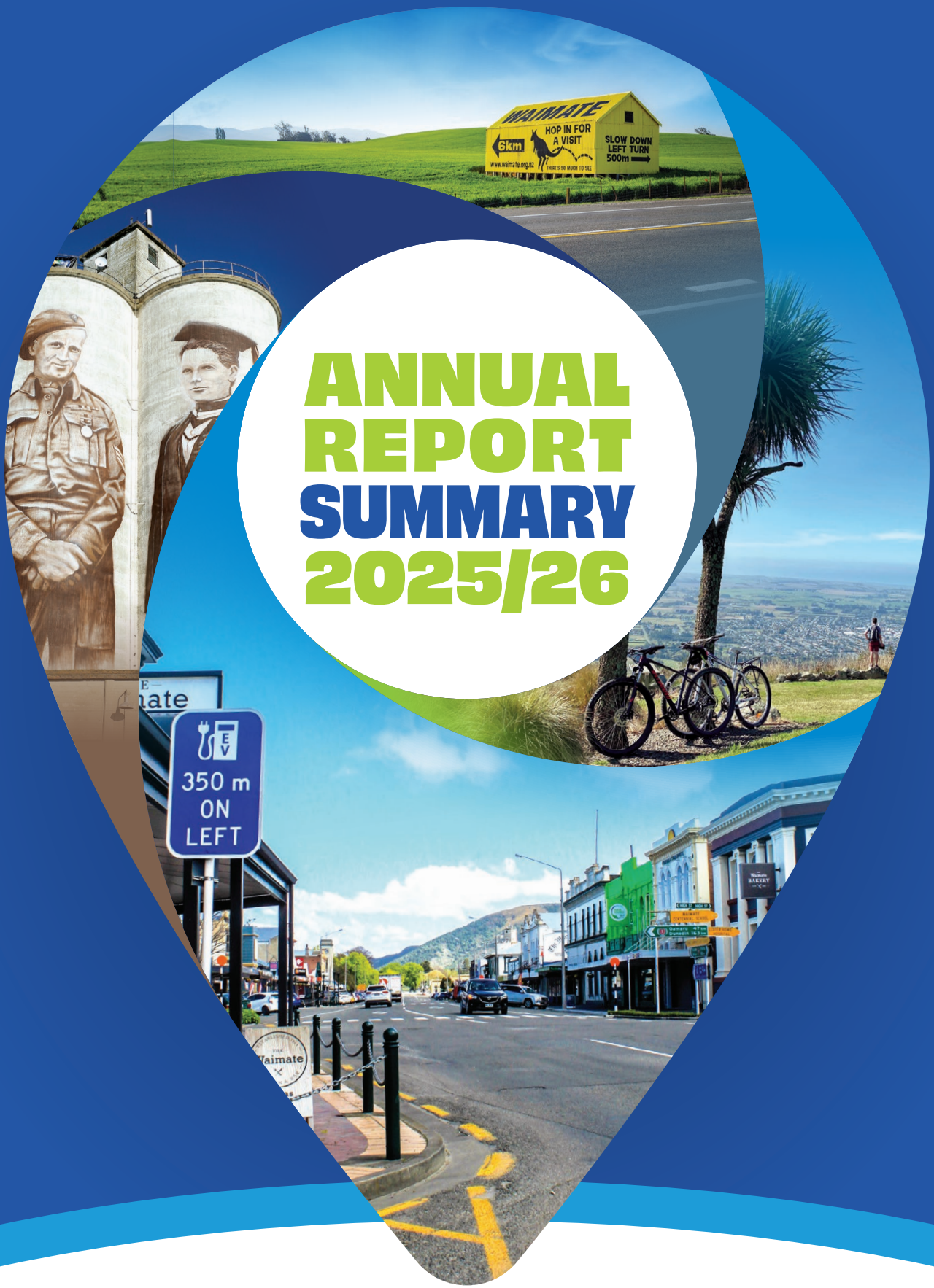


ANNUAL REPORT SUMMARY 2025/26

Waimate
District Council



Message from the Mayor and Chief Executive

Welcome to the Waimate District Council's Annual Report Summary for 2025/26. This summary provides an overview of Council's activities and services for the year ended 30 June 2026. For a complete understanding of Council's performance, please refer to the full 2025/26 Annual Report which is available at waimatedc.govt.nz or at Council's reception (125 Queen Street, Waimate).

The full Annual Report outlines Council's performance over the past financial year, including progress on key projects, service delivery, and financial results. It reflects our work under year one of the Long Term Plan 2025–2034.

Every year, when we sit down to write this introduction, we find ourselves saying, "This has been one of the most challenging years." Yet somehow, each year seems to find new ways to test that statement. Looking back over the past six years, local government has experienced a relentless cycle of reform, regulatory change, global political uncertainty, economic disruption, inflationary pressures, workforce challenges, and growing community expectations. Just when it feels impossible for the operating environment to become more complex, another challenge emerges. The 2025/26 year was no exception.

