



Finance, Performance and Risk Committee

Te Komiti Pūtea, Tukanga me te Whakahaere

Thursday, 26 February 2026

Rāpare, 26 Huitanguru 2026

Tōtara Room, Whakatāne District Council
14 Commerce Street, Whakatāne
Commencing at 9:00 am

Chief Executive: Steven Perdia | Publication Date: 20 February 2026

whakatane.govt.nz



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A Membership - *Mematanga*

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Deputy Mayor Julie Jukes - Deputy Chairperson

Lesley Immink - Chairperson

Councillor Toni Boynton

Councillor Gavin Dennis

Councillor Carolyn Hamill

Councillor Andrew Iles

Councillor Wilson James

Councillor Jesse Morgan-Ranui

Councillor Tu O'Brien

Councillor Malcolm Whitaker

Independent Member Petra Luciola

B Delegations to the Finance, Performance, and Risk Committee - *Tuku Mahi ki te Komiti*

1. Purpose

To oversee the effectiveness of Council's financial performance, risk management, health & safety, internal control environment, legal responsibilities, statutory compliance, and external auditing process.

The Committee has the authority to appoint up to two independent persons who are not elected members, who can assist the Committee to meet its obligations and responsibilities.

2. General Delegations

1. Approve the transfer of expenditure to other estimates within the same activity;
2. Receive correspondence and reports;
3. Make decisions that have the effect of furthering investigations or obtaining information that will assist or enable the Committee to decide on a substantive course of action at a later date;
4. Appoint a sub-committee.

B Delegations to the Finance, Performance, and Risk Committee - *Tuku Mahi ki te Komiti*(Cont.)**3. Specific Functions and Delegations**

- a. To monitor Council's organisational performance framework.
- b. To monitor and review the organisational risk framework.
- c. To monitor financial and non-financial performance of Council's LTP and Annual Plan against agreed levels of service.
- d. To monitor the performance of the Council's treasury function.
- e. To monitor the financial and non-financial performance of Council's Council-Controlled Organisations.
- f. To develop and recommend to the Council the adoption of the Annual Report.
- g. To monitor the performance of the Whakatāne airport and recommend to Council the adoption of the Full Year Annual Report.
- h. Agree the final Statement of Intent for Council's Council-Controlled Organisations;
- i. Adopt the Half Yearly and Full Year Annual Report of the Whakatāne Airport;
- j. To monitor the implementation of Council's Financial Strategy.
- k. Oversee Council's relationship with the external auditor.
- l. Review, and monitor progress against, the external auditors' recommendations.
- m. To monitor organisational capacity and capability of underlying systems and resources required to deliver on Council's LTP and Annual Plan obligations.
- n. Review the effectiveness of health and safety policies and processes to ensure a healthy and safe workplace for representatives, staff, contractors, visitors and the public.
- o. Assist elected representatives and the Chief Executive to discharge their statutory roles as 'officers' in terms of the Health and Safety at Work Act 2015.
- p. Review and monitor current and potential litigation and other legal risks.
- q. To provide governance oversight and monitoring of Council's external funding and financing sources.
- r. Approve Council submissions to Central Government, Councils and other organisations including submissions to any plan changes or policy statements.
- s. Provide independent assurance to the Council that risk management processes are robust, integrated into decision-making, and aligned with Council's risk appetite.

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1 Meeting Notices - *Ngā Pānui o te hui***1 Meeting Notices - *Ngā Pānui o te hui*****1. Live Streaming**

The Whakatāne District Council livestreams Council and Standing Committee meetings held in Tōtara Room, within the Council building. The webcast will live stream directly to Council's YouTube channel in real time. The purpose of streaming meetings live is to encourage transparency of Council meetings.

Welcome to members of the public who have joined online and to those within the public gallery.

By remaining in the public gallery, it is understood your consent has been given if your presence is inadvertently broadcast. Please be aware the microphones in Totara Room are sensitive to noise, so please remain quiet throughout the meeting unless asked to speak.

2. Health and Safety

In case of an emergency, please follow the building wardens or make your way to the nearest exit. The meeting point is located at Peace Park on Boon Street.

Bathroom facilities are located opposite the Chambers Foyer entrance (the entrance off Margaret Mahy Court).

3. Other**2 Apologies - *Te hunga kāore i tae***

At the time of compiling the agenda, an apology was received from Deputy Mayor Jukes.

3 Acknowledgements / Tributes - *Ngā Mihimihi*

An opportunity for members to recognise achievements, to notify of events, or to pay tribute to an occasion of importance.

4 Conflicts of Interest - *Ngākau kōnatunatu***4 Conflicts of Interest - *Ngākau kōnatunatu***

Members are reminded of the need to stand aside from decision making when a conflict arises between their role as an elected member and any private or other external interests they might have. Elected Members are also reminded to update their register of interests when changes occur.

Financial Conflict

- Members present must declare any direct or indirect financial interest that they hold in any matter being discussed at the meeting, other than an interest that they hold in common with the public.
- Members cannot take part in the discussion, nor can they vote on any matter in which they have a direct or indirect financial interest, unless with an approved exception.
- Members with a financial interest should physically withdraw themselves from the table. If the meeting is public excluded, members should leave the room.

Non-Financial Conflict

- If a member considers that they have a non-financial conflict of interest in a matter they must not take part in the discussions about that matter or any subsequent vote.
- Members with a non-financial interest must leave the table when the matter is considered but are not required to leave the room.

5 Public Participation- *Wānanga Tūmatanui***5 Public Participation- *Wānanga Tūmatanui*****5.1 Public Forum - *Wānanga Tūmatanui***

The Committee has set aside 30 minutes for members of the public to speak in the public forum at the commencement of each meeting. Each speaker during the forum may speak for five minutes. Permission of the Chairperson is required for any person wishing to speak during the public forum.

With the permission of the Chairperson, Elected members may ask questions of speakers. Questions are to be confined to obtaining information or clarification on matters raised by a speaker.

5.2 Deputations - *Nga Whakapuaki Whaitake*

A deputation enables a person, group or organisation to make a presentation to Committee on a matter or matters covered by their terms of reference. Deputations should be approved by the Chairperson, or an official with delegated authority, five working days before the meeting. Deputations may be heard at the commencement of the meeting or at the time that the relevant agenda item is being considered. No more than two speakers can speak on behalf of an organisation's deputation. Speakers can speak for up to 5 minutes, or with the permission of the Chairperson, a longer timeframe may be allocated.

With the permission of the Chairperson, Elected members may ask questions of speakers. Questions are to be confined to obtaining information or clarification on matters raised by the deputation.

- **Bay of Plenty Regional Council (BOPRC)**

The Chairperson has allowed up to 60 minutes for the presentation.

The presentation will cover the BOPRC Annual Plan 2026/27 and Long Term Plan Amendment consultation. The presentation also covers key work planned for the Whakatāne District, as well as an overview of BOPRC's proposed consultation topics:

Topic 1 – Long Term Plan Amendment: Optimising regional benefits

Topic 2 – Annual Plan: Investing in regional benefit

Topic 3 – Annual Plan: Investing in Indigenous Biodiversity

6 Action List**6 Action List**

The Executive reviewed all actions of the Committees from the previous triennium. The one outstanding action is listed below.

Action List as at February 2026

Task Name	Meeting Date	Public/ Excluded	Status	General Manager	Due Date	Comments
A report was requested for the next meeting; Airport Annual Report update	13/11/23	Public	In Progress	Hone Patrick	27/03/25	Airport Annual reports are currently being reviewed by Audit NZ and continues to be followed up

7 Reports - Ngā Pūrongo**7 Reports - Ngā Pūrongo****7.1 Health, Safety and Wellbeing Report**

To: **Finance, Performance and Risk Committee**

Date: **Thursday, 26 February 2026**

Author: **D De Klerk / Manager Health Safety & Wellbeing**

Authoriser: **E Hatch / GM People and Partnerships**

Reference: **A3062976**

1. Reason for the report - *Te Take mō tēnei rīpoata*

This report gives metrics, analysis and commentary on the organisation's Health, Safety and Wellbeing activities for the period 1 October to 31 December 2025 with the purpose of providing this committee with assurances around Council's Health, Safety and Wellbeing performance and progress updates towards delivering the Health, Safety and Wellbeing strategy.

2. Recommendation - *Tohutohu akiaki*

THAT the Finance, Performance, and Risk Committee **receive** the Health, Safety and Wellbeing report for Quarter 2 of 2025/2026.

3. Background - *He tirohanga whakamuri*

A Health, Safety & Wellbeing (HSW) Strategy for Whakatane District Council was adopted by the Executive Leadership Team in December 2024. The Whakaora project, to implement the Strategy, was launched to the organisation in April 2025.

The top three priorities within the HSW Strategy have been the focus for the Whakaora project team, being: -

- Priority 1: Developing our Leaders (previously known as Governance, HSW Roles and Responsibilities).
- Priority 2: Hazard and Risk Management, including critical risks.
- Priority 3: Contractor Management

The remaining HSW strategic priorities will be addressed as the Whakaora project progresses, with relevant enhancements (currently shown as 'WIP') to report information and performance metrics.

7.1 Health, Safety and Wellbeing Report(Cont.)

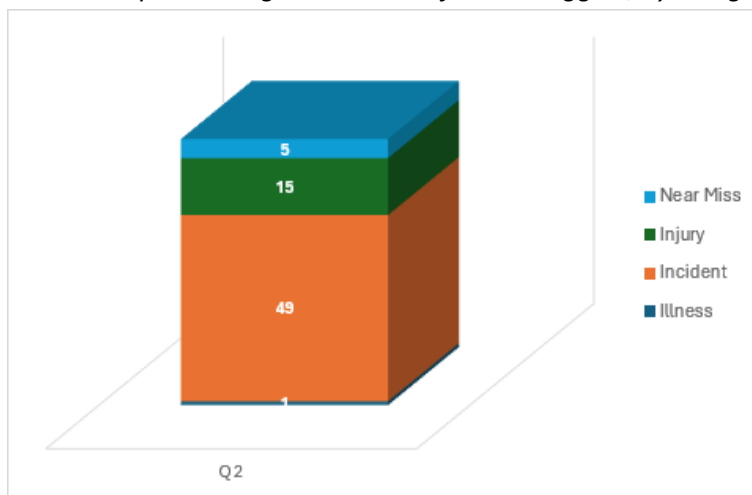
4. Discussion – Kōrerorero

4.1. Actions from previous meeting. No actions outstanding.

4.2. Events Reported

During the quarter, a total of **70** events were reported, the analysis by event type is shown in the chart.

Item 1: Graph showing the number of events logged , by category for the quarter.



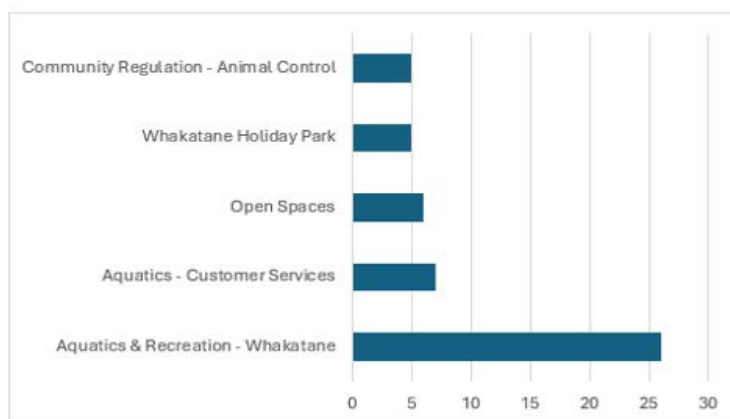
Injuries (15 total) - None Serious

- Staff Injuries (6)
- Public Injuries (9)

As a result of the hazard and risk training for all staff, there has been a positive trend in staff reporting events within the Vault system.

Item 2: Graph showing the top 5 Departments reporting events.

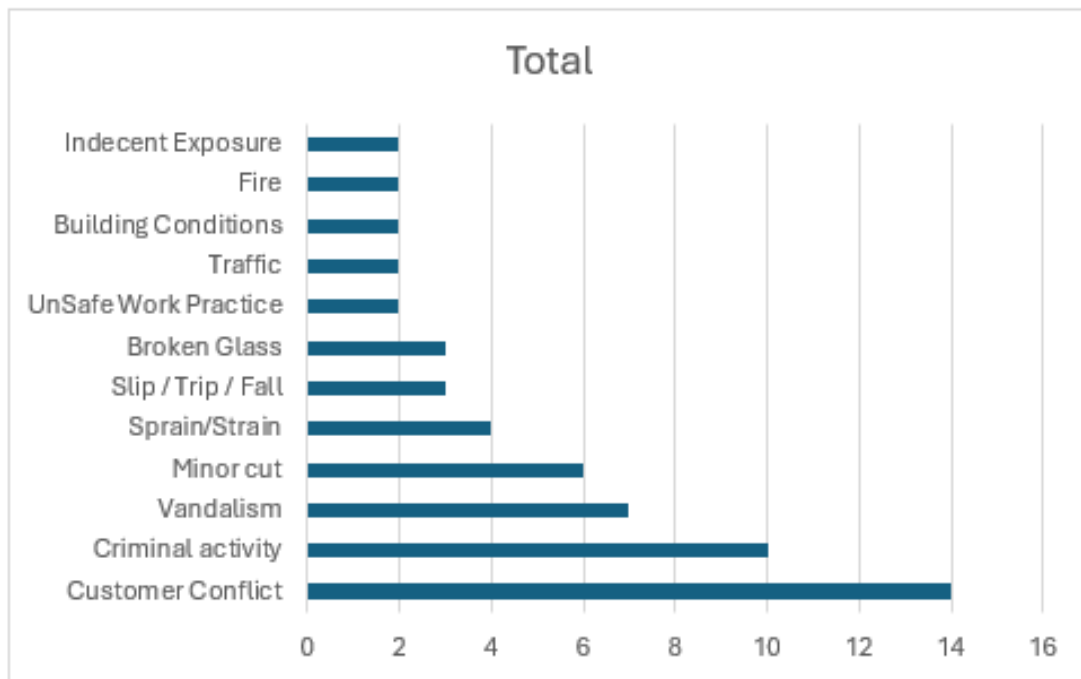
Top 5 Departments/Location



7.1 Health, Safety and Wellbeing Report(Cont.)

Item 3: Graph showing the top categories of reported events.

Top 10 Events categories



The data shows that customer conflict and criminal activity are the most frequently reported event categories, indicating that a significant proportion of incidents are driven by public interaction and external behaviour rather than internal work practices.

Overall, the distribution suggests that community-facing risks and public behaviour remain key drivers of incidents, reinforcing the importance of continued focus on frontline staff safety and conflict management.

4.3. Critical Risks

The Critical Risk Framework, which outlines council’s twelve critical risks and management approach, has been adopted by Executive Leadership Team (ELT). Five Risk Control Groups (RCG), who will manage and monitor critical risks, will be established in February 2026, and followed with a comprehensive training programme to be completed by April 2026.

4.4. Training

The first Hazard and Risk training module, ‘Understanding Risk’, was rolled out in November 2025, to all staff. This module covered council’s approach to risk management, including the roles and responsibilities of council staff for hazard and risk identification. The second training module ‘Managing Risk’ is on target to be completed in February 2026.

7.1 Health, Safety and Wellbeing Report(Cont.)

Item 4: Table showing External Training Delivered

External training was conducted for 80+ staff during the quarter as follows: -

Staff Training		
Course Name	Attendees (80+)	Departments
October 2025		
Workplace First Aid	18 Staff	Various across all sites
STMS (Traffic Management)	2x Staff	Reticulation
Aquatics First Aid Refresher	2x Staff	Aquatics
November 2025		
Situational Safety	16x Staff	Various across all sites
Aquatics First Aid Full	1x Staff	Aquatics
Grow safe Agrichemical Standard	2x Staff	Open Spaces
Understanding Risk Training	All	83.4% of all Staff
December 2025		
Situational Safety	17x Staff	3 Waters
Pike River Moving Screening	22 Staff	Health & Safety Reps

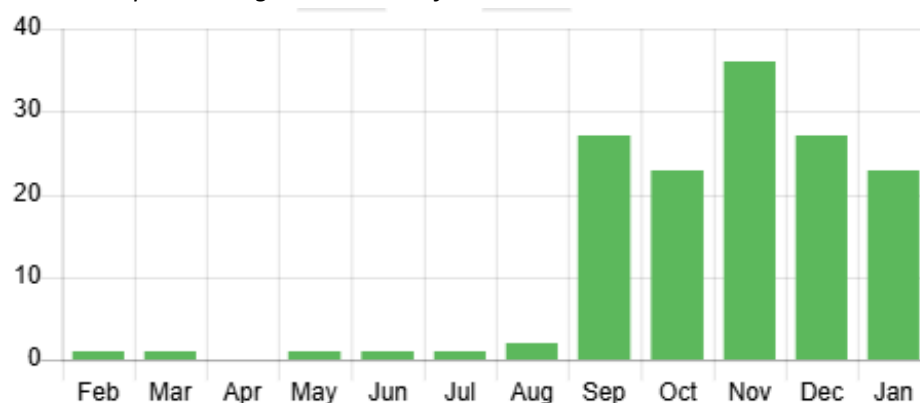
The Situational Safety training course includes specific training on conflict management to support frontline staff dealing with the public.

The investment in training noted above builds competencies as well as meeting the required staff certifications across multiple departments.

4.5. Assurance and Verification

The HSW Team has reinstated the use of the Vault Check mobile application to support site hazard assessments. Since its reintroduction, Vault Check has shown a significant improvement in the consistency and quality of site hazard assessments. The following chart will be updated quarterly.

