodrome Operator Certificate and is the sole shareholder. On 26 September 2025, Te Matakupenga Limited was incorporated as a 100 per cent subsidiary of PRIP as owner of the solar farm located at New Plymouth Airport.

The organisation is classed as a semi-commercial investment within the Council's Investment Policy.

PRIP's prime purpose is to operate the Airport on a sustainable commercial basis, to optimise the use of its assets and generate a reasonable return on investment.

The key to this is to ensure the ongoing safe and successful operation of the Airport, whilst facilitating tourism and trade by working with the airlines to increase passenger numbers and develop other commercial activity.

The Airport provides services to allow the safe and efficient facilitation of travellers and freight and, ancillary to this, it leases terminal space and land at the Airport.

In the management of the Airport operations, PRIP has the autonomy to set the following charges at the Airport:

- All fees and associated charges in respect to vehicle parking.
- All landing and parking charges from regular passenger transport services.
- All landing and parking charges from general aviation aircraft.
- All revenue from tenant's leases and rents, licences, concession based contracts and lessees outgoings.

The Airport is viewed as an essential infrastructure asset for the district and the Taranaki region and has a key role to play in the economic performance, growth and development of the area. PRIP will work collaboratively with the Council, the Venture Taranaki Trust, the Taranaki Chamber of Commerce and other key stakeholders, ensuring a combined approach to achieve the region's desired strategic goals.

Key performance results for 2025/26

Operational performance

1. Maintain the Airport facilities to avoid any disruption of scheduled commercial flights other than for weather or airline related problems.

   Assessment: The existing Airport facilities have been well maintained throughout the year and there has been no diversion of regular passenger transport services resulting from Airport operations

2. Meet all the operating, maintenance, capital expenditure and interest costs from Airport revenue ((including recovery of the aeronautical portion through landing charges).

   Assessment: All operating costs associated with the day-to-day management of the Airport have been met from Airport revenue. Loans have been made available from NPDC to assist with capital expenditure have been taken up in the 2026 financial year and interest is being fully serviced from Airport revenue.

3. Recovery of the aeronautical portion of Airport operational costs through landing charges.

   Assessment: Passenger numbers have continued to decrease compared to 2025 numbers and not increased to forecasted levels as the cost of living crisis impacted on the return of passenger numbers back towards pre-COVID numbers.

4. Manage New Plymouth Airport in full compliance with the approved operating procedures of the Civil Aviation Authority Rule Part 139.

   Assessment: Under an agreement with the Civil Aviation Authority (CAA), PRIP manages the Airport on behalf of the Aerodrome Operator Certificate holder, NPDC. During the period the Airport has been managed in full compliance with the CAA Rule Part 139.

Financial Performance

	Actual 2025/26 ($m)	Budget 2025/26 ($m)	Projected 2026/27 ($m)	Projected 2027/28 ($m)
Operating revenue	11.9	11.4	12.3	13.1
Operating expenditure	5.1	4.9	4.9	5.1
Depreciation, interest and tax	5.9	5.4	5.9	6.1
Net profit/(loss) after tax	**0.9**	**1.1**	**1.5**	**1.9**

Revenue assessment: Passenger numbers have continued to track below both 2025 levels and forecast expectations. Ongoing cost of living pressures have impacted travel demand, resulting in a slower than anticipated recovery towards pre-COVID passenger volumes. In addition, flight reductions associated with the Iran conflict and resulting disruptions to airline operations have further constrained passenger growth during the period.

The major revenue streams, landing charges and car parking revenues, were higher as a result of pricing increases passed on to the consumer, while rental revenue was marginally lower. The Group also earned energy revenue of $1,233,782 from the solar farm and private energy network, a new revenue stream in 2026. Revenue was $11,940,489, which was an increase of 5.1 per cent on a forecast of $11,361,000.

Expenses assessment: Operational expenses were over budget circa $198,000. The main contributing factors were the first year of solar farm and energy network operating costs and inflationary cost rises in other operating expenditure.

Significant policies and objectives on ownership and control

PRIP operates as a standalone company governed by an independent skills based Board of directors and employs its own Chief Executive and staff. All Airport operations and assets are managed by the PRIP Chief Executive who has overall responsibility for implementing the company's strategic direction.

Venture Taranaki Trust

Nature and scope of activity

Venture Taranaki Trust (Venture Taranaki) is a Council Controlled Organisation whose Board of Trustees is appointed by the Council. Venture Taranaki is the economic development agency and regional tourism organisation for the Council, responsible for delivering the Council's active economic development and tourism initiatives as set out in its statement of intent. Its vision is "Together, a thriving region for all".

Venture Taranaki's objectives are to:

- Provide leadership and support for the development and implementation of local, regional and national strategies for the creation of a vibrant and prosperous New Plymouth District economy and Taranaki regional economy.
- Facilitate, promote, encourage and support sustainable business growth, investment and employment opportunities in New Plymouth District and the Taranaki region.
- Support and recognise the district's commercial enterprises, large and small, mature or start-up to establish, flourish and prosper.

The nature and scope of Venture Taranaki activities for the present and future members of the community resident in the Taranaki region include:

- Promote the New Plymouth District and the Taranaki region as a vibrant and desirable place to work, live, learn, play and invest.
- Facilitate, promote and support sustainable business growth, innovation, investment and employment opportunities in Taranaki.