While the specific issues may change from year to year, the need for councils to navigate uncertainty while continuing to deliver essential services remains constant. Throughout this period, Waimate District Council has remained focused on serving our community, maintaining critical infrastructure, meeting increasing regulatory obligations, and ensuring that the district is well positioned for the future. This has required resilience, adaptability, and an unwavering commitment from both elected members and staff.

The 2025/26 year has been particularly significant, with major Government reforms continuing to reshape the local government landscape. At the same time, communities across New Zealand have continued to grapple with cost-of-living pressures and affordability challenges, reinforcing the importance of careful financial stewardship and prudent decision-making by councils.

Against this backdrop, Waimate District Council has remained focused on delivering the services and infrastructure our community relies upon every day. From maintaining our roading network and community facilities, to ensuring safe and reliable water services, responding to regulatory requirements, and supporting local economic and community development, the organisation has continued to perform strongly despite a growing workload and increasingly complex operating environment.

A significant focus throughout the year has been the implementation of the Government's Local Water Done Well reforms. Following extensive community consultation and the approval of Council's Water Services Delivery Plan, substantial work has commenced to establish a financially ring-fenced internal water services business unit. This work is essential to ensuring the district meets future regulatory requirements while retaining local ownership, accountability, and decision-making for water infrastructure and services.

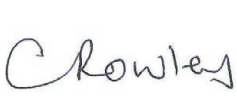
The Waimate District Council, together with the Waitaki, Mackenzie and Timaru District Councils, submitted a Head Start proposal to central government in August 2026. At this time, the proposal is on hold by central government and no decisions have been made. Council will continue to work collaboratively with neighbouring councils through the local government reforms. Importantly, elected members have recognised that if change is to occur, Waimate will be involved in helping shape that future.

Like many organisations, Council continues to experience the impacts of inflation, rising operational costs, and increasing expectations from central government regulators. Balancing investment in critical infrastructure with the need to maintain affordability for residents remains the most difficult challenge to manage. Throughout the year, considerable effort has been made to identify efficiencies, prioritise expenditure, and ensure that every dollar spent delivers value to the community.

Despite these challenges, progress has continued across a broad range of projects and initiatives. Council has advanced planning for the next Long-Term Plan, continued work on asset renewals and infrastructure improvements, strengthened organisational capability, and maintained compliance with an increasingly complex legislative framework. Equally important has been the continued delivery of the everyday services our community expects.

None of this work would have been possible without the commitment of our elected members, staff, contractors, community organisations, iwi partners, volunteers, and the many residents who contribute to making Waimate District a great place to live, work, and invest. The year has demonstrated the resilience, adaptability, and professionalism of both our organisation and our community.

The years ahead are likely to see local government undergo a level of change not experienced since the major reforms of 1989. The move toward larger unitary amalgamated councils will bring unavoidable disruption as organisations are combined, governance structures redesigned, staff and systems integrated, and communities adapt to new ways of accessing services and participating in local democracy. While the future will undoubtedly present challenges, it will also create opportunities to rethink how services are delivered, how communities are represented, and how councils can work together more effectively. Whatever shape those changes ultimately take, Council remains committed to ensuring that the interests of the Waimate District and its communities continue to be strongly represented.



Craig Rowley
Mayor



Dylan Murray
Interim Chief Executive

A Year in Review

Financial

Overall result

On the finance front, Council recorded a surplus of $1.740 million compared to a forecast deficit of $1.384 million. This was largely due to increased subdivision and consenting activity, higher than anticipated water and sewer connections and associated development and financial contributions, along with increased NZ Transport Agency Waka Kotahi subsidies due to a funding allocation for the Local Roads Pothole Prevention Activity Class. On the expenditure side, costs incurred were less than forecast across a variety of areas. Refer to pages 16 and 17 of this Annual Report Summary for the explanations of major variances against budget.

Financial highlights

$1.74 million
operating surplus
(compared with budget of $1.38 million deficit)

$25.34 million
operating expenditure
(compared with budget of $28.83 million)

$5.06 million
government funding
(Three Waters Better Off funding, Waste Levies, Mayors Taskforce for Jobs initiative and NZ Transport Agency Waka Kotahi subsidies)

$9.87 million
capital expenditure
(compared with budget of $16.64 million)

$27.08 million
operating revenue
(compared with budget of $27.45 million)

$9.99 million
total borrowings
(compared with budget of $20.17 million)

$564.37 million
total net assets
(compared with $559.68 million in 2025)

Rates allocation per activity groups

The figures in the following diagram are shown for every $100 of rates collected (on average).