Item 5: Graph showing the number of Vault Checks and Site Hazard Assessments



A total of 86 audits and checks were completed this quarter, where site specific risk assessments were completed prior to work commencing.

7.1 Health, Safety and Wellbeing Report(Cont.)

In addition, 25 contractor audits were successfully completed, where the HSW Team are assessing that the contractor is meeting the required HSW obligations.

No significant issues were identified.

4.6. Random Drug Testing

Monthly random drug testing of staff in safety-sensitive roles, in accordance with our policy, was completed as shown in the table below. **ALL results were negative.**

Random Drug Testing			
Department	October 2025	November 2025	December 2025
Aquatics	•		
Open Spaces			
Whakatane Holiday Park	•		
Building	•		•
Reticulation/Water Treatment	•	•	•
Transport		•	•
Animal Control	•		

4.7. Worker Participation and Engagement

Relationships - Worker Participation & Engagement	
Activities	Comments
HSW Representative Committee meeting held as planned	Meeting held October 16th, December H&S Committee attended Pike River Movie. Next meeting scheduled for February 17 th , 2026.
Understanding Risk Training	83.4% of Staff has completed this training in November/December 2025

4.8. Wellbeing Quarterly Update

During the quarter, 19 staff accessed the Employee Assistance Programme (EAP), previous quarter: 26.

The Wellbeing Committee continued to promote connection and engagement through staff activities. In December staff participated in a “Cram the Van” donation initiative.

The Wellbeing Committee has scheduled a dedicated planning meeting to review current initiatives and develop a more focused wellbeing programme for 2026. The intent is to design a clear, targeted, and high-impact programme that aligns with council priorities, strengthens staff engagement, and delivers meaningful wellbeing outcomes across the organisation.

7.1 Health, Safety and Wellbeing Report(Cont.)5. Options Analysis - *Ngā Kōwhiringa*

There are no options as this is an information report.

6. Significance and Engagement Assessment - Aromatawai Pāhekoheko

6.1. Assessment of Significance

The decisions and matters of this report are assessed to be of low significance, in accordance with the Council's Significance and Engagement Policy.

6.2. Engagement and Community Views

Engagement on this matter is not being undertaken in accordance with Section 6.0 of the Council's Significance and Engagement Policy. This states that the Council will not consult when the matter is not of a nature or significance that requires public engagement (low significance).

7. Considerations - *Whai Whakaaro***7.1. Strategic Alignment**

No inconsistencies with any of the Council's policies or plans have been identified in relation to this report.

7.2. Financial/Budget Considerations

There is no budget considerations associated with the recommendations of this report.

7.3. Climate Change Assessment

There are no significant or notable impacts associated with the matters of this report.

7.4. Risks

There are no significant or notable risks associated with the matters of this report.

8. Next Steps – E whai ake nei

The Whakaora project team will continue to progress delivery of the HSW Strategy. Planning the roll out of final deliverables for the first three strategic priorities is well underway.

Further report enhancements will be completed as the project progresses.

8.1. Whakaora Project Deliverables Update

The following table includes a summarised Whakaora project update for the deliverables of the top three strategic priorities.

7.1 Health, Safety and Wellbeing Report(Cont.)

Legend for project status indicators:

	On Track
	At Risk, being managed by the project team
	Significant risk to completion

Objective		HSW Strategy Indicators	
Developing our Leaders			
We have strong health and safety governance.	<i>Governance Charter is implemented.</i>	Project Update: Governance charter approved by ELT 5 August. Roll out and implementation planning underway.	
	<i>H&S executive reporting is implemented and effective.</i>	Project Update: The HSW report template will continue to be enhanced as further project deliverables are implemented and the base data becomes standardised.	
WDC leaders have strong health and safety capability	<i>100% of people leaders have completed role-specific H&S training.</i>	<i>100% of WDC employees report that their leader is committed to health and safety.</i>	
Risk Management			
We have a critical risk framework and understand our critical risks.	All critical risks have been identified, assessed and a gap analysis completed.		
	Project Update: Critical Risk Control Groups expected to be established in February 2026, with training to be completed by April 2026.		

7.1 Health, Safety and Wellbeing Report(Cont.)

	<p>Critical Risk register is up to date, effective and controls are implemented and effective.</p> <p>Project Update: Current HSW system does not support critical risk management; Critical Risk register and related documented to be developed outside of this system.</p> <p>Activity Risk Registers are up to date, effective and controls are implemented and effective.</p> <p>Project Update: All Activity risk registers have been translated and updated into new standardised risk register template. Managing Risk training, scheduled for February 2026 will support the ongoing maintenance and review of these Activity based risk registers.</p>	
<p>All WDC employees have completed risk management training.</p>	<p>100% off all employees have completed risk management training.</p> <p>Project Update: 83% of all staff have completed 'Understanding Risk' training, with a team member allocated to complete all follow up staff by end of January 2026.</p>	
<p>We have strong inhouse investigation capability.</p>	<p>100% of the health and safety team have completed investigation training and have been assessed as being competent at investigation.</p> <p>Project Update: Implementation of Incident Management will be phased alongside other significant change initiatives of Council, to ensure all impacted staff can be well supported.</p>	
	<p>100% of corrective actions identified in investigations are closed out within 30 days.</p> <p>Project Update: Implementation of Incident Management will be phased alongside other significant change initiatives of Council, to ensure all impacted staff can be well supported.</p>	
<p>Contractor Management</p>		
<p>Project Update: Contractor Management policy has been approved by the Whakaora Project Steering Group, expected to be presented to ELT February 10. The policy will be the basis for standardising process and procedures for contractor management, including inductions. The</p>		

7.1 Health, Safety and Wellbeing Report(Cont.)

<p>implementation of Contractor Management deliverables will be phased, with some improvements being rolled out. Contractor Inductions are currently being trialled, pre-qualification checks and site visits underway.</p>		
<p>We have a robust contractor management policy and procedure.</p>	<p>100% of our high-risk contractors are pre-qualified.</p> <p>Project Update: An Approved Contractors List is now available to confirm contractor pre-qualifications as part of procurement process.</p>	
	<p>100% of our contractors are inducted.</p> <p>Project Update: Contractor Induction collateral and process is in development, with trail inductions underway.</p>	
	<p>100% of our high-risk contractors have an overlapping duties document in place.</p> <p>Project Update: Overlapping Duties documentation is in development and is expected to be implemented April/May 2026.</p>	
<p>Our people are competent to engage and manage contractors.</p>	<p>100% of our people who engage or manage contractors have successfully completed contractor management training.</p> <p>Project Update: Implementation of Contractor Management will be phased. Change impact analysis is being drafted and is complex with multiple internal and external stakeholders.</p>	
	<p>100% compliance with contractor monitoring schedule.</p>	
	<p>100% of our high-risk contractors have had a review biannually.</p>	

7.2 Programme Enterprise - ERP Replacement Project Update**7.2 Programme Enterprise - ERP Replacement Project Update**

To: **Finance, Performance and Risk Committee**

Date: **Thursday, 26 February 2026**

Author: **L Stewart / Programme Manager**

Authoriser: **E Hatch / GM People & Partnerships, Executive Sponsor**

Reference: **A3065264**

1. Reason for the report - *Te Take mō tēnei rīpoata*

The purpose of this report is to provide the Finance, Performance and Risk Committee with an update on Council's ERP replacement project.

2. Recommendations - *Tohutohu akiaki*

1. THAT; the Finance, Performance and Risk Committee **receive** the 'Programme Enterprise - ERP Replacement Project Update' report; and
2. THAT; the Finance, Performance and Risk Committee **note** that re-phasing of Long Term Plan 2024-34 approved funding will be addressed through the Annual Plan 2026-27 budget process; and
3. THAT; the Finance, Performance and Risk Committee **note** that the forecast shortfall in total implementation costs will be addressed through the Annual Plan 2026-27 budget process.

3. Background - *He tirohanga whakamuri*

On 12 December 2024, Council:

- Approved the ERP Replacement Business Case to replace Ozone as the existing ERP solution;
- Endorsed the commencement of contract negotiations with Datacom Solutions Ltd ('Datacom'), the vendor for the preferred Datascape solution;
- Approved the commencement of the project to implement Datascape;
- Endorsed investment of \$4.25 million of allocated funding in the Long Term Plan 2024-34 to fund project implementation by internal loan to be repaid over 10 years;
- Noted a \$517,000 shortfall in implementation costs to be reviewed during implementation planning, with any remaining shortfall addressed through the Annual Plan 2026-27 process; and
- Agreed updates to Council on the project would be provided via quarterly reporting to the Finance and Performance Committee.

In August 2025, an update was provided to the Finance and Performance Committee that advised that:

7.2 Programme Enterprise - ERP Replacement Project Update(Cont.)

- An ERP Replacement programme had been established and a project team on-boarded in March 2025;
- A period of programme planning commenced with the vendor in April / May 2025;
- Contract negotiation was finalised with Datacom (vendor for the Datascape solution) in June 2025;
- The first project – CRM (Customer Relationship Management) – commenced in May 2025 and was on track for implementation in November 2025.

4. Discussion – Kōrerorero**4.1. Customer Relationship Management (CRM) Project**

Since the August 2025 update, the project team has successfully implemented the following new ERP functionality:

- Datascape module for raising and managing Service Requests
- Datascape module for creating and editing Contacts information
- Antenno which enable Service Requests to be submitted and send location-specific alerts and notifications to residents via a mobile App

This project was delivered on schedule and on budget.

There remain two items of functionality yet to be implemented as part of the CRM project.

The first is a system integration between Datascape and RAMM (our Road Assessment and Maintenance Management system). This integration was not in place with our legacy ERP system (Ozone), however was bought into scope due to the efficiencies it will bring for the Transport team in relation to management of relevant Service Requests. The implementation delay relates to technical issues that Datacom are currently working through.

The second item is 'Fieldwork' - a mobile app which enables staff in the field to receive and complete Service Requests. This is new Datacom functionality that is intended to replace 'Mobile Capture' (which WDC currently uses). The Fieldwork product did not pass WDC testing and was returned to Datacom's Product Development Team for further investigation. Both these items are planned for implementation before 30 June 2026 at no additional cost to Council.

The Antenno App was internally launched with staff in November. A community campaign is planned for mid-March 2026 and will include briefings with elected members as to how to use the App.

Closure of the CRM Project for implemented functionality is almost complete and WDC Datascape CRM end-users have shifted from project support to business-as-usual Digital Services support.

Finance, Property and Rates (FPR) Project

The Finance, Property and Rates (FPR) Project commenced in September 2025. This particular module covers all Council's core financial processes and management of rates accounts including:

7.2 Programme Enterprise - ERP Replacement Project Update(Cont.)

Finance		Property and Rates
Accounts Payable	Purchasing	Land Parcels
Accounts Receivable	Revenue Receipting	Property
Banking	Work Orders	Rates Accounts
Financial Assets	Inventory	Collection and Debt Management
Contracts	Debt Management	Water and Utility Billing
General Ledger	Project Accounting	

The FPR Project represents significant change – all financial processes will change, the Chart of Accounts will change, and, as a result of new DIA requirements, the team has worked with Datacom to ensure that Datascape solution can enable Council to meet new reporting requirements in relation to Three Waters. Unlike the CRM Project’s timeline which was not impacted by legislative timeframes, it is critical that the FPR Project goes live in July 2026 to streamline end of year processes and reporting, audit requirements and LTP planning. A delay to an early July go live could cause significant reconciliation efforts to meet audit requirements. Council is aware of at least two Councils who deferred a Datascape July 2025 go live to July 2026. This type of delay leads to a 12-month delay in the overall implementation timeline due to the need for the FPR Project to be delivered prior to implementation of the Regulatory Project.

The current status of the FPR Project is ‘at risk’. Whilst the design and build of WDC’s system is close to complete, there are a few key issues that have led to delays and pose an ongoing (but managed) risk to the schedule, including:

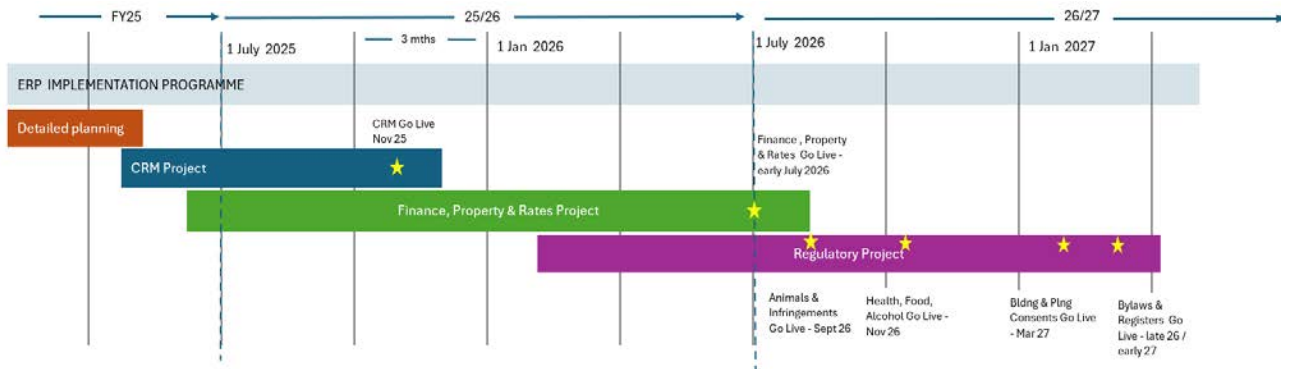
- DIA Three Waters requirement: Datacom’s Product Team had to develop new configuration which would allow councils to meet the new reporting requirements meaning the design of WDC’s system could not be confirmed until the end of January 2026.
- WDC integration requirements: Determining the most effective way to integrate WDC’s planning and reporting tool – MiBI – with Datascape has been complex. The ERP Programme Steering Group confirmed that this should occur via WDC’s Data Warehouse. This work is dependent on additional third-party vendor assistance with MiBI’s supplier (Fusion5). Contract finalisation with Fusion5 is close to complete. Completion of this work will be dependent on the supplier’s ability to deliver on schedule to ensure that the FPR Project go live is successful in July, and to ensure that LTP27/37 planning can commence around September 2026.
- Datacom resourcing challenges: Datacom confirmed limitations in their technical and consulting teams which delayed design decisions and system integration activity early in the project.

4.2. Timeline

Due to the size and complexity of change for the FPR Project, and the criticality of the July go-live date, the ERP Programme Steering Group decided to delay the commencement of the third project – the Regulatory Project, originally planned to commence in February 2026 – to best position the FPR Project for a successful implementation in July 2026. Figure 1 below shows the two-year timeline included in the last August 2025 update.

Figure 1. August 2025 Implementation timeline

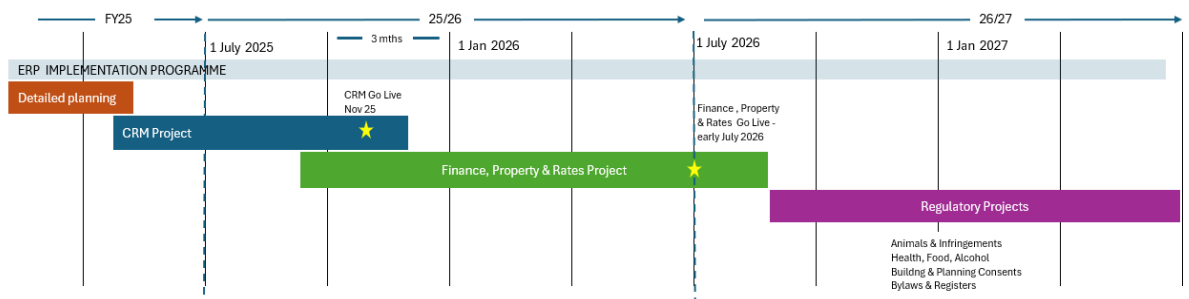
7.2 Programme Enterprise - ERP Replacement Project Update(Cont.)



Discussion is currently underway to revise the above timeline. Figure 2 below reflects the current timeline. The key difference between the timelines are the delays to the commencement of the FPR Project and the Regulatory Project. Discussion is ongoing to further refine the Figure 2 timeline. This will consider:

- Staging of the Regulatory projects – the original 4-stage approach could potentially be reduced to 2 stages and will be informed through resourcing impacts on both the regulatory and project team;
- Building and consenting context – legislative changes in this space as well as a recent system transition for the Building Consents team will require more detailed planning discussions with impacted teams, ELT and Datacom;
- Budget impacts for LTP27/37 planning – the original two-year timeline proposed implementation would be completed by May 2027; it is possible that, due to the factors above, implementation may extend into the next LTP period.

Figure 2. February 2026 Implementation timeline



4.3. Budget

Programme Enterprise is on track budget-wise within the approved Business Case budget. Currently, full delivery of the programme requires a forecasted \$316,000 in addition to the LTP budget in 26/27. This is less than what has been requested through the Annual Plan budget development, however given that a revised programme schedule is required to accommodate the postponement of the Regulatory Project and the potential for this to impact the budget, it is recommended that the \$500,000 shortfall requested through AP26/27 remain valid.

Table 1 below provides a summary of implementation costs forecast through the Long Term Plan, Business Case and project planning phases.

7.2 Programme Enterprise - ERP Replacement Project Update(Cont.)

	24/25	25/26	26/27	TOTAL	LTP Variance
LTP 24/34 budget	2,370,000	1,880,000	-	4,250,000	
Business case budget (includes contingency)	2,246,316	1,843,988	676,581	4,766,885	-\$516,885
August 2025 forecast (includes contingency)	756,474 (Actuals)	2,235,888	1,763,927	4,756,289	-\$506,289
Feb 2026 forecast	756,474		1,652,448	4,566,273	-\$316,273

As this project is financed through a 10-year internal loan, assuming the funds are drawn in the 2026-27 financial year, the estimated impact on rates for that year is expected to be less than 0.1% and will be confirmed through the Annual Plan 2026-27 budget process.