Key performance results for 2025/26

Operational performance

Activity	Outcomes 2025/26
1. Attract or retain **six major events** (funded in accordance with the criteria of the major events fund).	Achieved - 26 attraction opportunities identified and supported.
2. The **annual additional funding of 20 per cent secured** for the provision of regional development programmes, projects and services into Taranaki in line with regional strategy such as Tapuae Roa, subject to central Government policy and funding.	Achieved - additional funding of 26 per cent secured.
3. Client satisfaction across all business support services, events, programmes and initiatives (**Net promotor score 40+**).	Achieved - net promoter score of 78.3.
4. **Ten events**, programmes or initiatives to drive change and support regional strategy objectives such as Tapuae Roa and Taranaki 2050.	Achieved - 24 events held.
5. Performance measures and reporting requirements of **external contracts (such as central government) are achieved by 90 per cent.**	Achieved - 96 per cent of reporting requirements and performance measures met.

Financial performance

Funds received from Council are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the Trust Deed.

	Actual 2025/26 ($m)	Budget 2025/26 ($m)	Projected 2026/27 ($m)	Projected 2027/28 ($m)
Operating expenditure (NPDC funded)	6.5	6.6	6.0	6.3

Significant policies and objectives on ownership and control

The Council appoints trustees to the Venture Taranaki Trust. This is to ensure the necessary independence, public credibility and specialised governance that the trust needs in order to be effective in delivering economic development programmes, while retaining accountability to the district's community.



Auditor's Report

Pūrongo Kaiarotake Pūtea

The Audit Office
Te Mana Arotake

Independent Auditor's Report

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

The Auditor-General is the auditor of New Plymouth District Council (the Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Chris Webby, 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

In our opinion:

- the financial statements on pages 78 to 151 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 Council Services statements for the year ended 30 June 2026 on pages 18 to 73:
  - 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 152, 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 23 to 73 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 23 to 73, 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 Matter: Simplifying Local Government reform

The government has announced it wants to simplify local government, including reducing the number of local authorities by amalgamations within regions. As described in note 30, the Council is not yet part of an amalgamation proposal and any future change may be determined through a backstop process following the 2028 local elections. The eventual outcome for the Council is dependent on future cabinet decisions and enactment of enabling legislation. Because of the significant uncertainty about the outcome and timing of any future reorganisation, the financial statements have continued to be prepared on a going concern basis. Our opinion is not modified in respect of this matter.

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/or 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/or 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 in relation to the Council's debenture trust deed, which is compatible with the independence requirements. Other than the audit, our report on the disclosure requirements, and these engagements, we have no relationship with, or interests in, the Council or the Group.



Chris Webby
The Audit Office
On behalf of the Auditor-General
Palmerston North, New Zealand

29 October 2026

Statement of Compliance and Responsibility

Te Tauāki Tūtohu me Takohanga

The Council and management of New Plymouth District Council confirm that all statutory requirements of the Local Government Act 2002 in relation to the Annual Report have been complied with.

Responsibility

The Council and management of New Plymouth District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.

The Council and management of New Plymouth District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and the management of New Plymouth District Council, the annual financial statements for the year ended 30 June 2026 fairly reflect the financial position, operations and service performance of New Plymouth District Council.

Max Brough
Mayor

Kelvin Wright
Chief Executive



Contact NPDC
P: 06-759 6060 E: enquiries@npdc.govt.nz

More information:

npdc.govt.nz NewPlymouthDistrictCouncil Antenno @NPDCouncil

Resolution to Exclude the Public

That the public be excluded from the following parts of the proceedings of this meeting. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item	Public excluded reason	Plain English reason	Potential release
Minutes of the public excluded section of the previous board meeting of 14 October 2026	Section 7(2)(f)(i), (ii), (h), (i) and (j)		Not applicable
People, Organisation and Resourcing Report	Section 7(2)(a) and 7(2)(i)	The report contains personal information about employees, contractors and secondees, and discusses ongoing recruitment and resourcing decisions. Releasing this information would unreasonably intrude on individual privacy and could prejudice the ability of Wai Hononga to conduct employment and recruitment processes effectively.	Not applicable
Between Meetings – Noting Report Mangati Sewer Pump Statin Emergency Storage Project	Section 7(2)(b)(ii) and 7(2)(i)	The report contains commercially sensitive tender information. Release before contract award could prejudice tenderers' commercial positions and disadvantage the Council's negotiations. These risks outweigh the public interest in disclosure at this stage.	January 2027
Water Services Strategy Revenue Assumptions	Section 7(2)(f)(i) and 7(2)(b)(ii)	This report discusses commercially sensitive assumptions that support the Water Services Strategy (WSS) financial model. The assumptions are still being tested and refined, and the Board needs to be able to discuss them openly and frankly before final decisions are made	6 March 2027

Due Diligence Update	Section 7(2)(g) and (h)	The report and register contain confidential legal advice and commercially sensitive information about due diligence matters that are still being worked through. Releasing this information now could undermine legal privilege and prejudice the organisation's commercial position	The information may be considered for release when the due diligence actions are complete, subject to any continuing grounds for withholding legally privileged or commercially sensitive material.
Transfer Agreement: Endorsement and approval to release	Section 7(2)(g) and Section 7(2)(i)	This report contains legal advice relating to the Transfer Agreement and reflects the negotiating position of Wai Hononga. Negotiations with NPDC are ongoing, and releasing the document could prejudice those negotiations by revealing that position.	No release date – protection of negotiating position continuing