Water Supply

Operational spend: $1,853,000
Capital spend: $3,664,000



Waste Management

Operational spend: $1,723,000
Capital spend: $8,000



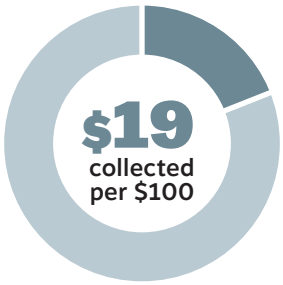
Stormwater

Operational spend: $94,000
Capital spend: $581,000



Sewerage

Operational spend: $234,000
Capital spend: $561,000



Roading and Footpaths

Operational spend: $3,645,000
Capital spend: $3,570,000



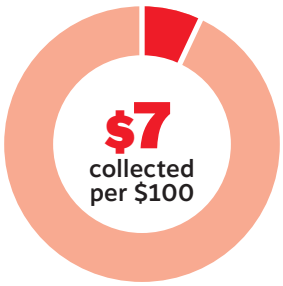
Organisation and Governance

Operational spend: $6,570,000
Capital spend: $366,000



District Planning and Regulatory Services

Operational spend: $923,000
Capital spend: $20,000



Community Services

Operational spend: $845,000
Capital spend: $91,000



Community Facilities

Operational spend: $2,278,000
Capital spend: $1,007,000

Operational spend includes payments to staff and suppliers, and finance costs.

Government Reforms

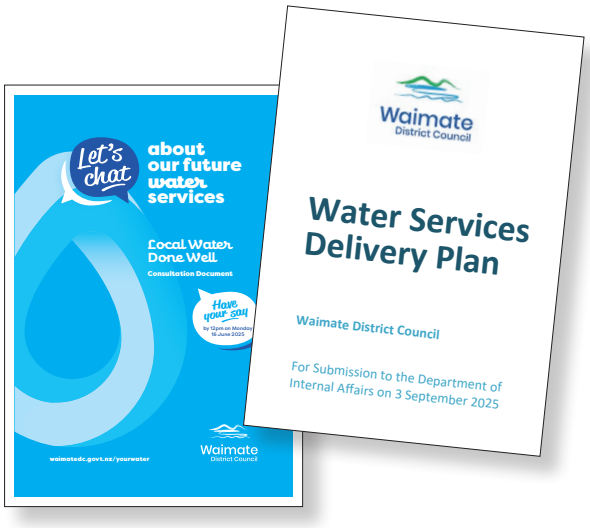
Local Water Done Well

The Local Water Done Well reform programme has had a significant impact on the long-term strategic direction for water services in Waimate. With the adoption of the Local Government (Water Services) Act 2025, the Government introduced new rules, and strengthened existing ones, that govern how Council delivers its water services. These changes include requirements to keep drinking water safe and protect the environment, managing water services in a way that ensures financial sustainability, and requirements to maintain and upgrade key infrastructure like pipes, pumps, and treatment plants.

After extensive public consultation between May and June 2025, and in line with clear direction from our communities, Council developed a Water Services Delivery Plan that set out a clear and sustainable roadmap for delivering and funding the district's water services for the next decade. The plan proposed that water services will continue to be delivered by Council through an internal business unit to ensure financial sustainability while meeting rigorous national drinking water, wastewater, and stormwater standards.

The key features of our Water Services Delivery Plan are:

- ➔ Direct Council ownership and operational responsibility
- ➔ The revenues for water services will be ring-fenced and distinct from other Council business, as required by the Local Government (Water Services) Act 2025
- ➔ Additional governance and oversight will be provided through a Water Services Committee
- ➔ The costs associated with the internal business unit will be clearly and easily identifiable
- ➔ Clear identification of debt linked to the water assets
- ➔ The internal business unit will be fully operational and financially independent by 1 July 2027, as required by the act.



Building Control

The Government continues to progress reforms to New Zealand's building control system, including changes to liability settings, inspection requirements, remote inspection technologies, and potential new service delivery models. Council maintained its Building Consent Authority accreditation during the year and will continue to monitor reform developments to ensure building control services remain effective, compliant, and responsive to community needs.

Resource Management Reform

Resource management reform remains one of the most significant policy changes facing local government. The Government is progressing the replacement of the Resource Management Act, creating uncertainty around future planning requirements and national direction. In response, Council paused work on a comprehensive District Plan review while awaiting greater clarity on the new legislative framework. At the same time, Council has continued preparing for Regional Spatial Planning and Land Use Planning initiatives, which are expected to play an important role in shaping future growth, infrastructure investment, housing supply, environmental outcomes, and community development across Canterbury. Council remains actively engaged in these processes to ensure the interests of the Waimate District are well represented as the new planning system emerges.

Investment in Infrastructure

Lower Waihao Rural Water Scheme

Council has been working on a long-term solution to address elevated nitrate levels in the Lower Waihao Rural Water Scheme. Following the implementation of an emergency temporary solution by sourcing water from the Waitaki River, work began to identify a permanent alternative water source. A suitable source was found near Bells Pond, Ikawai which has excellent (and treatable) water quality and very low trace levels of nitrate. A resource consent has been obtained alongside the commissioning of a 4km pipeline to the existing treatment plant.

Mixed-Use Rural Water Supplies

Council has progressed the implementation of Point-of-Entry treatment for both the Cannington-Motukaika and Waihaorunga Mixed-Use Rural Water Supplies. After significant engagement with the sector, and specifically Waimate District Council, the revised Acceptable Solution has provided a pragmatic compliance pathway for these rural supplies. A cost-effective and risk-sensitive solution for supplies predominantly used for stock and residential use will be commissioned in 2026/27.