4.4. Contract Management

As stated above in the 'Finance, Property and Rates Project' update, WDC experienced some challenges in accessing Datacom resources in late 2025 that led to schedule delays. Concerns in relation to consultant and technical resourcing, as well as the quality of Datacom's project management services, were raised to Datacom in November 2025. Datacom have since bought on new staff to help address technical and consultancy gaps.

These concerns were escalated to Datascape Managing Director, John Wiggs, by Steven Perdia (WDC Chief Executive) and Emlyn Hatch (WDC Programme Sponsor and General Manger, People and Partnerships) in a meeting in January 2026. Datacom advised of some recent changes and that WDC could expect to see further improvement in the next few months.

WDC issued a Performance Notice in February 2026 to formally record Council concerns and ensure alignment on expectations and contractual obligations.

WDC and Datacom remain focused on a July 2026 FPR Project go live and programme governance is closely monitoring progress.

4.5. Key Risks

Name	Description	Residual Risk Assessment	Mitigation
Implementation Delays	There is a risk that the large and complex nature of ERP implementations leads to delays in implementation timeline.	Major	PSG decision to postpone commencement of Regulatory Project from February 2026 to after delivery of Finance, Property and Rates Project. This decision was agreed as a suitable

7.2 Programme Enterprise - ERP Replacement Project Update(Cont.)

Name	Description	Residual Risk Assessment	Mitigation
			<p>mitigation to reduce the risk of not implementing the Finance, Property and Rates Project in July 2026. The decision was also based on WDC’s initial experience of running concurrent projects (CRM delivery in parallel with design of Finance, Property and Rates project), and the impact on project team and business resources.</p> <p>Revision to 2-year implementation timeline required to reschedule Regulatory projects which will need to consider legislative context of consents, impacted team resourcing and project team resourcing.</p> <p>Contingency established and managed with appropriate governance approval.</p> <p>Quarterly budget reviews for PSG.</p>
Implementation Delays	There is a chance that due to the number of councils completing an ERP procurement process, preferred vendor will have reduced capacity and/or capability to support our implementation and ongoing development of the solution.	Major	<p>Diligent contract management.</p> <p>Foster an effective partnership with Datacom, identifying issues early and agreeing resolutions informally and formally via contractual process when appropriate.</p>
Resourcing	There is a risk that resources to successfully deliver the project are not available when required due to competing priorities and/or staff movement leading to potential loss of business continuity / knowledge retention in the event of resourcing changes.	Moderate	<p>Subject Matter Expert (SME) Resource Management Plans with GM sign off to ensure backfill resourcing meets business requirements and SMEs dedicated to project are genuinely enabled to participate.</p> <p>ELT engagement re expectation setting.</p> <p>Change management workstream to identify and monitor competing priorities to ensure adequate capacity for change.</p>

7.2 Programme Enterprise - ERP Replacement Project Update(Cont.)

Name	Description	Residual Risk Assessment	Mitigation
Data Migration Issues	There is a risk data cleansing requirements to migrate quality data from Ozone and Datascape lead to delays in the overall implementation timeline.	Moderate	<p>Proactive data quality assessment completed.</p> <p>WDC working closely with Datacom’s Ozone and Datascape delivery teams. CRM data migration learnings integrated into Finance, Property and Rates Project which requires more data sets and more complex data.</p> <p>Alignment with draft Data Strategy to lift maturity around data ownership.</p>
Change Management	There is a risk that the multi-year nature of ERP implementations in parallel with concurrent LTP work programme delivery expectations lead to change fatigue amongst staff with potential loss of staff and therefore business continuity/knowledge retention.	Moderate	<p>Backfilled SME resources continue to be critical.</p> <p>Change management workstream was effective in monitoring and supporting business readiness and go live for CRM. Finance, Property and Rates Project will leverage this experience, and tailor it to the requirements of the impacted teams.</p> <p>Strong governance framework and consistent Executive engagement.</p>
Integrations	There is a risk of challenges in integrating Datascape with other existing Council systems which could result in implementation delays, and reduced benefit realisation in relation to operational inefficiency gains and real-time visibility.	Moderate	<p>WDC Technical Workstream coordinating with WDC BaU Digital Services Teams to ensure Finance, Property and Rates Project integrations are working effectively. Some limitation with Datacom technical resourcing capacity.</p> <p>Contract being established with Fusion5, the vendor for MiBI, WDC’s planning and reporting tool. This work will enable WDC to extract data from Datascape, shift is to WDC’s Data Warehouse, and then extract it via our existing MiBI system (in the same way we currently do with Ozone).</p>

7.2 Programme Enterprise - ERP Replacement Project Update(Cont.)**5. Options Analysis - *Ngā Kōwhiringa***

There are no options as this is an information report.

6. Significance and Engagement Assessment - Aromatawai Pāhekoheko**6.1. Assessment of Significance**

The decisions and matters of this report are assessed to be of low significance, in accordance with the Council's Significance and Engagement Policy.

6.2. Engagement and Community Views

On the basis of a low level of significance, and in line with the Significance and Engagement Policy, Section 6.1, specific engagement on this matter will not be sought based on:

- The matter is not of a nature of significance that requires public engagement (Section 6.1. a); and
- The matter has already been addressed by the Council's policies or plans, which have previously been consulted on (inclusion LTP21/31 and 24/34 (Section 6.1. e).

7. Considerations - *Whai Whakaaro***7.1. Strategic Alignment**

No inconsistencies with any of the Council's policies or plans have been identified in relation to this report.

7.2. Financial/Budget Considerations

The LTP 24/34 includes \$4.25 million over two years to fund the ERP Replacement Project via an internal loan. The Business Case approved in December 2024 indicated a \$517,000 shortfall in project costs to be addressed through the Annual Plan 2026-27 process. Current budget forecasting has reduced this shortfall to \$316,000, however due to the need to revise the programme implementation timeline, the additional amount requested through the Annual Plan 2026-27 process will remain \$500,000. As the full implementation costs are funded via an internal loan, this shortfall is not required to be directly funded through 26/27 rates. The anticipated rates impact of the increase in internal loan amount is expected to be less than 0.1% and will be confirmed through the Annual Plan budget process. Re-phasing of the programme costs will also be addressed through the Annual Plan 2026-27 process.

7.3. Climate Change Assessment

There are no significant or notable impacts associated with the matters of this report.

7.4. Risks

Refer to 'Key Risks' under Section 4. Discussion.

7.2.1 Appendix A – ERP Replacement Update Slide Pack

8. Next Steps – E whai ake nei

- i. Council will continue to progress 'Programme Enterprise' to implement Datascape to replace Ozone as Council's ERP system.
- ii. Address rephasing of programme spend through the Annual Plan 2026-27 budget process.
- iii. Address the shortfall in programme budget through the Annual Plan 2026-27 budget process.
- iv. Continue to provide progress updates via the Finance, Performance and Risk Committee.

Attached to this Report:

- Appendix A – ERP Replacement Update Slide Pack

7.2.1 Appendix A – ERP Replacement Update Slide Pack

ERP Replacement Update

26 February 2026



PROGRAMME ENTERPRISE
BETTER INFO > DECISIONS > OUTCOMES

Key milestones to date

- Dec 2024: Business Case approval
- Jan 2025: Established project
- Mar 2025: On-boarded WDC project team
- April/May 2025: Detailed planning with vendor; commenced first project – CRM Project (Service Requests)
- June 2025: Contract finalisation with Datacom

CRM Project (Customer Relationship Management)

✓ Delivered on time and on budget

Includes:

- Datascape module for Service Requests
- Datascape module for creating and editing Contacts information
- Antenno mobile app

Still to come

- One integration for the Transport team (RAMM)
- Fieldwork mobile app



Finance, Property and Rates Project

- Commenced September 2026
- Due to go live in July 2026
- Covers all core financial processes and management of rates accounts (including water billing)
- Represents significant and complex change
- Current status – ‘At Risk’ (but being managed)



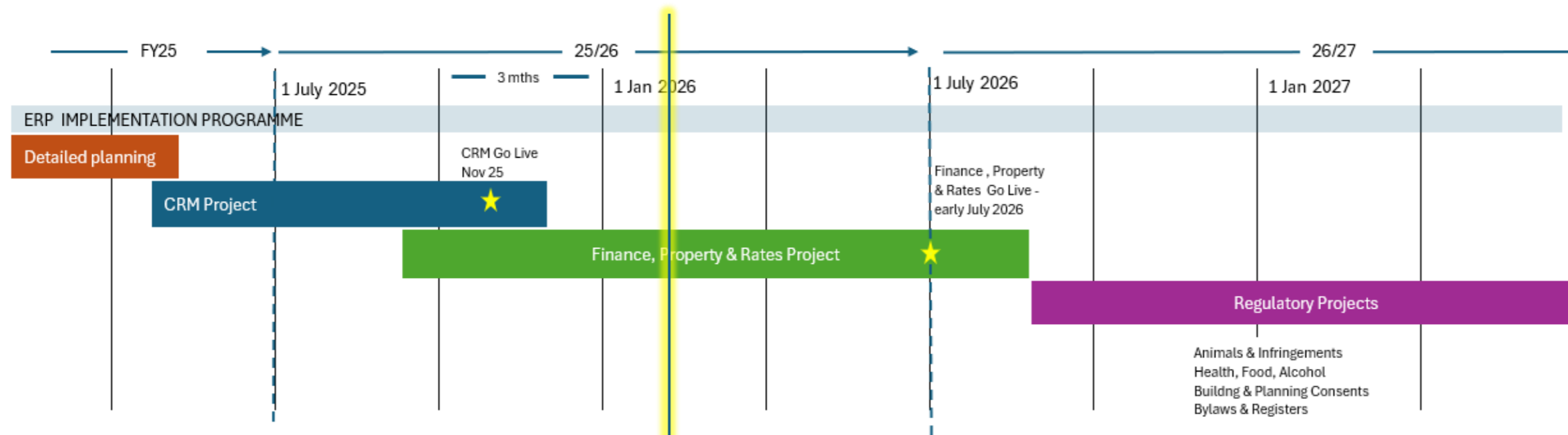
Finance, Property and Rates Project

Issues being managed

1. DIA Three Waters requirements
2. WDC integration requirements
3. Datacom resourcing challenges



Our timeline



Key risks

- Implementation delays
- Resourcing
- Data migration
- Integrations
- Change management



Our budget

	24/25	25/26	26/27	TOTAL	LTP Variance
LTP 24/34 budget	2,370,000	1,880,000	-	4,250,000	
Business case budget (includes contingency)	2,246,316	1,843,988	676,581	4,766,885	-516,885
Current budget (includes contingency)	756,474	2,157,351	1,652,448	4,566,273	-316,273

Our budget

- We're where we planned to be
- Through the Annual Plan 2026–27 process, we have proposed to:
 - Rephase the majority of spend by a year
 - Address the est \$500,000 shortfall, noting that this will not lead to a direct rates impact for 26/27 due to the programme being funded via internal loan

7.3 Risk and Assurance Update Report

7.3 Risk and Assurance Update Report



To: **Finance, Performance and Risk Committee**
Date: **Thursday, 26 February 2026**
Author: **I McNiven / Procurement and Risk Manager,**
Authoriser: **P Davidson / Chief Financial Officer**
Reference: **A3066541**

1. Reason for the report - *Te Take mō tēnei rīpoata*

The report updates and informs the Finance, Performance and Risk Committee on risk and assurance matters and outlines the workplan for 2026.

2. Recommendation - *Tohutohu akiaki*

THAT the Finance, Performance and Risk Committee **receive** the Risk and Assurance Update Report.

3. Discussion – Kōrerorero

3.1. Risk Register

Attached as Appendix 1 – Risk Register incorporating management action status.

3.2. Enterprise Risk Update

This report provides an update on Council's key strategic risks and the progress made on related treatments and control activities up to January 2026, based on the latest Risk Register and Management Action Status.

Over this period, Council has continued to strengthen its overall control environment, with notable improvements across Health and Safety, partnerships with Māori, infrastructure resilience, governance and decision-making capability, emergency management readiness, and financial planning disciplines. Key developments include:

- **Risk 02 – Health & Safety:** Approval of the Critical Risk Framework and updated Risk Management Policy.
- **Risk 04 – Māori Relationships:** Formalisation of the Mana Whakahono ā Rohe agreement with Ngāti Manawa.
- **Risk 05 – Infrastructure & Growth:** Completion of Floodwall Stage 2 and further progress across growth and consenting programmes.
- **Risk 06 – Cybersecurity & Systems:** Ongoing ERP Enterprise Programme development alongside strengthening of cybersecurity controls.

7.3 Risk and Assurance Update Report(Cont.)

- **Risk 07 – Governance & Legal:** Appointment of a Legal Services Advisor, with a full Staff Delegations Register review scheduled for March 2026.
- **Risk 09 – Climate & Emergency Management:** Continued delivery of the Climate Pathway and Climate Change Risk Assessment milestones, along with expansion of internal emergency management capability.

A review of the risk register confirms that inherent and residual risk ratings remain unchanged from the previous reporting period. This is expected: inherent risk reflects underlying exposure rather than current control maturity, and several major programmes are still embedding.

However, four risks now show sustained positive momentum and are being monitored for potential residual rating improvements later in 2026, subject to continued evidence of performance:

- Risk 02 – Health & Safety
- Risk 04 – Māori Relationships
- Risk 10 – Community Support
- Risk 11 – Economic / Financial Shock

As part of our ongoing commitment to strengthening enterprise-wide risk management, we suggest moving into the phase of refreshing and workshopping the strategic risks, including reviewing their ongoing relevance and alignment to organisational priorities. This will be supported by further risk appetite discussion and refinement of the overall risk management framework to ensure it remains fit for purpose and responsive to the changing operating environment. This approach provides a clear and consistent foundation for governance and decision-making as we progress.

3.2.1. Emerging Risks

The external environment for New Zealand local government is shifting rapidly, with significant implications for Whakatāne District Council. The following **two major emerging risks** have been identified as the most relevant to the District. These risks are not yet formal strategic risks but are **increasingly influential** and cut across several of WDC's current 11 Strategic Risks.

Emerging Risk 1. **Local Government Funding Reform**

The government is progressing major changes to how councils fund growth infrastructure, including Rates Capping, replacing Development Contributions with Development Levies under the Local Government (Infrastructure Funding) Amendment Bill. These proposed changes will have significant impacts on the funding and financing and subsequent work programmes of local government and are anticipated to have significant impacts on the development of the next Long-Term Plan which is commencing this year. In addition, Local Waters Done Well will have significant impacts on Council as it implements the decision to establish an internal business unit and consider any future Council Controlled Organisation development.

Linked Strategic Risks

Risk 01 – Effective Delivery
Risk 05 – Infrastructure Resilience
Risk 11 – Economic/Financial Shock

Emerging Risk 2. **Wider Economic Instability**

7.3 Risk and Assurance Update Report(Cont.)

Recent analysis from the Office of the Auditor-General shows that councils nationally are facing significant financial strain. Volatility of if the supply market will continue to have impacts on the pricing of infrastructure including the potential for interest rates to begin increasing in the next 12 months. Inflation uncertainty, construction cost escalation, and rising insurance premiums—particularly in hazard-exposed regions will continue to have impacts on the financial position of Council.

Whakatāne faces these pressures more acutely than many councils because:

- the district has high natural hazard exposure (coastal, flood, slip), which increases insurance and asset management costs;
- many core assets are ageing and require significant reinvestment;
- upcoming wastewater standards and floodwall integration works will further elevate capital costs.

Linked Strategic Risks

Risk 11 – Economic/Financial Shock

Risk 05 – Infrastructure Resilience

Risk 03 – Staff Capability & Capacity

4. Options Analysis - *Ngā Kōwhiringa*

No options have been identified relating to the matters of this report.

5. Significance and Engagement Assessment - Aromatawai Pāhekoheko**5.1. Assessment of Significance**

The decisions and matters of this report are assessed to be of low significance, in accordance with the Council's Significance and Engagement Policy.

6. Considerations - *Whai Whakaaro***6.1. Strategic Alignment**

No inconsistencies with any of the Council's policies or plans have been identified in relation to this report.

6.2. Financial/Budget Considerations

There is no budget considerations associated with the recommendations of this report.

6.3. Climate Change Assessment

There are no significant or notable impacts associated with the matters of this report.

6.4. Risks

There are no significant risks associated with this report.

7.3 Risk and Assurance Update Report(Cont.)

7. Next Steps – E whai ake nei

7.1. **2026 Work Programme Plan**

The table below outlines the risk and assurance work program for the remainder of the calendar year.

	February	May	August	November
Public Forum – Items to Review, Approve or Note				
External Assurance		2023-24 Final Report to Governors 2024-25 Audit Plan	Management Action Update	
Internal Assurance	IA update as needed	IA update as needed	IA update as needed	IA update as needed
External & Internal Assurance 2023 Key Learnings (Recommendations Tracker)	No	Yes	Yes	Yes
Enterprise Risk Report	Yes	Yes	Yes	Yes
Treasury Report	This report has been moved to be part of the Finance Quarterly Report.			
Policy Review		Risk Management Framework		
	February	May	August	November
Public Excluded				
Legal Proceeding	Yes	Yes	Yes	Yes
Insurance				
Significant Projects and Work Programmes		Yes	Verbal update from CE	
External Assurance PAX				

7.3.1 Appendix 1 – Risk Register incorporating management action status

Attached to this Report:

- Appendix 1 – Risk Register incorporating management action status
- Appendix 2 – Council Consequence of Risk
- Appendix 3 – Council likelihood of risk
- Appendix 4 - Risk Heatmap

7.3.1 Appendix 1 – Risk Register incorporating management action status

7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

Appendix 1 – Council Risk Management Report - Register incorporating Management Action Status Report as of January 2026

For items showing as an inherent risk of **High** or above within the risk management report

Key to Status	[T-E] Treatment - effective	[T-PE] Treatment – partly effective	[C-E] Control - effective	[C-PE] Control – partly effective
What’s the distinction between a Treatment and a Control? [shades of grey]				
<p>A Treatment is something that reduces the inherent risk either in consequence or likelihood to avoid it from occurring or reducing its consequence if it does occur <i>[example: an alarm that sounds or alerts someone when a door is left unlocked reduces the likelihood of doors being unlocked for any length of time]</i></p> <p>A Control is something that improves the environment to reduce the residual risk of the consequence or likelihood <i>[example: a policy that lets all staff know that doors are to be locked]</i></p> <p>Both Treatments and Controls require ongoing monitoring to be effective.</p>				

7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

RISK 01. Not Achieving Effective Delivery			
<p>Risk definition</p> <p>There is a risk that Council does not to meet its goals for the district including compliance with legislation, resulting from failure to implement change in strategic planning due to insufficient monitoring and decision-making processes (choosing the right projects, given financial constraints, and delivering them on time and on budget).</p> <p>The risk exists because there is a view the underpinning practices to support changes in strategic decision making are not as strong as they should be, specifically</p> <ul style="list-style-type: none"> Business processes including decision making, reporting, project management (including whole of project life financials, asset management and procurement). Staff capability and capacity to ensure consistent and focused delivery Improved financial and infrastructure strategies that guide decision making 	Potential Risk Impacts	<ul style="list-style-type: none"> Unanticipated costs \$1m+ Failure to achieve multiple community outcomes. Deterioration in multiple KPI 30% A range of assets, some critical are rendered unusable for more than a month 	
	Inherent Risk	Extreme ←	
	Residual Risk	High ←	
	Target Risk	Medium ←	
	Risk Reduction General Approach	Establishing an effective LTP that commits to develop robust decision making, project management process, tools, and capability at council to strengthen Councils long term sustainability and delivery of outcomes	

Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
1.1 Strategy and Policy [L. Woolsey]			
<p>2.01 - Corporate planning - long term plan, annual plan, annual business plan</p> <p>2.03 - Review and develop council performance framework</p>	<ul style="list-style-type: none"> WDC Long Term Plan 2024-2034 [Aug.24] The Organisational Performance Report (OPR) is reported to Committee each quarter Annual Plan 25/26 adopted [Jun. 25] 	<ul style="list-style-type: none"> Key Project template under review by ELT for reporting to Council [Oct. 25] Business Plan 25/26 close to completion [Sept. 25] 	<ul style="list-style-type: none"> Annual Plan 26/27 project plan to commence [Oct. 25] Reporting framework review by Strategy and Policy team planned for 25/26 year [Oct. 25]
1.2 Strategy and Transformation [L. Woolsey]			
2.29 - Establish PMO and strengthen project discipline	<ul style="list-style-type: none"> EPMO Manager commenced appointment [July 24] EPMO 'Aratakina' project plan approved by ELT [Oct. 24] EPMO Staff training [Feb. 25 and ongoing] 	<ul style="list-style-type: none"> EPMO plan and key project reporting paper to Council [Oct. 25] 	<ul style="list-style-type: none"> Roll out of EPMO software and transition of business plan FY 25/26

7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

RISK 02. Health and Safety			
<p>Risk definition</p> <p>There is a risk that serious harm or death of Council staff or other people at Council's workplaces occurs.</p> <p>The risk exists because of the nature of work undertaken by our staff, and our contractors et al, in the delivery of services on behalf of the Council. Inherent Risk reflects the existing Health and Safety framework and treatments being assessed as effective.</p>	Potential Risk Impacts	<ul style="list-style-type: none"> Death of one or many staff/ Public 	
	Inherent Risk	<p style="text-align: center;">High ←</p>	
	Residual Risk	<p style="text-align: center;">Medium ←</p>	
	Target Risk	<p style="text-align: center;">Low ←</p>	
	Risk Reduction General Approach	<p>Council must ensure all reasonable steps are taken to ensure the health and safety of Council staff and people at Council workplaces.</p> <p>Establishing an effective health and safety framework including multiple aspects such as strategy, policy and procedures, reporting, training, and resources to reduce the likely occurrence of such an event or the severity of impact if such an event occurs.</p>	

Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
2.1 People and Capability [E. Hatch]			
8.03 - Manage health and safety	<ul style="list-style-type: none"> Event management – system provided for reporting and managing accidents, incidents and near miss events. (Damstra) Worker engagement – systems for including workers in health & safety decisions including an active Health & Safety Committee and Wellbeing Committee. Risk Management – Council-wide Risk Registers are currently being reviewed and updated to ensure they accurately reflect key risks across all areas. Critical risks are managed through Risk Control Groups, comprising cross-functional staff with relevant expertise. The overarching framework is being finalised and will be presented for discussion at this month's ELT meeting. Policy & process – policy and processes developed as required to support good health & safety practices. Ongoing 	<ul style="list-style-type: none"> New Health, Safety and Wellbeing Strategy has been developed by the Executive Team. The Project Team has been formally established, and the improvement programme is well underway. It is an ongoing initiative, with different targets being set and progressively achieved as part of a phased approach. A comprehensive review and update of all 25 council risk registers is currently underway. The information is being consolidated into a newly developed Risk Register, which will capture all previously identified risks from the old templates and Vault system. The updated register will be maintained on the Whoogle page. 	<ul style="list-style-type: none"> Revised Contractor Management Framework has been developed and engagement with key stakeholders and project managers will begin soon. Policy discussed with key stakeholders. The Risk Management Policy and Critical Risk Framework were presented to the ELT and were signed off by them. The Contractors Management Policy is in its final draft and is planned to be presented to the ELT later this month.

7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

	<ul style="list-style-type: none"> • Contractor management - Policy is in its final draft and is planned to be presented to the ELT later this month. • Staff training – H&S training has been identified for all roles and loaded against the role in Damstra Training, including refresher training, is scheduled by the H&S team. • Health monitoring – roles where staff are exposed to health risks receive annual health monitoring through our provider Proactive. 		
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7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

RISK 03. Inability to attract, sustain, engage, and develop our staff capability			
<p>Risk definition</p> <p>There is a risk that we fail to maintain the necessary staff capacity and or capability to deliver the objectives of the organisation.</p> <p>The risk exists because the New Zealand labour market is extremely tight and furthermore WDC operates in a relatively small regional economy making it often challenging to attract high calibre candidates. Challenges can include ability to remunerate at levels, expected opportunity for personal development, jobs for partners, schooling, and housing availability.</p> <p>Additionally due to scale, succession planning is also challenging. Like many regions we have areas of the business (e.g., 3 waters) where our staff demographic is aged which increases our exposure.</p>	Potential Risk Impacts	<ul style="list-style-type: none"> ○ Unanticipated costs \$1m+ Failure to achieve multiple community outcomes. ○ Deterioration in multiple KPI 30% ○ A range of assets, some critical are rendered unusable for more than a month 	
	Inherent Risk	High ←	
	Residual Risk	High ←	
	Target Risk	Medium ←	
	Risk Reduction General Approach	<p>People and culture programme in place and monitored via Org Performance.</p> <p>Mitigation includes making a value proposition for Whakatāne being a great place to live and work along with effective staff engagement, an attractive and modern workplace, and a commitment to staff professional development.</p> <p>WDC has utilised contractor or consultants often where recruitment has not been successful or where the need is short term and highly skilled.</p>	

Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
3.1 People and Capability [E. Hatch]			
<p>8.02 - Enhance recruitment systems and processes</p> <p>8.04 - Develop and implement - people first project - organisation vision and values</p> <p>8.05 – Implement staff wellbeing strategies and policies</p> <p>8.07 - Develop workforce plan</p>	<ul style="list-style-type: none"> • Our Vision & Values have contributed to the development of our Employee Value Proposition (EVP) which ensures we utilise the right language in all documentation to attract top talent (including adverts, positions descriptions, interview questions etc). • Our recruitment processes allow increased flexibility in People Leaders thinking creatively about other benefits to attract great staff, including flexible workplaces and a focus on personal development. • Council attained Accredited Employer status with Immigration NZ and can now attract and recruit technical skills from overseas, and support migrants into our communities. • Council’s wellbeing group regularly meet and actively coordinate wellbeing events and initiatives for all staff. • Hybrid Working Guidelines developed and presented to staff to support people working in a combination of in the office and at home, as appropriate. 	<ul style="list-style-type: none"> • The team is continually adapting recruitment approaches to ensure we remain competitive in the recruitment market. Plans are in place to promote Council using more online digital content • The P&C team are continuing to work to the P&C Strategy which was developed in early 2025. 	<ul style="list-style-type: none"> • A Learning & Development Framework is being drafted and will guide our L&D offering for 2026. • Remuneration project is progressing well. Increased transparency and clarity around remuneration will contribute positively to our recruitment and retention approach.

7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

RISK 04. Impaired Māori Relations			
<p>Risk definition</p> <p>There is a risk that failure to effectively engage with strong Iwi and Māori relationships impedes that ability to deliver the Council's goals for success across economic, cultural, environmental, and social outcomes. This risk also includes failure to meet both legislative and moral responsibilities to build, maintain and nurture sound and trusted relationships with Māori partners.</p> <p>The risk exists because strong Iwi and Māori relationships are a key pillar to the district's strategic plans reflecting that Whakatāne District has a substantial Māori population of nearly 50%.</p> <p>Impaired relationships have multiple negative outcomes associated with them and impacts on other relationships (e.g. central government) and our ability to ensure strong resilient, connected communities across the district.</p>	Potential Risk Impacts	<ul style="list-style-type: none"> ○ Unanticipated costs \$1m+ ○ Failure to achieve multiple community outcomes ○ Deterioration in multiple KPI 30% ○ A range of assets, some critical are rendered unusable for more than a month 	
	Inherent Risk	High ←	
	Residual Risk	High ←	
	Target Risk	Low ←	
	Risk Reduction General Approach	<p>Ensure an effective Māori Relationship and Engagement plan is in place, underpinned by the Māori Relationship Strategy. This strategy is directed towards strengthening WDC institutional capacity and capability to engage constructively and consistently with Māori. It provides a framework for shared business planning, introduces greater structure and coherence to engagement processes, and commits resources and time to the development of enduring and mutually beneficial relationships.</p> <p>Recognising the breadth of Council's responsibilities, it is imperative to maintain and nurture strategic relationships across the full spectrum of Iwi/Māori partners. This includes iwi, hapū, and whānau, as well as land-holding entities, Māori education providers, health and social service organisations, Māori ratepayers, and other relevant stakeholders.</p>	

Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
4.1 Local Governance [E. Hatch]			
1.03 - Undertake representation review		T	<ul style="list-style-type: none"> • The next Representation Review for Whakatane District Council is required to occur in 2026/7. • Taituara Representation Reviews Webinar in May 2026 on what to expect for all Councils that have to undergo the review in preparation for 2028 triennium. • Ensuring that staff are across all requirements to successfully deliver on the next rep review. • Monitoring potential legislative changes and adapting plans accordingly as necessary

7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

			<ul style="list-style-type: none"> Engaging with stakeholders early and often to gather input and build consensus Establishing clear timelines and milestones to ensure the review process stays on track
4.2 Strategic Māori Relationships [H. Patrick]			
<p>1.06 – Develop cultural responsiveness strategy</p> <p>1.07 - Implement cultural responsiveness strategy</p> <p>1.08 - Deliver cultural competency programme</p> <p>1.09 - Develop coordinated partnership work programme with iwi partners</p> <p>1.10 - Provide cultural advice and guidance to elected members and staff</p>	<ul style="list-style-type: none"> Te Kahupapa – Organisation’s Cultural Competency framework: Core programme offering has been embedded into the training calendar this includes Tikanga, Te Tiriti o Waitangi, and Noho Marae, and is complemented by targeted modules Implemented bi-monthly <i>Mihi Whakatau</i> for new staff, further demonstrating Councils commitment to tikanga, te ao Māori, and Te Tiriti o Waitangi. Increased oversight of WDC BAU and accuracy of Engagement. Including shared learning opportunities between WDC and Iwi Entities Masterplans are in final stages and due for delivery to Iwi in late 2025. Policy Hub is due for completion in December 25. Iwi to determine continued use of service which will be independent of WDC funding. Iwi Chairs forum between Mayor, Councillors CE and Iwi Increased Organisational Awareness of Govt Māori Policy and impacts. Relationship Excellence – Relationship leads in place to coordinate and nurture relationships between Ngāti Awa, Ngāti Rangitahi, Ngāti Whare and Ngāti Manawa. Toi Kotuia team resourced with 1x Manager, 2x Senior Advisors, 1 Advisor and 1x Team Support/Cultural Capability Lead. Team is currently at 6 FTE (including Kaihautu role) LTP 2024-34- Further funding secured through LTP to resource team with further FTE into Yr 3 of LTP 	<ul style="list-style-type: none"> Rescoping team roles and responsibilities to better reflect organisational progress in cultural capability, increased engagement with iwi and hapū and new legislative landscape. MRS year 3 Outcomes to further advance WDC delivery of our Relationship and Legislative responsibilities. Treaty Settlement and MACA Impacts; WDC including relationship protocols. Relationship and Engagement Advice continuous (BAU) across multiple Activities. Relationship Lead for Ngāti Rangitahi in place July 2025. Reo Rua ki Whakatāne and Murupara strategy and outcomes underway. <ul style="list-style-type: none"> Project implementation is built into the Ngāti Awa and Ngāti Manawa Relationship Leads core role. Ngāti Manawa/Murupara Reo Rua Strategy in place implementation due 25/26. DIA funding secured for Ngāti Manawa. Interim Guidelines / Policy developed for Internal guidance to staff. Shared Iwi / WDC Business Planning, including iwi workplan, and reform workshops. Extending iwi engagement to include relevant hapū to ensure smoother project execution. Independent Iwi Relationship Health Check (June 2025): Provided clear insights into the current state of Council–iwi relationships, highlighting both strengths and areas for improvement. The next step is a detailed analysis of the report findings, with identified opportunities to be incorporated into the work programme. Signed Mana Whakahono ā Rohe with Ngāti Manawa. 	<ul style="list-style-type: none"> Partnerships: Matatā Wastewater, Murupara Wastewater, co-delivery of council services and support of Iwi settlement aspirations; Tarawera Awa Strategy group and Rangitāiki River Forum outcomes Review of Te Toi Waka Whakareī (Council’s relationship workplan) to ensure fit-for-purpose. Continued progress with IHW across all WDC business, with relationship workshops to better understand and support each other. Māori Policy intel to future inform WDC approach Te Reo Policy – Linked to Reo Rua and MRS outcomes due Y2 LTP - FY25/26 Oversight of Policy and Submissions WDC Māori lens. Workshops for Councillors and staff on impact of legislative changes on Māori. Mana Whakahono ā Rohe with multiple iwi and one hapū.. Induction module for all staff to ensure consistent baseline competency and knowledge of local iwi and hapū and enrolment to Te Kahupapa programme <i>Te Kahupapa WDC Cultural Competency Framework</i> under review to strengthen content, broaden reach, and extend availability to staff and elected members in FY25/26.