Roading

During 2025–26, significant investment was made across the district's roading and footpath networks, with a strong focus on improving resilience, maintaining existing assets, and providing safe and reliable roading infrastructure for the community.

Drainage improvements remained a key priority, with 125 metres of new culverts installed, 123 kilometres of roadside drains cleaned or reconstructed, and 933 metres of kerb and channel renewed. These works improve stormwater management, reduce flooding risks, and strengthen the resilience of the road network during severe weather events.

The Council also continued to invest in maintaining and renewing road assets. 14,955 cubic metres of maintenance metal were applied across 246 kilometres of unsealed roads. On the sealed network,



33.1 kilometres of road were resealed to extend pavement life, and 4.2 kilometres of road were fully reconstructed to improve long-term performance.

Pedestrian infrastructure was also enhanced, with 992 metres of footpath resurfaced in asphaltic concrete, providing a smoother, safer, and more accessible network for pedestrians.

The Council continued its commitment to maximising value from infrastructure investment through the reuse of recovered bridge components. Farm Road Bridge and Cleaves Bridge on Milnes Road were successfully upgraded using recovered steel spans from the former Waitaki River Bridges at Kurow. Reusing these bridge components extends the life of valuable assets, reduces construction costs, and defers the need for full bridge replacements.

The district also responded to several significant weather and emergency events during the year. A major rockfall on Te Akatarawa Road, approximately two kilometres from the Aviemore Dam, deposited around 3,000 tonnes of rock, blocking the road. The material was removed and the road reopened, restoring access to this important rural route. In addition, periods of exceptionally heavy rainfall in July 2025 and January 2026 caused widespread damage to the unsealed road network, resulting in substantially increased maintenance requirements to restore safe access for road users.

Event Centre Rebuild

Following a fire at the Waimate Event Centre in October 2024, Council began restoration of the damaged areas. In April 2025, Timaru Construction Ltd was appointed to carry out the rebuild. The restoration was completed in September 2025. The project was covered primarily by insurance.



Partnering with the Community

Community Grants

Council administered 39 community grants, helping a range of local initiatives. These included WDC Sports (6), Creative NZ Communities (13), Sports NZ Rural Travel Fund (5), WDC Community (11), Heritage (2) and Recreational Tracks (2), with more than $85,000 invested back into the community.

Community grants to Whitehorse MTB Riders Inc allowed upgrades to the Whitehorse Big Easy. The contractor integrated two sections of the track, widened narrow sections, installed drainage features, and smoothed out the trail surface. The section below the creek bridge was also re-routed to higher ground to avoid damage arising from the creek's flooding. These efforts aimed to bring the track in line with the New Zealand Cycle Trail Grade 2 Standard.

Other community grants helped finance the neutering and spaying of dogs, the Cruising Waimate project which aimed to bring cruise ship passengers to the town, and fundraising initiatives of the Waimate Community Market.

Heritage grants supported the restoration of a rotting wall of the 1920s Langdale building and the creation of a comprehensive photographic archive of sites of remembrance in Waimate, such as war memorials and other heritage buildings.

Creative Communities grants went towards the Christmas Square, a school musical production, arts workshops, the Waimate Old Railway Mural, and sculptures for the Waimate Trail, among other projects.

Civil Defence Emergency Management

Council continued to strengthen the district's emergency management capability and community resilience during the year. A significant investment was made in renewing the district's emergency radio communications network, improving the reliability and resilience of critical communications infrastructure. Council also continued to support Community Response Groups, enhance staff preparedness, and strengthen response and recovery arrangements across the district. Late in the reporting year, the Emergency Management Officer resigned, prompting a recruitment process to ensure the ongoing delivery of this important function. The successful appointment of a replacement Emergency Management Officer occurred shortly after year end.







MTFJ Highlights

The Mayors Taskforce for Jobs (MTFJ), funded by the Ministry of Social Development (MSD), supported 19 job seekers into full-time employment, exceeding its target of 15. Most participants were aged 18 to 24 and included young people not in employment, education or training, as well as referrals from MSD. Participants also achieved six learner licences, 13 restricted licences and two full licences, including one Class 2 licence.

The programme also saw a staffing change with Deborah Kibble taking over as MTFJ Coordinator from Lisa Dobson. Deborah, who was previously the programme's dedicated driving instructor, continues to provide this service as part of her new role.

Event Centre – Youth Audit and New Activities

As part of a suite of new initiatives at the Event Centre, a Youth Audit was commissioned to better understand what the youth of Waimate District wanted from their local event centre. The result was new charges to enable higher participation after school and during school term breaks. Picnic tables to meet outside and wait safely for pickups from parents and caregivers and opportunities to have coaching for various sports. Overall, the new pricing has had a big effect on participation and use of the centre.

Following the youth audit, the Event Centre team reviewed offerings for those in the community at home during the daytime between 9am and 5pm. Circuit classes twice a week, morning and evening were introduced and have been very well subscribed from the target audience. A community social morning and sporty gold card sports morning were also introduced with numbers tracking high for both initiatives.