7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

	<ul style="list-style-type: none">LTP 2024-2034 funding secured to provide capacity and capability to Iwi to respond to the work of Council		
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7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

RISK 05. Lack of Infrastructure resilience (Community)			
Risk definition	<p>There is a risk that infrastructure used by the community fails to an extent that it has a significant impact on residents in our community, along with businesses who are unable to function, if council infrastructure fails.</p> <p>The risk exists due to the significant scale upon which the delivery of services of the Council is dependent on a diverse, distributed and complex infrastructure base, and due the to the underlying age of much of the infrastructure.</p>	Potential Risk Impacts	<ul style="list-style-type: none"> Key services are not available to a large proportion of the community for more than a month.
		Inherent Risk	Extreme ←
		Residual Risk	Medium ←
		Target Risk	Medium ←
		Risk Reduction General Approach	<p>An excellent understanding of the state of our infrastructure, the demand on them along with appropriate maintenance and replacement plans will be critical in managing this risk.</p> <p>Risk reduction will also consider infrastructure readiness for planned growth and the potential impact of unplanned growth.</p>

Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
5.1 Strategy and Policy [D. Bewley]			
<p>2.08 - Develop housing strategy</p> <p>2.10 - Spatial plan engagement and development</p> <p>2.11 - Future development strategy review (zoning)</p> <p>2.12 – Preparing resource consents for council key projects</p>	<ul style="list-style-type: none"> Housing Strategy redefined as Housing Needs assessment through District Plan review [commencing July 2025]. Spatial Plan – Adopted by Council in June 2025. Contractors and Project Managers appointed for roles in Reconsenting project – to mitigate time pressure. 	<ul style="list-style-type: none"> District Plan Review now influenced by RMA Reform. Council monitoring Planning Bill and Natural Environment Bill progression. Local Growth Strategy – draft considered by Council. Council to maintain governance and decision-making concerning LGS. Stop Plan legislation prevents growth related projects from proceeding – Council can explore application to Minister. Contractors and Project Managers appointed for roles in Reconsenting project – to mitigate time pressure. Wastewater consents have extension period granted through the LG (Water Services) Act 2025. 	<ul style="list-style-type: none"> District Plan review influenced by RMA Reforms. Council to continue to monitor changes in legislation. Monitoring other legislation that includes relevant provisions, such as Emergency Management Bill (and natural hazard investigation). Investigate Fast Track options for growth areas. Role of Manager Growth appointed.
5.2 Economic Development & Regeneration [L. Woolsey]			
2.21 - Develop investment strategy	<ul style="list-style-type: none"> Floodwall height increase Stage 1 complete [Feb 25] Floodwall BOPRC works Stage 2 complete [Dec 25] 	<ul style="list-style-type: none"> Engagement with Fishing Club re: Floodwall realignment [ongoing] 	<ul style="list-style-type: none"> BOPRC presentation to WDC councillors [date TBC]

7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

<p>2.22 - Reset town centre riverfront project (Te Ara Hou)</p> <p>2.23 - Review town vision 2008</p> <p>2.24 - Develop property strategy</p>	<ul style="list-style-type: none"> • Freeholding Plan project approved in principle by Council [Oct 24] • Establishment of Strategic Property Advisory Group [May 25] • Confirmation and subsequent agreement with Kanoa to reallocate portion of Te Ara Hou funding to Floodwall Integration [Aug. 25] • Legal agreement with Fishing Club re: new lease and relocation costs [expected Sept 25] 	<ul style="list-style-type: none"> • Developing a commercial property investment strategy and freeholding plan for Council signoff [Jun 26] • Floodwall integration stages 2 and 3 WDC project plan developed and concept design underway [due to Projects and Services committee April/May 26] 	<ul style="list-style-type: none"> • Ngati Awa engagement on draft Freeholding Plan [Mar-Jun 26] • Property policy review and engagement [Apr-Jun 26]
<p>5.3 Three Waters [N Johansson]</p>			
<p>4.02 - Maintain network and reticulation renewals</p> <p>4.07 - Develop three waters strategy to meet increased standards and growth requirements</p> <p>4.09 – Plan and develop new assets for growth</p> <p>4.10 - Investigate and plan for new water source for Whakatāne-Ōhope scheme</p> <p>4.11 - Deliver Matatā wastewater project</p> <p>4.12 Network resilience. There is a risk that water supply or waste-water services are affected by flooding, slips, salt-water ingress or earthquake, and storm water creates risk to life and property</p>	<ul style="list-style-type: none"> • Infrastructure PMO, under EPMO, operating to program and manage infrastructure projects underway. • Spatial Plan and Local Growth Strategy will identify growth related infrastructure. • Matatā Wastewater Co-governance Group established with iwi/hapu and Council representation. • Project plans have been developed for the renewal of all wastewater and water consents in 2026. Engagement on these renewals will start shortly. A timeline has been prepared with inputs from key projects such as the Spatial Plan identified. • Conversations underway with some iwi in relation to co-design of consent renewal plans. • Lack of robustness in the network due to age, and/or infrastructure deficiencies like lack of capacity and protection in plants. WDC has a well-versed process for dealing with network resilience reactively, however that has significant limitations compared to robust infrastructure. 	<ul style="list-style-type: none"> • Rephasing underway to ensure delivery of renewals programme planned for this year. • A dedicated team for the consent renewals has been established. Progress underway. The WSDP establishes the sustainable investment for the next ten years and is the basis for the WSS. This is a limitation • Water Services Delivery Plan submitted to DIA for approval – met statutory requirement. • Council approved next steps for Matatā Wastewater project on 4 September 2025 – preferred option identified and resource consent strategy to be developed. • Resilience considerations included in planning and design of new infrastructure, however long lead-times for consenting and affordability. 	<ul style="list-style-type: none"> • Water Services Delivery Plan to be implemented, including ringfencing of current Three Waters Activities and discussion about a CCO with other Councils. • Discussion with Te Whatu Ora (MoH) and BOPRC to be held to secure external funding for Matatā wastewater project.

7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

RISK 06. Loss of organisational effective systems and infrastructure for council operation including cyber attack			
<p>Risk definition</p> <p>There is a risk that infrastructure, both physical and digital, used by Council to support the delivery of services to the community fails as an event, or through being unfit for purpose, to an extent that it has a significant impact on continuity of services.</p> <p>The risk to physical infrastructure predominately exists mostly as being unfit for purpose due to the diverse, distributed and complex infrastructure base, and due to the underlying age of much of the infrastructure.</p> <p>The risk to digital exists partly from being unfit for purpose due to the to the increasingly diverse and complex nature of the organisational demands but also due to exposure to cyber-attack compromising or eliminating access to the infrastructure. Councils are increasingly the focus of cyber-attack as part of the global wide issue, and as a ‘front door’ to Central Government we face particular risk.</p>	Potential Risk Impacts	<ul style="list-style-type: none"> Loss of organisational effective systems and infrastructure for council operation including cyber-attack resulting in operational systems not being available for more than one month. 	
	Inherent Risk	High ←	
	Residual Risk	High ←	
	Target Risk	Medium ←	
	Risk Reduction General Approach	<p>Mitigation of the risk includes ensuring both our physical infrastructure and digital infrastructure are fit for purpose to meet the demands of the organisation and have appropriate levels of monitoring and security to protect them from substantial damage from physical or electronic attack. Risk management will include ensuring an effective Information Systems plan is developed and being delivered.</p>	

Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
6.1 Corporate Information [E.Hatch]			
<p>8.24 - Develop IT governance and roadmap to prioritise organisation requirements</p> <p>8.25 - Refresh and implement cyber security plan</p> <p>8.27 - Investigate and replace enterprise resource planning (ERP) solution</p>	<ul style="list-style-type: none"> Executive Information Services Governance Group has been re-established and meets monthly in line with ToR [May 22] Microsoft 365 and Teams has been rolled out to all staff to allow them to work effectively from any location. [Nov. 21] Technology was decanted from Civic Centre with staff operating effectively from a mixed model [Nov. 21] Information Systems strategy has been presented and approved by Council. [May 23] Establishment of an effective operating model incorporating resourcing will provide clarity for the ERP replacement project and wider applications and systems roadmap. [May 23] Development of a project plan as part of the wider ERP project has commenced and will be reviewed by Council [Jun. 23] ERP project manager and change manager have been recruited, final stage of project team recruitment of BAs anticipated in November. [Nov. 23] ERP project team undertaken workshops and received over a dozen responses to RFI, now undertaking panel review prior to RFP [Apr. 23] 	<ul style="list-style-type: none"> Programme Enterprise rollout plan (phases) to be fully developed allowing organisational scheduling [Jun 25] A review of Council’s cyber security training programme to be presented to the ELT [Jun Sep 25] 	<ul style="list-style-type: none"> Delivery of the ERP replacement project (Programme Enterprise) will significantly reduce risk in technology not being fit for purpose and create foundation for roadmap associated with other applications throughout the council. [Dec. 27]

7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

	<ul style="list-style-type: none"> • Development of an applications roadmap based on the ERP project plan will create a clear line of treatment of the wider application layer of the council being fit for purpose. [Dec. 24] • RFI/RFP Vendor selection complete to Gate 1 of ERP Replacement project and delivered to council for approval [Oct.24] • ERP (Programme Enterprise) Business Case developed and approved using Treasury’s Better Business case model [Dec 24] • Quarterly reporting to the ELT on key KPI’s for the Digital Services function [Nov 24] • Baseline Information Security assessment completed by SAM for compliance [Jul 24] • Build a stronger relationship with the National Cyber Security Centre (NCSC) [Aug 25] • Develop a strategy for the ongoing cyber threat landscape based on the Security Assessment [Jul 25] • Latest ‘ERP Update’ to Council’s Finance & Performance Committee (28/8/25) was attached as Appendix 1A. 		
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7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

RISK 07. Non-compliance with legal and regulatory requirements			
Risk definition	<p>There is a risk that changes to the rules and regulations we operate under occur to an extent or at a pace resulting in to keep up with these changes and ensuring ongoing compliance with existing legislation and frameworks exposes WDC to unplanned liability for non-compliance and cost.</p> <p>This risk exists and is ongoing in nature due to the continuity of change within the legislative and compliance environment.</p>	Potential Risk Impacts	<ul style="list-style-type: none"> Breaches result in legal action being taken against officers of council. Compliance failures result in substantial restrictions being placed on core council activities Loss of confidence in council’s capabilities lasting several months
		Inherent Risk	High ←
		Residual Risk	Medium ←
		Target Risk	Low ←
		Risk Reduction General Approach	Mitigation of the risk will be based on establishing champion of legal / internal audit / risk which will include independent oversight through regular connection through Chair of the Risk and Assurance. This role will then champion and support the implementation of stronger and more consistent tools, techniques and register of oversight on compliance.

Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
7.1 Corporate Information [P.Davidson]			
8.18 – Develop legal regulatory compliance framework	<ul style="list-style-type: none"> Risk reporting framework presented to Risk and Assurance Committee in September completed and will evolve with use. [Sep.21] Taken insurance advice from AON in renewals 2023 [Nov.22] [on agenda] Risk Framework training manual developed and workshopped with new Council and Committee in new Triennium [Jan.23] BCA Accreditation maintained [December 2023] Procurement and Risk Manager [Legal Champion] appointment [Oct. 23] Risk Management Framework Training induction for tier 3 manager group developed and commenced presentation [Oct. 23] Legal Issues Register developed based on current open issues with principle advisor, included in Risk and Assurance report [Nov. 23] Continue improvements to Legal Issues Risk register incorporating legal costs / insurance / 	<ul style="list-style-type: none"> We have employed a Legal Services Advisor to assess the current legal requirements of Council, triage legal issues, and shape the long term legal needs of the organisation. [Dec 2025] 	<ul style="list-style-type: none"> Development of a Register of Legal Opinions based on available historic opinions received [Jun. 26] Delegations Register to be reviewed following the exec restructure. [Mar 2026]

7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

	<p>recovery expectations, as well as extension to include all open issues include other advisors [Mar. 24]</p> <ul style="list-style-type: none"> • Food Premises Quality Management System (QSM) audit [March 2024] • We have adopted the new procurement policy, with the inclusion of broader outcomes/social procurement. [May 2025] 		
7.2 People and Capability [E. Hatch]			
<p>8.06 – Develop and implement leadership, learning and development programme</p>	<ul style="list-style-type: none"> • Complete Leadership, Learning & Development programme in place. • Annual Performance Development programme in place. 	<ul style="list-style-type: none"> • Planning is underway for the 2026 Learning and development approach. This will include a strong focus on developing management capability also. • Our My Performance programme is in place and goal-setting will commence in June/July 2026 to begin the next financial year. 	<ul style="list-style-type: none"> • Our focus has shifted to a Leadership and Management Development Framework, currently being drafted, which will focus on a broader approach to what our leaders need. • Internal DEI Policy development

7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

RISK 08. Political changes impact council direction and delivery			
<p>Risk definition</p> <p>There is a risk that changes in political direction from local or central government can occur to a scale or speed which has a significant impact on the ability of the Council to deliver upon it stated goals for the community.</p> <p>This risk exists generally due to the three-year political cycle impacting the environment in which Council operates. The potential risk is currently higher however, as of 2020, as there is currently substantial potential change in the local government space being led by Central Government. This includes:</p> <ul style="list-style-type: none"> • Three Waters Reform • Local Government Reform; and • RMA Reform 	Potential Risk Impacts		<ul style="list-style-type: none"> ○ Unanticipated losses of over \$5m. ○ Prolonged public dissatisfaction with policies or actions of Council.
	Inherent Risk		Extreme ←
	Residual Risk		High ←
	Target Risk		Medium ←
	Risk Reduction General Approach		

Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
8.1 Local Governance [E. Hatch]			
1.05 - Governance arrangements and induction for new triennium (includes ongoing programme of ensuring governance awareness and understanding of legislation and policy and other business impacts).	<ul style="list-style-type: none"> • Ongoing collaboration with LGNZ to leverage their services, ensuring a consistent and high-quality training experience for elected members across the country. Akona platform and opportunities for free training and webinars. • New governance structure for 2025-2028 triennium adopted by Council [Nov 2025] ensuring governance arrangements are lawful, clear, and operationally ready from the commencement of the new triennium. • Governance Services, in collaboration with Communications and Engagement, is managing all statutory requirements under the Local Electoral Act 2001 for the Tāneatua and Murupara Community Board by-elections, which arose due to extraordinary vacancies following insufficient member interest at the 2025 triennial elections. 	<ul style="list-style-type: none"> • Public Release of the Local Governance Statement due April 2026. Governance Services leads the post-election review, update, and publication of the Local Governance Statement to ensure it reflects the adopted governance structure and meets statutory timeframes. 	<ul style="list-style-type: none"> • Adjustments to Council’s Elected Members Code of conduct and Standing order policies, in line with Central Government’s advice in issuing a national standardised template as part of the Systems Improvement Bill [early 2026]
8.2 Resource Management Policy [D. Bewley]			
2.13 - Navigating reforms – Resource Management Act	<ul style="list-style-type: none"> • Monitoring likely provisions in Planning Bill and Natural Environment Bill prior to release. Council briefing on RMA Reforms [28 June 2025] • Plan Stop legislation currently prevents further plan changes occurring. Mitigation has been to explore 	<ul style="list-style-type: none"> • Planning Bill and Natural Environment Bill released for submissions [closes 13 February 2026]. 	<ul style="list-style-type: none"> • Impact of RMA Reform on staff to be assessed.

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7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

	exemption provisions from Minister. Discussion with MfE staff for Awakeri Structure Plan has occurred.	<ul style="list-style-type: none"> • Council consideration of submission at Strategy and Policy Committee [5 February 2026]. • Monitoring responses from other Councils, Taituara, LGNZ and NZPI 	
8.3 Three Waters [N.Johansson]			
<p>4.01 - Navigating reforms - three waters</p> <p>4.02 -There is a risk that a multi-Council CCO or any other alternative delivery model cannot be established and WDC is limited to a WSDP (IBU) with significant weaknesses in terms of robustness, sustainability and affordability</p>	<ul style="list-style-type: none"> • Internal steering group, Project Manager and technical support appointed. • Water Services Delivery Plan approved by Council and DIA setting the path for establishing an Internal Business Unit by 1st July 2027. Ring-fencing underway. • MoU for an investigation into a multi-council CCO signed by all parties on 9th December 2025. • A business case for the multi-council CCO is underway as per early march-26 	<ul style="list-style-type: none"> • Ensure appropriate capacity and capability is managing the ring-fencing programme of works • Ensure appropriate capacity and capability is managing the development of the multi-council CCO proposal. programme of works • Funding of the ring-fencing programme is not well established and that is a risk for –27 and –28 financial years (much driven by uncertainty as to the digital transition requirements) 	<ul style="list-style-type: none"> • New waste water standards adopted. Standards materially change the reg. Risk profile for several WWTP particularly Edgecumbe and Taneatua and require significant work to manage consenting, compliance and upgrade programmes.

7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

RISK 09. Natural disaster management and mitigation including climate change			
<p>Risk definition</p> <p>There is a risk that natural disasters, as one off or recurring events, along with ongoing continuous change in our natural environment, including but not limited to impacts of climate change, can have significant impact on Council business continuity, community infrastructure, and social and economic impacts.</p> <p>The risk exists due to the nature of change in the natural environment but is increased due to scale and speed of change noted at present.</p> <p>The Whakatāne District is particularly exposed to this risk due to its geography. It has a history of significant natural disasters including landslides, debris flows, volcanic eruptions, earthquakes, flooding, and coastal storms.</p>	Potential Risk Impacts		<ul style="list-style-type: none"> ○ Significant assets are destroyed or rendered useless for several months. ○ Key services are not available to the community for several weeks. ○ Long term severe health impact to a significant number of people.
	Inherent Risk		Extreme ←
	Residual Risk		High ←
	Target Risk		High ←
	Risk Reduction General Approach		<p>Risk reduction is based on the 4R's of Emergency Management – Reduction, Readiness, Response and Recovery. This recognises that we can reduce the risk of impacts from natural hazard events (and climate change) through adaptation of our land use, informed land use planning into the future, and preparedness for events through building community resilience and coordination of emergency and other agencies.</p>

Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
9.1 Climate Change and Resilience [L. Woolsey]			
<p>2.06 - Develop climate change adaptation plan</p> <p>2.07 - Coordinate implementation of climate change strategy incl. energy management programme</p>	<ul style="list-style-type: none"> ● Climate Change and Resilience Manager appointed Feb 25 and CC / Emergency teams merged ● Climate Change Risk Assessment (CCRA) project phase one internal complete [Aug 25] ● Solar Panel project commenced (Council facilities) [Mar 25] ● Climate Community Fund launched and applications reviewed [Sept 25] 	<ul style="list-style-type: none"> ● Six monthly reporting on Climate Pathway and Resilience programme [Feb 26] ● Internal release of CCRA [Dec 26] 	<ul style="list-style-type: none"> ● Solar panel projects for Council facilities and community assets to continue with tranche two [Mar-Jul 26] ● External release of CCRA [Mar 26] ● Light touch review of Climate Pathway [Jan-Jun 27]
9.2 Resource Management Policy [L. Woolsey]			
<p>2.09 - Natural hazard risk investigations (EQ, tsunami, landslide, coastal hazards)</p>	<ul style="list-style-type: none"> ● Monitoring of BOPRC completion of technical work around flood mitigation underway [Sept 25] ● Plan Changes to the District Plan, and other emergency management readiness 	<ul style="list-style-type: none"> ● Evidence-based investigation of local hazards risks underway and continuing [Sept 25-Jun 26] 	

7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

	activities underway but partially on hold with pause on DP review [2024/2025]		
9.3 Waste Management & Minimisation [H. Patrick]			
<p>5.04 - Implement (new) waste management and minimisation plan (WMMP)</p> <p>5.10 - Implement resource recovery park model at Murupara refuse transfer station</p> <p>5.11 - Implement construction and demolition waste diversion project in collaboration with crew – dependant on funding (pending)</p> <p>5.12 - Work with whānau, hapū and iwi on waste minimisation initiatives</p> <p>5.13 - Consultation and implementation of regulatory changes – waste minimisation act, NZ waste strategy, litter act</p> <p>5.14 - Management of closed landfills</p> <p>5.15 - Regional Waste Strategy and Infrastructure Plan</p>	<ul style="list-style-type: none"> Ongoing monitoring of WMMP actions Waste audit and community education prior to fees implementation. Subsidised and promoted composting solutions. MFE funded waste diversion project with CREW, commenced in 2021 and due to complete in July 2025. Ongoing monitoring and reporting to MFE. Proposals to Ngati Manawa regarding management of greenwaste in Murupara. Central Government released new waste strategy and waste resource and efficiency work programme in March 2025. Ongoing monitoring and compliance with resource consents. Working with Central North Island Waste Liaison Group on project, led by Waikato Regional Council. Funded by MFE. Consultant engaged. 	<ul style="list-style-type: none"> Ongoing monitoring of fees/waste types/volumes/flytipping in Murupara. Draft submission on new legislation to Infrastructure & Planning Committee on 29/05/2025 Upgrade stormwater and leachate works at Burma Road Landfill. Recapping works at Te Teko Landfill. Weed control at Matata Landfill. Funding obtained from MFE, Tonkin and Taylor consultants engaged. Employed new Waste & Resource Recover Manager (start date April 2026). 	<ul style="list-style-type: none"> Review current plan in 2026 Review fees and charged in Murupara Feb 2026 MFE funding and reporting completes in July 2025 Ngāti Manawa made aware of Murupara Resource Recovery Centre operational contract renewal in 2031. Further consultation expected when legislation goes to select committee (date unknown) Planting and vegetation control at Matata Landfill. Write new 2027 WMMP.
9.4 Civic Defence Emergency Management [L. Woolsey]			
<p>6.08 - Manage programme for emergency management and EOC responsibilities</p> <p>6.09 - Support community readiness programmes</p>	<ul style="list-style-type: none"> EOC rosters are maintained, and training needs are continually being assessed. Training is being provided along with EMBOP. WDC is an active member of the Group at Joint Committee, CEG and Sub-Committee levels. Maintaining Annual Plan requirements across the Group. 	<ul style="list-style-type: none"> Successful EOC drills/simulation [May and Sept 25] Local Controller appointments – Hone Patrick and Paul Davidson [Sept 25] Review of EM Bill submissions and related legislative change in association with EMBOP [Feb 26] Completion of alternate EOC build Waiewe Street [on hold – expected Aug 26] New Council EM induction [Nov 25] 	

7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

	<ul style="list-style-type: none">• Development of Community Response Plans, including Evacuation Planning, are progressing and on-going.• Emergency Management Activity combined with Resilience and Climate Change Activities – alignment of work programmes• New EMOs recruited John Eruera and Mary Ferguson [end 2025]		
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7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

RISK 10. Lack of community support			
Risk definition	There is a risk that there is an insufficient level of support from our communities that has a significant impact on the ability of the Council to deliver upon it stated service levels and goals for the community.	Potential Risk Impacts	o Prolonged public dissatisfaction with the policies or actions of Council.
		Inherent Risk	High ←
		Residual Risk	Medium ←
		Target Risk	Medium ←
		Risk Reduction General Approach	Effective communication to, and consultation with, our communities will be critical to managing this risk.
Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
10.1 Local Governance [E. Hatch]			
1.05 Governance arrangements and induction for new triennium (includes ongoing programme of training, support, and development for elected members).	<ul style="list-style-type: none"> Pre-Election Report Issued Briefing for Incoming Council completed [Nov. 22] Governance Solutions delivered Councillor Training [Nov. 22]: <ul style="list-style-type: none"> LGS Wellbeing's Being an elected Member Decision Tree and Meeting Know how Standing Orders Fortnightly Council workshops being utilised in addition to BAU as methodology to provide induction to new councillors on specific issues [Nov. 22 – Sept. 23] 	<ul style="list-style-type: none"> Monthly Council workshops will continue to be utilised, in addition to covering BAU, as methodology to provide induction to councillors on specific issues, including particularly through Annual Plan and LTFP Distribution of available resources in support of candidate (and elected member) safety information during the election period and post elections [July 2025 – October 2025]. Candidate profile videos to create awareness about the candidates standing in the 2025 local elections to help increase public awareness and voter turnout [Aug-Sept 2025] 	<ul style="list-style-type: none"> Ongoing programme of governance awareness will continue. Development of a training and development plan for Elected Members in preparation for the 2025 local elections, including running a survey to understand the needs from, and support required by Elected Members to effectively represent their ward areas. Adoption of updated remuneration related Policy and associated guideline documents such as Standing Orders, Code of Conduct etc. in support of the education phase, and to allow for effective decision making, for newly elected members coming into office during the 2025 triennium.
10.2 Communications & Engagement [E. Hatch]			
1.11 - Manage media relationship and deliver external communications 1.12 - Support internal communications 1.13 - Manage digital and social media 1.14 - Provide corporate design and publications support	Media relations: <ul style="list-style-type: none"> Media releases distributed this period (41) Media responses completed this period (132) Newsletters: <ul style="list-style-type: none"> Kō Konei Murupara Community Board newsletter Rangitaiki Community Board newsletter Social Media: <ul style="list-style-type: none"> Facebook - 15,901 Instagram - 1,589 	<ul style="list-style-type: none"> TikTok followers steadily increasing. 140k views in our debut month. As part of the social media refresh project which delivers interim improvements and quick wins, content is now tailored to each platform; Facebook, Instagram, LinkedIn, and TikTok, rather than being applied uniformly. Engagement is at an all-time high. Weekly social media content scheduling / development meetings are now held Internal rollout of Antenno 	<ul style="list-style-type: none"> Planning is underway for a refreshed approach to the delivery of our monthly newsletter, Ko Konei. Planning underway for the development and implementation of the 'Hapori Highlights' newsletter to support the Community Partnerships function. Finalisation and implementation of a full Social Media Strategy, building on the recent refresh to enhance the Council's digital presence and improve community engagement. This will focus on smarter digital storytelling – human-centred content, people, places + priorities. C+E Adaptive Strategy in development to establish a clearer shared direction, make sense of competing expectations, and improve how we prioritise and respond to both planned and unplanned work. It also provides a way to strengthen relationships across the council by

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7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

	<ul style="list-style-type: none"> • TikTok - 1,253 (↑ 637) NEW • LinkedIn - 2,477 <p>Overall views – 3 million</p>	<ul style="list-style-type: none"> • Stakeholder relationship meetings continued this period with Bay of Plenty Regional Council, Kawerau District Council, Ōpōtiki District Council, and Waka Kotahi NZTA. These meetings support risk mitigation by providing valuable opportunities to strengthen relationships, share insights on joint priorities, and reinforce a collaborative approach to addressing regional challenges and opportunities, while also ensuring trusted partnerships are in place for effective coordination during emergencies. • Extensive public campaigns - Elections 2025, Raumatī in the Rohe, Annual Report, Local Growth Strategy, 	<p>setting clearer boundaries, improving role clarity, and ensuring the team has the collective capacity to navigate uncertainty with confidence and consistency.</p> <ul style="list-style-type: none"> • External / public roll out of Antenno • Transition to Datacom web platform to ensure improved support, integration, and long-term stability.
<p>10.3 Community Development [E. Hatch]</p>			
<p>1.17 - Support development and implementation of community plans</p>	<ul style="list-style-type: none"> • Community planning activities have been taking place in Edgecumbe, Murupara, Matatā, Awatapu-Ōtamakaokao and Coastlands-Piripai. • Pre-planning activities have been undertaken in partnership with the Tāneatua Community Board. This will be revisited when the new board is operational. • The Edgecumbe Community Plan has moved into its second three-year update phase. • The Matatā Plan has been completed and presented to Council. • The Awatapu-Ōtamakaokao Community Plan has moved into delivery phase. • The Community Partnerships Team continues to support planning processes in each of these communities as required. 	<ul style="list-style-type: none"> • Community-led hui, workshops, events and engagement activities will be ongoing in 2026 linked to community planning processes. • Completed new plans and updated existing plans will be presented to Council as they mature. • Murupara CP is being progressed alongside the Murupara Masterplan. 	<ul style="list-style-type: none"> • Resources required to support existing and new community planning processes will continue to be monitored. • Community plan delivery will continue. • New plans will come on stream if, and when, communities mobilise to deliver them.

7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

RISK 11. Major economic/ financial or social shock			
<p>Risk definition</p> <p>There is a risk of unpredictable shifts in the global or domestic economies that would significantly impact on the ability of the Council to deliver upon it stated service levels and goals for the community.</p> <p>The risk exists and is ongoing due to the nature of market shifts and cycles, however, is higher at present due to increased volatility and speed of change within inflation / interest rate, labour cost and supply chain economics. The change is exacerbated by political drivers especially the Russian/Ukraine war.</p>	Potential Risk Impacts	<ul style="list-style-type: none"> ○ Unanticipated costs of more than \$5m. ○ Overspend of Annual Plan OPEX by 5%. 	
	Inherent Risk	Extreme ↖	
	Residual Risk	High ↖	
	Target Risk	Medium ←	
	Risk Reduction General Approach	<p>Maintenance of a strong financial reporting and planning framework to ensure the delivery of regular, business context informed, transparent insight to Council's financial performance to support effective executive management and decision making by Elected Members.</p> <p>WDC also reduces risk in this area by being relatively well positioned with lower debt levels compared to many councils giving us debt financing as a method to manage some shocks, though itself needs an effective treasury planning to itself be effective as a risk mitigation.</p>	

Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
11.1 Finance [P. Davidson]			
<p>8.13 - Review treasury policy</p> <p>8.14 – Review financial management reporting</p> <p>8.15 - Review/develop financial strategy and policies (DCP and FCS) to fund infrastructure for growth</p> <p>Additional focus areas:</p> <p>Effective Accounts Receivable Management Practices impacting on collections and Councils Bad Debt</p>	<ul style="list-style-type: none"> • Reporting framework redeveloped based on modified FIS to ensure it is effective for provide clear performance measurement, transparent insights on a quarterly basis to guide decision making across executive and council to demonstrate clear control of the risk [Dec. 22] • Projects reforecast methodology implemented as a temporary placeholder to improve 2023-24 and ahead of systemic EPMO improvement for 2024-25, improving phasing identification and borrowing requirements. With 24-25 reforecast presented including basis of methodology to Finance and Performance Committee. [Dec. 23] • Sensitivities on interest rate shifts - Finance team developed a quick sensitivities model that enables faster assessment of LCI (wage) / PPI (operating cost) / OCR (interest cost) sensitivity within the forecast framework and included in report to Risk and Assurance [Oct. 23] 	<ul style="list-style-type: none"> • Q4 2023-24 Indicative Financials completed demonstrating strong consistency of opex back to annual plan process and capex back to Q1 [Aug. 24] • FitchRating AA- rating secured for increases availability and optionality around borrowings capacity for the LTP2034 [July. 24] • Financial Strategy adopted within LTP2024-34 [Aug. 24] • Revenue and Financing Policy adopted as part of legislative requirement for LTP2024-34 incorporate desktop review finding for LG consultant and good practice identified in Taituara Guides and aligned with other councils including Funding Needs Analysis [Aug. 24] • Treasury Policy covering Investment Policy and Liability Management Policy developed adoption [Aug. 24] 	<ul style="list-style-type: none"> • Sensitive Expenditure Policy to be reviewed and adopted [Feb. 26] • Investigate Planning and Reporting Systems that can support better financial oversight, and organisational empowerment of budget management. [2026] • Commenced scoping for Account Receivable sundry debtor reporting, tracking, insights and management tool to ensure more effective and proactive management and response to debtor issues. This was put on hold to review functionality available in in new ERP. [Jul. 26] • Develop accounts receivable debt management policy. [Dec. 25] • Review of treasury policy, in conjunction with independent review by PWC treasury, to take place in March 2027. • Fraud Policy due for review in November 2026

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7.3.1 Appendix 1 – Risk Register incorporating management action status(Cont.)

	<ul style="list-style-type: none">• Fraud Policy reviewed and adopted [Nov. 23]• Completed invoicing of all share of Joint Venture losses to Ministry of Transport [Dec. 23]	<ul style="list-style-type: none">• Quarterly Reporting for actuals combined with forecasting so that the impacts of actual results flow through to forecast budgets. [May. 25]	
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7.3.2 Appendix 2 – Council Consequence of Risk

7.3.2 Appendix 2 – Council Consequence of Risk

7.3.2 Appendix 2 – Council Consequence of Risk(Cont.)

Appendix 2: Council Consequence of Risk

Scale	Score	Financial	Health and Safety	Legislative and Regulatory	Operational and Service Delivery	Image and Reputation
Catastrophic	5	<p>A Capex overspend of >15% or an Opex overspend of >5% of the annual plan.</p> <p>Rates increase of >2pp above the limit on rate increase from the financial strategy in the LTP/Annual Plan.</p> <p>Unanticipated costs or losses of over \$5 M.</p>	<p>An incident resulting in multiple fatalities.</p> <p>Long term severe health impact on significant number of people.</p>	<p>Breaches result in severe penalties for Officers of the Council.</p> <p>Compliance failures result in severe restrictions placed upon all areas of the core Council business.</p>	<p>Key services not available to a large proportion of the community for one week or more. Severe service degradation for one month or more.</p> <p>Failure to achieve multiple community outcomes. Deterioration in majority of KPI >30%</p> <p>The majority of the critical assets are destroyed or rendered unusable for several months.</p>	<p>National adverse political or media comment for more than one week. Requirement for (televised) public apology or defence.</p> <p>A consistent and long term public outcry against policies or actions of the Council.</p> <p>A long term irreconcilable loss of confidence in the Council's capabilities and standing.</p>
Major	4	<p>A Capex overspend of >10% or an Opex overspend of >3% of the annual plan.</p> <p>Rates increase above the limit on rate increase from the financial strategy in the LTP/Annual Plan.</p> <p>Unanticipated costs or losses of over \$1M - \$5M</p>	<p>An incident resulting in a single fatality.</p> <p>Long term severe health impact on multiple people.</p>	<p>Breaches result in legal action being taken against the Council.</p> <p>Compliance failures result in substantial restrictions placed on several areas of the core Council business.</p>	<p>Key services not available to a significant portion of the community for two days or more. Continued severe service degradation for one week or more.</p> <p>Failure to achieve multiple community outcomes. Deterioration in majority of KPI of 15 - 30%</p> <p>Majority of critical assets are destroyed or rendered unusable for several weeks.</p>	<p>National adverse political or media comment for more than two days. Regional adverse political or media comment for more than one week.</p> <p>Prolonged public disaffection with the policies or actions of the Council.</p> <p>Loss of confidence in the Council's capabilities and standing lasting for several months.</p>
Moderate	3	<p>A Capex overspend of >5% or an Opex overspend of >1% of the annual plan.</p> <p>Rates increase close to the limit on rate increase from the financial strategy in the LTP/Annual Plan.</p> <p>Unanticipated costs or losses of over \$500K - \$1 M.</p>	<p>A severe injury or multiple casualties requiring hospitalisation.</p> <p>Long term health effects on one or more people.</p>	<p>Breaches require attention or corrective actions.</p> <p>Compliance failures result in restrictions placed upon limited areas of the core Council business.</p>	<p>Key service not available to some of the community for ten hours or more.</p> <p>Significant difficulty introduced to achievement of community outcomes. Deterioration in some of KPI of 5 - 15%</p> <p>A range of assets, some critical, are destroyed or rendered unusable for a week.</p>	<p>Regional adverse political or media comment for more than two days.</p> <p>Public disaffection with the Council's policies or actions lasting from days to weeks.</p> <p>Loss of confidence in the Council's capabilities and standing lasting for several weeks.</p>
Minor	2	<p>A Capex overspend of >2% or an Opex overspend of >0.5% of the annual plan.</p> <p>Rates increase considerably above the forecast from the financial strategy in the LTP/Annual Plan.</p> <p>Unanticipated costs or losses of over \$50k - \$500K</p>	<p>Injuries requiring medical attention.</p> <p>Short term negative health effects.</p>	<p>Breaches require attention or corrective actions.</p> <p>Compliance failures result in minor restrictions placed upon core Council business.</p>	<p>Reduced service delivery that does not compromise the community's health and wellbeing. Service degradation at times during a week.</p> <p>Inconvenience or delay in achieving community outcomes. Deterioration in top key performance indicators of 1-5%.</p> <p>A number of assets are destroyed or rendered unusable, but can be replaced within acceptable timeframes.</p>	<p>Regional adverse political or media comment for one or two days.</p> <p>Public disaffection with the Council's policies or actions limited to a few days.</p> <p>Short-term loss of confidence regarding the Council's capabilities and or standing lasting for several days.</p>
Insignificant	1	<p>A Capex or Opex overspend of the annual plan.</p> <p>Rates increase slightly above the forecast from the financial strategy in the LTP/Annual Plan.</p> <p>Unanticipated costs or losses of over \$10K - \$50K</p>	<p>Incident requiring simple first aid only.</p> <p>Momentary or limited health impact.</p>	<p>Breaches are insignificant in nature with no disruption to performance of duties.</p> <p>Compliance failures result in negligible restrictions placed upon core Council business.</p>	<p>Short-term reduction in service delivery which is easily restored and does not compromise the community's health and wellbeing.</p> <p>There are minimal effects on the achievement of community outcomes.</p> <p>Assets receive little or minimal damage, or are only temporarily unavailable for use.</p>	<p>Short-term 'letters to the editor' (or online equivalent) commentary.</p> <p>There is public disaffection with the policies or actions of the Council.</p> <p>Public confidence in the Council remains largely unaffected.</p>

7.3.3 Appendix 3 – Council likelihood of risk

7.3.3 Appendix 3 – Council likelihood of risk

7.3.3 Appendix 3 – Council likelihood of risk(Cont.)

APPENDIX 3: Council Likelihood of Risk

Likelihood	Score	Descriptor
Almost certain	5	<ul style="list-style-type: none"> • >90% chance of occurring in next 12 months. • It is expected to occur in 9 of the next 10 years.
Likely	4	<ul style="list-style-type: none"> • 70% - 90% chance of occurring in next 12 months. • It is expected to occur in 7 of the next 10 years.
Possible	3	<ul style="list-style-type: none"> • 30% - 70% chance of occurring in next 12 months. • It is expected to occur in 3 of the next 10 years.
Unlikely	2	<ul style="list-style-type: none"> • 5% - 30% chance of occurring in next 12 months. • It is expected to occur once in the next 10 years.
Rare	1	<ul style="list-style-type: none"> • <5% chance of occurring in next 12 months. • It is expected to occur once in the next 30 years or more.