Community Funding for the A&P Shearers Pavilion

Council were approached by the committee of the A&P Shearers Pavilion for financial assistance to update electrical services throughout the building. Council understand the importance of this building to the wider rural community and local township and committed $40,000 towards the update of the systems, enabling the committee to fully commit to the overall upgrade to the main building.

Resident Survey Results

Every two years Waimate District Council completes a resident survey to understand how satisfied residents are with resources, facilities and services provided by the Council. Council received the completed report in September 2025. The survey is benchmarked against 21 different Councils across New Zealand.

Council's overall performance was rated at 59%, an improvement of 4% from the previous survey. The proportion of "very satisfied" residents was significantly higher. Overall, performance was best for parks, reserves and gardens, sewerage systems and service, feeling safe at home, overall quality of life and waste management services. Council acknowledged the areas of worst performance being level of influence over Council's decision-making process, annual property rates being fair and reasonable, financial management and quality and level of community engagement as areas to be improved on.

Corporate Highlights

Local Body Elections 2025

The local body triennial elections were held in October 2025 with an official swearing in ceremony on the 28th October 2025 which was held at the Event Centre. The voter return was 53.21%, being 2,954 votes. We introduced Craig Rowley back as the District Mayor, Paul Harrison for the Hakatarmea-Waihaorunga Ward, Stacey Swale and Sandy McAlwee (Deputy Mayor) for the Pareora-Otaio-Makikihi Ward, Lisa Small for the Lower Waihao Ward and John Begg, Jakki Guilford, Peter Paterson and Rick Stevens for the Waimate Ward.

Citizenship Ceremonies

Citizenship ceremonies were held in August 2025, February 2026, and June 2026 to welcome 51 new citizens to the Waimate District. The new citizens originated from a diverse range of countries including Australia, Brazil, Germany, India, Nauru, Philippines, Tonga, Tuvalu, United Kingdom, and the United States of America. Each participant took the oath of allegiance and was formally granted New Zealand citizenship.

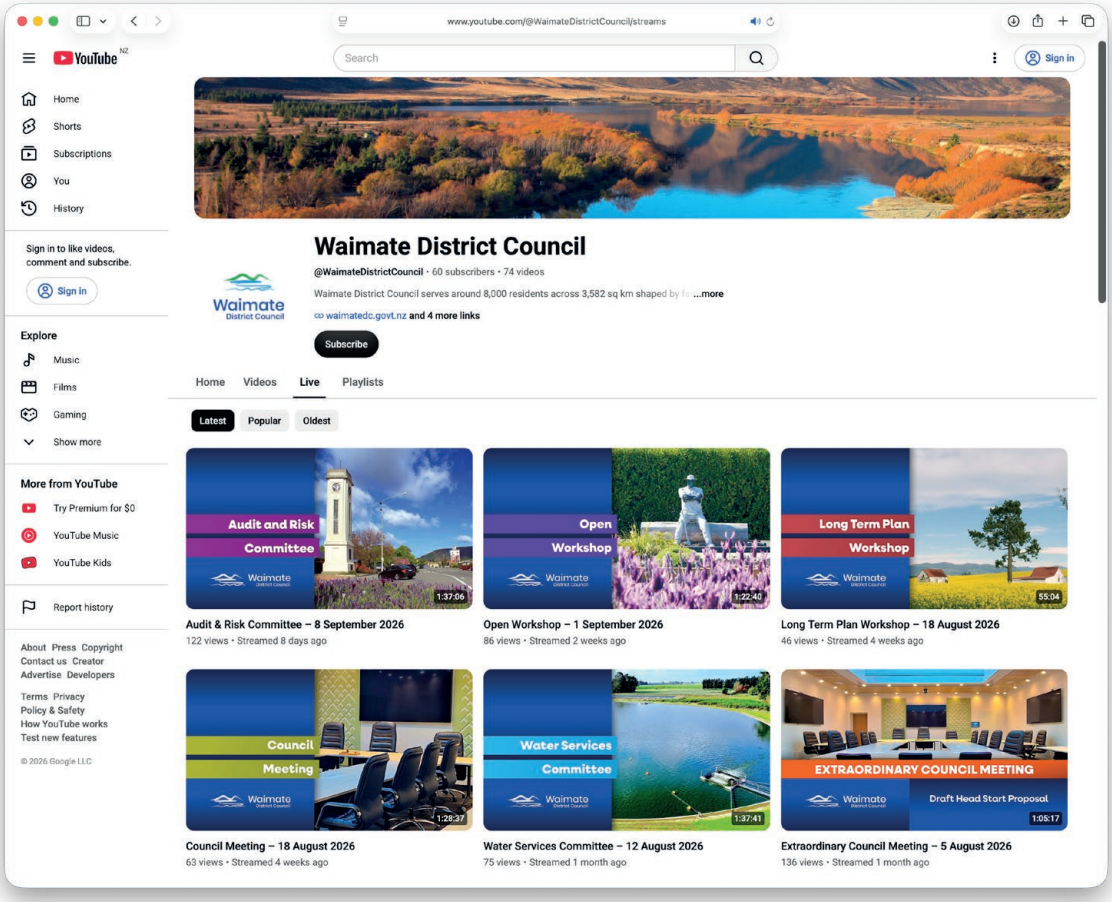
Community Grants

Waimate District Council entered discussions with Ahu Community Trust to increase contributions to match a $30,000 contribution from Ahu Community Trust. A Memorandum of Understanding MOU was signed by both parties in June 2025 to create a total contestable funding pool of $60,000 per annum available to our communities starting October 2026.

Waimate District Biodiversity Strategy 2025

The Waimate Biodiversity Action Group (WaiBag) was formed out of a shared passion for protecting and restoring the unique natural heritage of the district. The group created a Community Strategy for Indigenous Biodiversity. The document is both a guide and an invitation, outlining goals, principles, and pathways for action. It calls on the community to work together, to learn from one another and to take meaningful steps toward a thriving, resilient future for Waimate's native and indigenous biodiversity.





Live streaming of Council meetings

The installation of an AV Meeting System in the Council Chambers has provided the ability to live stream Council meetings, since September 2025. This enables greater transparency, accessibility and community engagement.

New Chair for Audit and Risk Committee

David Ward was appointed as the new chairperson for the Audit and Risk Committee and chaired his first meeting in September 2025. David comes with 33 years of local government experience at an executive level, is a member of the Institute of Directors and was awarded a fellowship for services to local government by Chartered Accountants Australia New Zealand.

Summary of Service Performance Information

Council uses a number of measures to track our performance. Every three years they are reviewed in conjunction with our Long Term Plan. The 2025-2034 Long Term Plan measures are being used in the 2025/26 financial year.

Each year we report on this progress in our Annual Report. Below is a snapshot of our performance measures achievement. To view the full list of measures please refer to the Activities and Service Performance Information section of the full Annual Report.



Water Supply

Achieved 8 of 13 measures
1 not measured



Waste Management

Achieved 4 of 7 measures
1 not measured



Stormwater

Achieved 5 of 5 measures



Sewerage

Achieved 4 of 5 measures
1 not measured



Roading and Footpaths

Achieved 6 of 6 measures
3 not measured



Organisation and Governance

Achieved 2 of 4 measures
2 not measured



District Planning and Regulatory Services

Achieved 8 of 11 measures
2 not measured



Community Services

Achieved 5 of 5 measures
2 not measured



Community Facilities

Achieved 3 of 3 measures
7 not measured

Note: Some performance measures are based on Council's community survey, which is undertaken every two years. Where a survey was not conducted during this reporting year, these measures are recorded as "Not Measured." This indicates that no current survey data was available for the reporting period and does not represent a result or assessment of performance.

Financial Statements

Summary financial statements

Waimate District Council (the Council) is a territorial local authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The Downlands Rural Water Scheme is a joint arrangement domiciled and operating in New Zealand and established under the LGA. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

Council is a separate legal entity and does not have any subsidiaries.

The primary objective of the Council is to provide goods and services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself as a public benefit entity (PBE) for the purposes of PBE IPSAS.

The summary financial statements and activities and service performance information of the Council are for the year ended 30 June 2026, are in New Zealand dollars and rounded to the nearest thousand ($000). The full financial statements and activities and service performance information of the Council have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and in accordance with Tier 2 Public Benefit Entity accounting standards.

The full Annual Report has been audited by The Audit Office and received an unmodified opinion. The opinion contained Emphasis of Matter paragraphs to draw attention to the Government's Simplifying Local Government reform.

The full financial statements and activities and service performance information were authorised for issue by Council on 30 October 2026.

The summary financial statements and activities and service performance information are in compliance with Public Benefit Entity Financial Reporting Standard 43 (PBE FRS 43).

The following information has been extracted from the full Annual Report. Readers of the Annual Report Summary should note that the financial information contained herein cannot be expected to provide as complete an understanding as that provided by the full financial reports contained in the full Annual Report. The full Annual Report is available at waimatedc.govt.nz.

Other disclosures

Budget Information

The budget figures presented in the financial statements of the Waimate District Council are those included in the Long-Term Plan 2025-2034 and are consistent with the accounting policies used to prepare the financial statements.

Local Water Done Well Programme

After extensive public consultation, Council developed a Water Services Delivery Plan and submitted this to the Secretary for Local Government on 26 August 2025. On 14 November 2025 Council received correspondence from the Secretary for Local Government accepting the Water Service Delivery Plan as presented.

Implementation of the plan is currently underway with a particular focus on capital projects required to achieve regulatory compliance, and to establish the financial ring-fencing requirements of the Local Government (Water Services) Act 2025.

On 8 April 2026 the Waimate District Council held its first Water Services Committee meeting and subsequently filled all the independent member positions. The Water Services Committee is focussed on implementing the Water Services Delivery Plan and ensuring compliance with the various Acts and compliance frameworks. Council staff have been developing the document suites as required by the Local Government (Water services) Act 2025, namely the Water Services Strategy, the Strategic Asset Management Plan, Asset Management Plans, and Infrastructure Delivery Plan.