7.3.4 Appendix 4 – Risk Heatmap

7.3.4 Appendix 4 – Risk Heatmap

7.3.4 Appendix 4 – Risk Heatmap(Cont.)

Appendix 4 - Council Risk Management Report as of February 2026
Risk Heatmap - Assessed (Residual) Risk

Risk Consequence <i>(See appendix 2)</i>	Catastrophic	2					Strategic Risk 1. Not achieving effective delivery 2. Health and Safety breach 3. Inability to attract, sustain, engage, and develop our staff capability. 4. Impaired Māori relationships 5. Lack of infrastructure resilience (community) 6. Loss of organisational effective systems and infrastructure for council operation including cyber-attack. 7. Non-compliance with legal and regulatory requirements. 8. Political changes impact on council direction and delivery. 9. Natural disaster management and mitigation including climate change 10. Lack of Community Support 11. Major economic / financial or social shock
	Major		5	9 11			
	Moderate			7 10	6 8	1 3 4	
	Minor						
	Insignificant						
		Remote Expected 1 out of 30 years	Unlikely Expected 1 out of 10 years	Possible Expected 3 out of 10 years	Likely Expected 7 out of 10 years	Almost Certain Expected 9 out of 10 years	
Risk Likelihood <i>(See appendix 3)</i>							

7.4 Long-Term Plan Non-Financial Performance Reporting, Quarter 2 2025/26(Cont.)**7.4 Long-Term Plan Non-Financial Performance Reporting, Quarter 2 2025/26**

To: **Finance, Performance and Risk Committee**

Date: **Thursday, 26 February 2026**

Author: **A Naidoo / Strategic Policy Analyst**

Authoriser: **L Woolsey / General Manager Strategy & Growth**

Reference: **A3066310**

1. Reason for the report - *Te Take mō tēnei rīpoata*

The purpose of this report is to provide the Finance, Performance and Risk Committee with the Long-Term Plan non-financial performance results for quarter 2 (1 October– 31 December 2025) of the 2025/26 financial year.

This report predominately focuses on the measures that are not met, or at risk of not being met.

2. Recommendation - *Tohutohu akiaki*

THAT the Long-Term Plan Non-Financial Performance Report for Quarter 2 2025/26 be **received**.

3. Background - *He tirohanga whakamuri*

Within the Long-Term Plan (LTP), councils must include activities and outcomes which state what the council is trying to achieve, what its activities are, and how it will measure its performance.

On 5 August 2024, the Council adopted the current LTP 2024-34 including an updated set of performance measures and targets to monitor levels of service delivery.

Council set a total of 69 measures of which 33 are mandatory. This quarterly report provides Council the opportunity to see how we are tracking against 40 non-financial performance measures, and 16 measures surveyed in the Resident Satisfaction Survey, with all 69 measures reported on in the Annual Report at the end of the financial year.

4. Discussion – Kōrerorero

4.1. **How we are performing**

The below information indicates Council's progress towards the LTP 2024-34 non-financial performance measures for the second quarter of the 2025/26 financial year (1 October– 31 December 2025). The 2025/26 financial year is the second year of reporting against the current LTP and uses the targets set for year two.

7.4 Long-Term Plan Non-Financial Performance Reporting, Quarter 2 2025/26(Cont.)

It should be noted that on 3 November 2025, Council transitioned from Ozone to Datascape. We are currently in the process of updating our data capture, categorisation, and reporting processes. As a result, some Q2 data is not yet available and will be reported once the transition is complete. This is highlighted in the tables below as 'data not yet available'.

4.1.1. Non-Financial Performance Measures

Of the 40 non-financial performance measures reported quarterly, 33 are on track to be achieved, five are at risk and two are known not to have met the year-end target.

Table 1 shows the measures that have not been achieved or are at risk of not being achieved.

Refer to Appendix 1 and 2 for detail on all 40 non-financial performance measures.

4.1.2. Residents Satisfaction Survey

Of the 16 LTP performance measures reported quarterly from our Resident Satisfaction Survey, three are performing above target, seven are below the target but within the margin of error, and six are below target.

Table 2 shows the measures that have not been achieved or are at risk of not being achieved.

Refer to Appendix 3 for detail on all 16 LTP performance measures from the Resident Satisfaction Survey.

Table 1: Performance measures that have not been achieved or are at risk of not being achieved

Group of Activity	Measure	Q2 Result	Year-to-date (1 July – 31 December 2025)	Annual Target	Comment
Water supply	<i>The extent to which Council's drinking water supplies comply with Part 4 of the Drinking Water Standards (bacterial compliance criteria)</i>	3 schemes compliant out of 9	Not achieved	All schemes compliant	<p>Changes to the Non-Financial Performance Measures Rules for drinking water were finalised by the Department of Internal Affairs (DIA) in August 2024. Because these new measures came into effect after the adoption of the Long Term Plan (LTP), we continue to report against both the previous Part 4 and Part 5 performance measures, which align with the Drinking Water Standards. Financial Performance Measures Rules for drinking water were finalised by the Department of Internal Affairs (DIA) in August 2024. Because these new measures came into effect after the adoption of the Long-Term Plan (LTP), we continue to report against both the previous Part 4 and Part 5 performance measures, which align with the Drinking Water Standards.</p> <p>A not achieved result is due to factors such as: UTV being non-compliant, low instances of UV, lack of continuous FAC, pH, and turbidity monitoring in the required location, high turbidity and a UV treatment system fault.</p> <p>Appendix 2 provides reporting against the new measures and should now be considered the primary source for assessing our performance against the Drinking Water Standards.</p> <p>Appendix 2 shows for T3 Bacterial Rules, 3 schemes 'All met', 4 schemes 'Almost met', 2 schemes 'Partially met'. 7 schemes met the D3 Microbiological Monitoring Rules. 2 schemes met the D2.1 Distribution System Rule.</p>
Water supply	<i>The extent to which Council's drinking water supplies comply with Part 5 of the Drinking</i>	3 schemes compliant out of 9	Not achieved	8 schemes compliant out of 9	Changes to the Non Financial Performance Measures Rules for drinking water were finalised by the Department of Internal Affairs (DIA) in August 2024. Because these new measures came into effect after the adoption of the Long Term Plan (LTP), we

	Water Standards (protozoal compliance criteria)				<p>continue to report against both the previous Part 4 and Part 5 performance measures, which align with the Drinking Water Standards.-Financial Performance Measures Rules for drinking water were finalised by the Department of Internal Affairs (DIA) in August 2024. Because these new measures came into effect after the adoption of the Long-Term Plan (LTP), we continue to report against both the previous Part 4 and Part 5 performance measures, which align with the Drinking Water Standards.</p> <p>A not achieved result is due to factors such as: UTV being non-compliant, low instances of UV, no protozoal treatment, high turbidity and a UV treatment system fault.</p> <p>Appendix 2 provides reporting against the new measures and should now be considered the primary source for assessing our performance against the Drinking Water Standards.</p> <p>Appendix 2 shows for T3 Protozoal Rules, 4 schemes 'All met', 3 schemes 'Almost met, 2 schemes 'Partially met'.</p>
District Partnerships	The change from the previous year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	8 crashes	18 crashes At risk	Fewer crashes than the previous year (2023-24 Result: 23 Crashes (4 Fatal and 19 Serious) 2 less than 2021-22)	Despite a significant drop in funding for road safety awareness events, activities and advertising this year, there was a continuation of a robust road safety programme throughout the sub-region, partly through increasing partnerships and sponsorships. The rise in serious injury crashes is disappointing. The immediate causal factors of serious crashes are relatively easy to define, however, the underlying determinants are more complex and include societal factors beyond the scope of this programme.
Transport Connections	Percentage of all other customer service requests relating to roads and footpaths	Data not yet available	86.63% At risk	95%	The transport team has now filled the vacancies and with the implementation of the new service request system, it is anticipated our target will be met going forward. The lag prior

	<i>responded to within 7 days</i>				to the new system is a delay due to system administration input rather than the timeliness of responding to RFS. The year-end forecast is based on Q1 data only.
Building and Resource Management	<i>User satisfaction with Council's resource consent process</i>	50%	58.5% At risk	60%	The Q2 result draws from a sample of six users where half of them scored 100%, the other two scored an average of 70%, with one of the applicants scoring 0% for all questions, with their comments suggesting they were concerned with potential travel costs, however, the associated costs they were concerned with were not at an additional cost to them, and were absorbed as per Council processes.
W a s t e Management	<i>Amount of waste sent to landfill per person each year.</i>	104.61Kg 28.02%	221.09kg, 36.4% At risk	Below 70% of the national average amount	The current national annual average of waste sent to landfill is 533.4 kg per person (Ministry for the Environment). The annual target of 'Below 70% of the national average' amounts to 373.38 kg per person per annum - averaging 93.3 kg per quarter. This target was set as part of the Council's Waste Management and Minimisation Plan in 2021, when the national average was set at a higher rate of 740 kg per person, per annum. For Q1 we are tracking slightly above (4.1kg) this target at 97.4 kg per person. For Q2 this has increased again to 104.61 (11.31kg).
Waste Water	<i>Number of dry weather sewerage overflows from the Council's sewerage system, expressed per 1,000 sewerage connections to that sewerage system</i>	Data not yet available	2 Overflows At risk	Less than 3 overflows	Dry-weather overflows generally occur when fats and/or other foreign objects accumulate within the sewer network and cause a blockage. These deposits are normally managed through regular water-jetting maintenance. However, it is possible that the sewer overflows recorded in Q1 occurred in the period between scheduled jetting cycles, with deposit build-up causing restricted flow.

Table 2: Performance measures from the Resident Satisfaction Survey that have not been achieved or are at risk of not being achieved

Group of Activity	Measure	Q2 Result	Year-to-date (1 July – 31 December 2025)	Annual Target	Comments from management
Aquatic Centres	User satisfaction with public swimming pools in the Whakatāne District	74%	75% At risk	77%	<p>Although we are tracking below our annual target, user satisfaction continues to be significantly above the New Zealand Benchmark for swimming pools. Things that potentially influence our satisfaction rating include:</p> <ul style="list-style-type: none"> Reduction of Aquafit classes due to staff availability, these have now returned to a full class schedule in February 2026. Flooring and painting renovations that were completed in mid-2025 have improved the facility. <p>To help enforce our commitment to community safety, staff have introduced “Water Skills for Life” to Whakatāne. Beginning in Term 1 of 2026, staff will be teaching essential water safety skills to approximately 300 students from Edgecumbe, Nukuhou, and Waimana.</p>
Water Supply	Satisfaction with the water supply and quality of drinking water (supplied by the Council)	55%	61.5% At risk	70%	Water taste scores dropped this quarter mainly due to seasonal changes. Warmer weather increases natural organic material and biological activity in the source water, which can temporarily affect taste even though the water remains safe. Treatment adjustments are ongoing to stabilise taste quality
Ports and Harbours	User satisfaction with boat ramps and wharf facilities	71%	73% At risk	77%	Assets appear in reasonable condition, however, a full review of ports and harbour asset condition is underway. Levels of service continue to be a challenge with the resources available. A review of service delivery is also underway

Group of Activity	Measure	Q2 Result	Year-to-date (1 July – 31 December 2025)	Annual Target	Comments from management
Community Facilities	User satisfaction with public toilets	53%	56% At risk	68%	Most public conveniences are scoring Condition 1 or 2 on our Asset management system with SPM 1 being the highest and 5 being the lowest. There has been investment into public toilet renewals in 2025 as well as new toilets in specific streets. There may be an indication that one public toilet in particular is skewing the overall result.
Community Facilities	User satisfaction with halls	60%	70% At risk	77%	All halls rate high on SPM asset condition scores C1 through C2. There have been upgrades to multiple halls across the district as well as capital renewals on all urban and rural halls across the portfolio. The result may be due to the condition of the Rex Morpeth Hall, however this quarter there have been contributions to capital upgrades and recreational spaces with 95% of the Rex Morpeth Hall Health & Safety upgrades complete. Full refurbishment and upgrade project planning is well advanced.
Corporate Services	User satisfaction with the Council's customer service front desk. (RSS) #SSP69	72%	70.5% At risk	76%	Whilst front counter in-person interactions are not measurable, there is an indication that less of the community are coming in to utilise the front-desk services over the past few years. This could be due to more streamlined online payment processes and rates direct debit payments, as the majority of front-desk counter interactions are related to payments, with the rising rates cost and general cost of living increases seeing a rise in pressure. Q2 specifically are when Water Rates for the District are sent out, as well as when the holiday closure falls in.
Events and Tourism	Satisfaction with efforts to promote tourism	46%	47.5% At risk	63%	The majority of tourism promotion is targeted to people residing outside the Whakatāne District and therefore this is difficult to measure through the RSS. The Tourism and Economic Development team measure success through visitor spend, which has remained steady over the past year, and above the national average, despite economic challenges.

Group of Activity	Measure	Q2 Result	Year-to-date (1 July – 31 December 2025)	Annual Target	Comments from management
Events and Tourism	Satisfaction with efforts to enable and promote events.	44%	50% At risk	61%	While it's heartening to see some improvement in the residents' survey results, it does not reflect the success of the Tourism and Economic Development team to manage, support and promote events in the Whakatāne District. During the 2025 events season (February to May), out of town attendees for events injected an estimated \$900,000 into the local economy. This year, that figure is expected to exceed \$1 million. During the same period, spending from domestic visitors based outside the Bay of Plenty grew 14% compared to the same period in 2024.
Events and Tourism	Satisfaction with efforts to attract and expand business.	37%	40% At risk	56%	The district's economic development function moved from Toi-EDA to Council during 2025. Council adopted the Regional Economic Development Strategy and is developing an action plan as the first stage in growing this function. It is anticipated that the sentiment for economic development will improve with this becoming core council business. It should be noted that the promotion of individual businesses is not Council's function.
Recreation Facilities (index result)	User satisfaction with recreation facilities in the Whakatāne District (sports fields, park and reserves, playgrounds). (RSS)	76%	76% At risk	77%	Whilst there has been a change of season for sporting codes, there have been no specific complaints in regards to these areas. The level of service for playgrounds has remained the same however we received a number of requests for reinstatement of shade sails over playgrounds following storm damage in Matata, Thornton and Ocean playground which was delayed until Q3 due to contractor availability in the lead up to Christmas/New Year. The shade sails over the main playground in Murupara were also removed due to ongoing vandalism. Community engagement has increased with the planning of the proposed Maraetōtara and Coastlands playground upgrades.

Group of Activity	Measure	Q2 Result	Year-to-date (1 July – 31 December 2025)	Annual Target	Comments from management
Roads (index result)	Satisfaction with Council roads.	55%	53% At risk	57%	Q2 is the key season for reseal and construction work that often results in detours, fresh chip on the road etc. These seasonal roadworks likely impact customer satisfaction.
Kerbside waste collection service	User satisfaction with the kerbside waste collection service	82%	84% At risk	85%	Whilst this measure usually sits above the target, in Q2 users may have experienced a change in schedule for bin pick-ups over the Christmas and New Year period. Additionally, with the implementation of the '3 strikes campaign' which saw some residents bins stickered and removed, this may have resulted in a negative response. Staff endeavour to communicate these changes across multiple methods to ensure users are aware of any changes well in advance.
Refuse transfer station facilities	User satisfaction with refuse disposal (transfer station facilities)	71%	78% At risk	82%	There may be a seasonal trend in decreased satisfaction for Q2 results as this is the time of the year users tend to utilise the refuse transfer station facilities the most, and thus incur 'dump' fees which are an additional expense on top of the cost of living. Due to our location, the landfill is situated 144km away and so there are increases to the cost of transporting the Districts waste. Education and awareness into plastics and packaging and users encouraging less consumption may reduce the need to utilise the dump and therefore lessen fees associated with using the facility.

5. Significance and Engagement Assessment - Aromatawai Pāhekoheko

5.1. Assessment of Significance

The decisions and matters within this report are assessed to be of low significance, in accordance with the Council's Significance and Engagement Policy.