These documents are subject to Information Disclosure and therefore have specific requirements documented by the Commerce Commission.

The work completed in 2025/26 lays the foundation for full implementation of the Water Services Delivery Plan by 1 July 2027.

Events After Balance Date

2026: Legislation that has come into effect since 30 June 2026

Since 30 June 2026, two significant pieces of legislation have received royal assent: the Emergency Management Act 2026 and the Infrastructure Funding and Financing Amendment Act 2026. The Emergency Management Act 2026 replaces and reforms the legislative framework for emergency management in New Zealand, including changes to the roles and responsibilities of central, regional, and local governments. The amendments to the Infrastructure Funding and Financing Act 2020 includes changes to how councils and developers finance substantial local infrastructure projects.

2026: Vested Property

On 24 March 2026, Council resolved to accept the gift of Keane Park, Glenavy, from the Bridging Waitaki Charitable Trust. At 30 June 2026, the formal transfer documentation had not been completed and Council had not obtained control of the property. The transfer was formalised on 1 July 2026.

2026: Simplifying Local Government Reform

On 5 May 2026, the Government announced the "Head Start for Simplifying Local Government" initiative, which seeks to simplify local government arrangements through the potential reorganisation and amalgamation of local authorities into larger unitary authorities.

As part of this process, Waimate District Council participated in a voluntary Head Start proposal with neighbouring councils. The proposal considered the establishment of a Mid-South Canterbury/North Otago unitary authority encompassing the districts of Ashburton, Timaru, Mackenzie, Waimate and Waitaki.

Councils were required to submit outline proposals to the Government by 9 August 2026. The Government initially indicated that proposals would be assessed during 2026 with approved proposals progressing to a detailed design phase. However, on 24 September 2026 the Government announced that consideration of the submitted Head Start proposals would be deferred pending further work on aspects of the reform programme. At the date these financial statements were authorised for issue, the proposal remained under consideration by the Government and no decisions had been made regarding approval or implementation.

Major Financial Variances

Statement of comprehensive revenue and expenditure

REVENUE

- Development and financial contributions income were greater than the LTP 2026 budget due to increased subdivision and resource consent activity, along with increased Water Supply contributions across various schemes.
- Subsidies and grants income received were greater than the LTP 2026 budget mainly due to increased NZ Transport Agency Waka Kotahi subsidies compared to budget (Actual: $4.8m; Budget $4.3m).
- Fees and charges income were greater than the LTP 2026 forecast due to increased consenting activities.
- Other revenue was less than the LTP 2026 budget mainly due to the deferral of harvesting the Waihao Forest (Actual $nil; Budget $2.3m).

EXPENDITURE

- Personnel costs were less than the LTP 2026 budget due to staff vacancies and the timing of replacements.
- Depreciation and amortisation expenses were below the LTP 2026 budget as a result of some large capital expenditure deferrals and the timing of spends.
- Finance costs were less than the LTP 2026 budget due to increased cash reserves following the delay of some large capital projects which meant a lower drawdown on borrowings compared to budget.
- Other expenses were less than the LTP 2026 budget due to the deferral of harvesting the Waihao Forest, where the latest forest valuation is recorded as a cost against the harvest income (Actual: $nil; Budget: $2.3m). Roading maintenance and operational spends were also below budget (Actual: $3.6m; Budget $3.9m) along with lower than budgeted insurance costs (Actual: $316,000; Budget: $483,000).

Other comprehensive revenue and expenditure

- The increase in revaluation reserves is due to roading revaluation reserve movements from asset disposals.
- Financial assets at fair value through other comprehensive revenue and expenditure includes the Alpine Energy Limited investment and associated annual valuation movements, with the 30 June 2026 annual movement greater than the budget anticipated.

Statement of financial position

- Cash and cash equivalents were greater than the LTP 2026 budget due to a drawdown on borrowings, coupled with the deferral of some capital spends, along with additional income and reduced expenditure as noted above.
- Receivables at 30 June 2026 were lower than the LTP 2026 budget anticipated mainly due to decreased receivables for the NZ Transport Agency Waka Kotahi claim due at balance date.
- The value of Inventories was greater than the LTP 2026 budget mainly due to holding more stock than anticipated due to the deferral of some large capital projects.
- Property, plant and equipment at 30 June 2026 were less than the LTP 2026 budget mainly due to deferral of large capital projects.
- The value of Biological assets was greater than the LTP 2026 forecast due to the deferral of harvesting the Waihao Forest.
- Intangible assets were greater than the LTP 2026 budgeted value mainly due to increased Emissions Trading Scheme carbon credits, and decreased amortisation.
- Other financial assets includes the Alpine Energy Limited investment with the 30 June 2026 annual valuation movement greater than the budget anticipated.
- Payables and deferred revenue were greater than the LTP 2026 budget anticipated mainly due to various contract payments due.

- ➔ Borrowings were less than the LTP 2026 budget predominantly due to the use of cash reserves and the delay of some large capital projects.
- ➔ Special separate and trust funds were greater than the LTP 2026 budgeted value mainly due to delayed completion of capital projects for various Water Scheme upgrades, where the drawdown of internal reserves and loans were budgeted.
- ➔ The Asset Revaluation reserve was less than the LTP 2026 budgeted value mainly due to the budgeted roading revaluation not occurring during financial year 2026.
- ➔ Other reserves were greater than the LTP 2026 budgeted value mainly due to the share revaluation movement for Alpine Energy being greater than budgeted.

CAPITAL EXPENDITURE

Total capital expenditure was lower than the LTP 2026 budget with the major variances as follows:

- ➔ The Water Supply capital expenditure was less than the LTP 2026 budget mainly due to the delay of upgrades for the Cannington, Hook/Waituna, Waihaorunga and Waikakahi Drinking Water compliance projects. (Actual: $3.7m; Budget: $11.3m).
- ➔ The Stormwater capital expenditure was greater than the LTP 2026 budget due to the opportunity to purchase land on Park Road for stormwater catchment, which was not budgeted in the LTP 2026. (Actual: $555,000).
- ➔ The sewerage project for Waimate urban renewals were to be completed with unspent budgets expected to be carried forward to the 2026/27 financial year (Actual: $473,000; Budget: $727,000).
- ➔ The roading capital expenditure was greater than the LTP 2026 budget mainly due to increased spends for pavement and resealing projects.
- ➔ The refurbishment of the Waimate Event Centre following a fire was not anticipated in the LTP 2026 budget (Actual: $591,000; Budget: $nil).

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

	Actual 30 June 2026 $000	LTP 30 June 2026 $000	Actual 30 June 2025 $000
Total operating revenue	27,075	27,449	25,860
Finance costs	335	601	350
Other operating expenses	25,000	28,233	24,076
Operating Surplus / (Deficit) before Taxation	1,740	(1,384)	1,434
Taxation expense	-	-	-
Total Surplus / (Deficit)	**1,740**	**(1,384)**	**1,434**
Other Comprehensive Revenue and Expenditure			
Net increase / (decrease) in revaluation reserves	179	117	28,439
Financial assets at fair value through other comprehensive revenue and expenditure	2,772	1,116	(900)
Total other comprehensive revenue and expenditure	**2,951**	**1,233**	**27,539**
Total Comprehensive Revenue and Expenditure	**4,691**	**(151)**	**28,974**

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

	Actual 30 June 2026 $000	LTP 30 June 2026 $000	Actual 30 June 2025 $000
Equity at start of year	559,682	564,350	530,709
Total comprehensive revenue and expenditure	4,691	(151)	28,974
Equity at end of year	**564,373**	**564,198**	**559,682**

Statement of Financial Position as at 30 June 2026

	Actual 30 June 2026 $000	LTP 30 June 2026 $000	Actual 30 June 2025 $000
Current assets	7,963	3,284	7,692
Non-current assets	570,997	584,245	564,570
Total assets	**578,960**	**587,530**	**572,262**
Current liabilities	6,013	3,500	5,009
Non-current liabilities	8,573	19,832	7,571
Total liabilities	**14,586**	**23,332**	**12,580**
Equity	564,373	564,198	559,682
Total liabilities and equity	**578,960**	**587,530**	**572,262**

Statement of Cash Flows for the year ended 30 June 2026

	Actual 30 June 2026 $000	LTP 30 June 2026 $000	Actual 30 June 2025 $000
Cash at start of year	4,344	1,030	1,468
Net cash flows from operating activities	8,267	6,353	9,796
Net cash flows from investing activities	(9,836)	(14,366)	(8,295)
Net cash flows from financing activities	2,375	7,180	1,375
Cash at end of year	**5,149**	**196**	**4,344**

The Audit Office
Te Mana Arotake

Independent Auditor's Report

To the readers of Waimate District Council's summary of the annual report for the year ended 30 June 2026

The summary of the annual report was derived from the annual report of the Waimate District Council (the Council) for the year ended 30 June 2026.

The summary of the annual report comprises the following information on pages 13 to 18:

- the summary statement of financial position as at 30 June 2026;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2026;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision, included in the "Summary of service performance information" section.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS 43, *Summary Financial Statements.*

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2026 in our auditor's report dated 30 October 2026.

Our auditor's report on the full annual report includes an emphasis of matter paragraph drawing attention to the uncertainty associated with the potential reorganisation of local government. 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 29 of the full annual report on page 109, the council is part of an amalgamation proposal under the Head Start pathway which may, if approved, be implemented before 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.

Information about the matter is also disclosed on page 15 of the summary of the annual report.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS 43.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to reporting on the summary and full annual reports, we have performed a limited assurance engagement relating to the Council's Debenture Trust Deed, which is compatible with these independence requirements.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Council.



Debbie Bradfield
The Audit Office
On behalf of the Auditor-General
Christchurch, New Zealand
30 October 2026



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Waimate
District Council