5.2. Engagement and Community Views

Engagement on this matter is not being undertaken in accordance with Section 6.0 of the Council's Significance and Engagement Policy. This states that the Council will not consult when there is already a sound understanding of the views and preferences of the persons likely to be affected or interested in the matter.

6. Considerations - *Whai Whakaaro*

6.1. Strategic Alignment

No inconsistencies with any of the Council's policies or plans have been identified in relation to this report.

6.2. Financial/Budget Considerations

There is no budget considerations associated with the recommendations of this report.

6.3. Climate Change Assessment

Some individual measures in this report, such as those related to waste and three waters, may have a climate change impact. Impacts on their greenhouse gas emissions and climate change effects are assessed outside of reporting on these measures. There are no significant or notable impacts associated with the matters of this report.

6.4. Legal

The Local Government Act 2002 (LGA 2002) requires Council to demonstrate they are accountable to their communities. Council quarterly reporting, in relation to the LGA 2002, serves as a key process for ensuring transparency, accountability and ongoing performance monitoring.

6.5. Risks

The Committee will note the measures set out in section 4.2 and 4.3 which are at risk of not meeting the end of year target or are known at this stage to not be achieved for 2025/26.

Attached to this Report:

- Appendix 1 - Non-Financial Performance Measure results, Quarter 2 2025/26
- Appendix 2 - Compliance with New Zealand Drinking Water Quality Assurance Rules, Quarter 2 2025/26
- Appendix 3 - Resident Satisfaction Survey Summary

7.4.1 Appendix 1 - Non-Financial Performance Measure results, Quarter 2 2025/26

7.4.1 Appendix 1 - Non-Financial Performance Measure results, Quarter 2 2025/26

7.4.1 Appendix 1 - Non-Financial Performance Measure results, Quarter 2 2025/26(Cont.)

Appendix 1: Non-Financial Performance Measure results Quarter 2 2025/26

The table below presents the non-financial performance measure results for 1 October - 31 December 2025. The 'end of year forecast' box is based on the year to quarter end result 1 October - 31 December 2025. The previous year result is provided for comparison.

Disclaimer: On 3 November 2025, Council transitioned from Ozone to Datascope. We are currently in the process of updating our data capture, categorisation, and reporting processes. As a result, some Q2 data is not yet available and will be reported once the transition is complete.



40 total measures / 33 mandatory

*Please note the Previous Year Result is subject to the Annual Report Audit and may change

Key

On track to achieve

Year end risk

Not achieved

Result not available

Democracy										
Owner	Key Performance Indicator	Annual Target	Q1 Result	Q2 Result	Q3 Result	Year to Date (quarter end)	End of year forecast	Comments	Previous year result*	Strategic Priority
Chiese Viljoen	Percentage of meeting and committee agendas made available to the public within statutory timeframes	100.00%	100.00%	100.00%		100.00%				Enhancing the safety, wellbeing, and vibrancy of communities
Chiese Viljoen	Percentage of Council meetings publicly livestreamed	90.00%	100.00%	100.00%		100.00%				Enhancing the safety, wellbeing, and vibrancy of communities
District Partnerships										
Owner	Key Performance Indicator	Annual Target	Q1 Result	Q2 Result	Q3 Result	Year to Date (quarter end)	End of year forecast	Comments	Previous year result	Strategic Priority
Richard Hamer	The change from the previous year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	Fewer crashes than the previous year	10	8		18		Despite a significant drop in funding for road safety awareness events, activities and advertising this year, there was a continuation of a robust road safety programme throughout the sub-region, partly through increasing partnerships and sponsorships. The rise in serious injury crashes is disappointing. While the immediate causal factors of serious crashes are relatively easy to define; the underlying determinants are more complex and include societal factors beyond the scope of this programme.	33 crashes (5 fatal and 28 serious) 10 more than the previous year	Enhancing the safety, wellbeing, and vibrancy of communities
Stormwater Drainage										
Owner	Key Performance Indicator	Annual Target	Q1 Result	Q2 Result	Q3 Result	Year to Date (quarter end)	End of year forecast	Comments	Previous year result	Strategic Priority
Jim Finlay via Power BI	Number of flooding events* in the District	Less than 3	0	Not yet available		0			No flooding event	Building climate change and natural hazard resilience including our infrastructure
Jim Finlay via Power BI	For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the Council's stormwater system)	Less than 10	0	Not yet available		0			Zero	Building climate change and natural hazard resilience including our infrastructure
Jim Finlay via Power BI	The median response time to attend a flooding event, measured from the time that the Council receives notification to the time that service personnel reach the site	Less than 3 hours	N/A	Not yet available		0			Zero	Building climate change and natural hazard resilience including our infrastructure
Jim Finlay via Power BI	The number of complaints received about the performance of the stormwater system, expressed per 1,000 properties connected to the Council's stormwater system	Less than 10	4.18	Not yet available		4.18			9.63	Building climate change and natural hazard resilience including our infrastructure
Ashli Hutchinson	Number of abatement notices received by the Council in relation to the resource consents for discharge from our stormwater system	Zero	Zero	Zero		Zero			Zero	Building climate change and natural hazard resilience including our infrastructure
Ashli Hutchinson	Number of infringement notices received by the Council in relation to the resource consents for discharge from our stormwater system	Zero	Zero	Zero		Zero			Zero	Building climate change and natural hazard resilience including our infrastructure
Ashli Hutchinson	Number of enforcement notices received by the Council in relation to the resource consents for discharge from our stormwater system	Zero	Zero	Zero		Zero			Zero	Building climate change and natural hazard resilience including our infrastructure Shaping a green District
Ashli Hutchinson	Number of convictions received by the Council in relation to the resource consents for discharge from our stormwater system	Zero	Zero	Zero		Zero			Zero	Building climate change and natural hazard resilience including our infrastructure
Wastewater										
Owner	Key Performance Indicator	Annual Target	Q1 Result	Q2 Result	Q3 Result	Year to Date (quarter end)	End of year forecast	Comments	Previous year result	Strategic Priority
Jim Finlay via Power BI	The total number of complaints received by the Council about any of the following: sewage odour, sewerage system faults, sewerage system blockages, and the Council's response to issues with its sewerage system, expressed per 1,000 connections to the Council's sewerage system	Less than 40	2.61	Not yet available		2.61			7.41	Building climate change and natural hazard resilience including our infrastructure
Jim Finlay via Power BI	Median response time to attend sewerage overflows resulting from a blockage or other fault in the Council's sewerage system, from the time that the Council receives notification to the time that service personnel reach the site.	Less than 2 hours	0.50	Not yet available		0.50			0.62	Building climate change and natural hazard resilience including our infrastructure

Finance, Performance, and Risk Committee - AGENDA

7.4.1 Appendix 1 - Non-Financial Performance Measure results, Quarter 2 2025/26(Cont.)

Jim Finlay via Power BI	Median response time to resolve sewerage overflows resulting from a blockage or other fault in the Council's sewerage system, from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault	Less than 8 hours	2.03	Not yet available		2.03			4.22	Enhancing the safety, wellbeing, and vibrancy of communities
Jim Finlay via Power BI	Number of dry weather sewerage overflows from the Council's sewerage system, expressed per 1,000 sewerage connections to that sewerage system	Less than 3 overflows	2.00	Not yet available		2.00		Dry weather events tend to happen when fat and/or foreign objects within the sewer build up the system which causes a blockage. The dry weather sewerage overflows this quarter could have happened in between the time periods between Kiwi Waste jetting and clearing the deposits causing a build up.	1.24	Building climate change and natural hazard resilience including our infrastructure
Astid Hutchinson	Number of abatement notices received by the Council in relation to the resource consents for discharge from our sewerage systems	Zero	Zero	Zero		Zero			Zero	Building climate change and natural hazard resilience including our infrastructure
Astid Hutchinson	Number of infringement notices received by the Council in relation to the resource consents for discharge from our sewerage systems	Zero	Zero	Zero		Zero			Zero	Building climate change and natural hazard resilience including our infrastructure
Astid Hutchinson	Number of enforcement orders received by the Council in relation to the resource consents for discharge from our sewerage systems	Zero	Zero	Zero		Zero			Zero	Building climate change and natural hazard resilience including our infrastructure
Astid Hutchinson	Number of convictions received by the Council in relation to the resource consents for discharge from our sewerage systems	Zero	Zero	Zero		Zero			Zero	Building climate change and natural hazard resilience including our infrastructure

Water Supply										
Owner	Key Performance Indicator	Annual Target	Q1 Result	Q2 Result	Q3 Result	Year to Date (quarter end)	End of year forecast	Comments	Previous year result	Strategic Priority
Astid Hutchinson	The extent to which Council's drinking water supplies comply with Part 4 of the Drinking Water Standards (bacterial compliance criteria)	All schemes compliant	4 schemes out of 9	3 schemes out of 9		Not met		For T3 Bacterial Rules, 3 schemes 'All met', 4 schemes 'Almost met', 2 schemes 'Partially met'. 7 schemes met the D3 Microbiological Monitoring Rules. 2 schemes met the D2.1 Distribution System Rule. See Appendix 2 for further detail.	2 schemes compliant	Building climate change and natural hazard resilience including our infrastructure
Astid Hutchinson	The extent to which Council's drinking water supplies comply with Part 5 of the Drinking Water Standards (protozoal compliance criteria)	8 schemes compliant out of 9	2 schemes out of 9	3 schemes out of 9		Not met		For T3 Protozoal Rules, 4 schemes 'All met', 3 schemes 'Almost met', 2 schemes 'Partially met'. See Appendix 2 for further detail.	2 schemes compliant	Building climate change and natural hazard resilience including our infrastructure
Jim Finlay via Power BI	Total number of complaints received by the Council about any of the following: drinking water clarity, drinking water taste, drinking water odour, drinking water pressure or flow, continuity of supply, Council's response to any of these issues. Expressed per 1,000 connections to the Council's networked reticulation system.	Less than 30 overall	6.14	Not yet available		6.14			35.76	Enhancing the safety, wellbeing, and vibrancy of communities
Jim Finlay via Power BI	Median response time to attend urgent call-outs for a fault or unplanned interruption to Council's networked reticulation system from the time that the Council receives notification to the time that the service personnel reach the site.	Less than 1 hour	0.10	Not yet available		0.10			0.44 hours	Building climate change and natural hazard resilience including our infrastructure
Jim Finlay via Power BI	Median response time to resolve urgent call-outs for a fault or unplanned interruption to Council's networked reticulation system from the time that the Council receives notification to the time that the service personnel confirm resolution of the fault or interruption.	Less than 8 hours	3.55	Not yet available		3.55			2.93 hours	Building climate change and natural hazard resilience including our infrastructure
Jim Finlay via Power BI	Median response time to attend non-urgent call-outs for areas supplied by Council from the time that the local authority receives notification to the time that service personnel reach the site.	Less than 24 hours	5.70	Not yet available		5.70			23.58 hours	Building climate change and natural hazard resilience including our infrastructure
Jim Finlay via Power BI	Median response time to resolve non-urgent call-outs for a fault or unplanned interruption to Council's networked reticulation system from the time that the Council receives notification to the time that the service personnel confirm resolution of the fault or interruption.	Less than 48 hours	17.43	Not yet available		17.43			26.02 hours	Building climate change and natural hazard resilience including our infrastructure

* A flooding event is defined by the Department of Internal Affairs as "an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor". Measure is calculated by the number of RFS logged.

Whakatāne Holiday Park										
Owner	Key Performance Indicator	Annual Target	Q1 Result	Q2 Result	Q3 Result	Year to Date (quarter end)	End of year forecast	Comments	Previous year result	Strategic Priority
Paul Check	Total guest-nights in the Whakatāne Holiday Park	Above 25,000	3,739	6,789		10,528		The current economic environment continues to be challenging, annual revenue is down on last years marginally, we continue to push social media advertising	24,916	Targeted marketing - market is slow currently - Complete Ablutions Block and Rec room upgrade

Transport Connections										
Owner	Key Performance Indicator	Annual Target	Q1 Result	Q2 Result	Q3 Result	Year to Date (quarter end)	End of year forecast	Comments	Previous year result	Strategic Priority
Ann-Elise Reynolds, via Power BI	Percentage of emergency customer service requests relating to roads and footpaths responded to within 2 hours	90.00%	91.95%	Not yet available		91.95%			85.15%	Enhancing the safety, wellbeing, and vibrancy of communities
Ann-Elise Reynolds, via Power BI	Percentage of all other customer service requests relating to roads and footpaths responded to within 7 days	95.00%	86.63%	Not yet available		86.63%		The transport team has now filled the vacancies and with the implementation of the new service request system, they anticipate our target being met consistently moving forward. The lag prior to the new system is a delay due to system administration input rather than the timeliness of responding to RFS.	87.17%	Enhancing the safety, wellbeing, and vibrancy of communities

Building and Resource Management										
Owner	Key Performance Indicator	Annual Target	Q1 Result	Q2 Result	Q3 Result	Year to Date (quarter end)	End of year forecast	Comments	Previous year result	Strategic Priority
Mika Avery	User satisfaction with Council's resource consent process	60.00%	50.00%	67.00%		58.50%		The Q1 result draws from a sample of two users of the resource consent process- one at 100% and the other at 20%. The comments provided with the 20% result show that the applicant was unaware of the consent process and the assessments required.	63.00%	Enhancing the safety, wellbeing, and vibrancy of communities

7.4.1 Appendix 1 - Non-Financial Performance Measure results, Quarter 2 2025/26(Cont.)

Mika Avery	Percentage of non-notified resource consents processed within statutory timeframes.	90.00%	92.00%	87.00%		89.50%		The slightly lower result for the second quarter was attributable to both staff absences and a spike in activity prior to the end of the year.	88.00%	Enhancing the safety, wellbeing, and vibrancy of communities
Lisa Toia	Percentage of building consent applications processed in accordance with statutory timeframes	90.00%	100.00%	100.00%		100.00%			94.00%	Enhancing the safety, wellbeing, and vibrancy of communities
Lisa Toia	User satisfaction with Council's building consent process	60.00%	80.00%	81.80%		80.90%			63.00%	Enhancing the safety, wellbeing, and vibrancy of communities

Waste Management										
Owner	Key Performance Indicator	Annual Target	Q1 Result	Q2 Result	Q3 Result	Year to Date (quarter end)	End of year forecast	Comments	Previous year result	Strategic Priority
Higel Clarke	Amount of waste sent to landfill per person each year	Below 70% of the national average amount	97.41Kg 26.1%	104.61kg 28.02%	97.41	202.02KG		The current national annual average of waste sent to landfill is 533.4 kg per person (Ministry for the Environment). The annual target of 'Below 70% of the national average' amounts to 373.38 kg per person per annum - averaging 93.3 kg per quarter. This target was set as part of the Council's Waste Management and Minimisation Plan in 2021, when the national average was set at a higher rate of 740 kg per person, per annum. For Q1 we are tracking slightly above (4.1kg) this target at 97.4 kg per person. For Q2 this has increased again to 104.61 (11.31kg).	74.12%	Shaping a green district

Community Regulation										
Owner	Key Performance Indicator	Annual Target	Q1 Result	Q2 Result	Q3 Result	Year to Date (quarter end)	End of year forecast	Comments	Previous year result	Strategic Priority
Nancy Elliott via Power III	Percentage of complaints relating to abandoned cars, litter and general bylaw offences responded to within 2 working days	90.00%	93.98%	Not yet available					92.86%	Enhancing the safety, wellbeing, and vibrancy of communities
Nancy Elliott	Percentage of after-hours excessive noise complaints responded to promptly*	90.00%	95.70%	92.80%		94.20%			98.50%	Enhancing the safety, wellbeing, and vibrancy of communities
Nancy Elliott	Percentage of environmental health complaints (excluding noise) responded to within two working days	90.00%	94.50%	100.00%		97.25%			91.50%	Enhancing the safety, wellbeing, and vibrancy of communities
Nancy Elliott	Percentage of licensed premises inspected at least once per year, excluding special licenses	100.00%	100.00%	100.00%		100.00%			98.90%	Enhancing the safety, wellbeing, and vibrancy of communities
Nancy Elliott via Power III	Percentage of aggressive/threatening dogs and roaming stock complaints responded to within one hour	90.00%	90.36%	Not yet available					92.19%	Enhancing the safety, wellbeing, and vibrancy of communities
Nancy Elliott via Power III	Percentage of all other animal control complaints responded to within two working days	90.00%	94.86%	Not yet available					94.05%	Enhancing the safety, wellbeing, and vibrancy of communities

*'Promptly' is defined as responding to excessive noise complaints within the following timeframes:

Area and Definition	Time
Area 1 - Ohope, Whakatāne, Tāneatua, Coastlands, Awakeri, Thornton Road to Golf Links Road	<60 minutes
Area 2 - Edgecumbe, Matatā, Otamarakau, Otakiri, Onepū, Te Teko, Te Mahoe and Wainui to Ōpōtiki intersection	<100 minutes
Area 3 - Murupara, Galatea and environs	<120 minutes

7.4.2 Appendix 2 – Statement On Drinking Water Quality Performance – October to December 2025**7.4.2 Appendix 2 – Statement On Drinking Water Quality Performance – October to December 2025**

Wai Comply Limited (Wai Comply) completed an independent assessment of performance against the Drinking Water Quality Assurance Rules 2022 (Revised 2024) (DWQAR) for the period from 1 October 2025 to 31 December 2025 (the assessment period), to support Whakatāne District Council (the Council) in verifying its performance against the Non-Financial Performance Measures Rules 2024. The assessment was undertaken in accordance with the Non-Financial Performance Measures Rules 2024: Supporting guidance for drinking water (June 2025) and the DWQAR aggregate compliance rate methodology (June 2025). Performance is reported as ratings based on calculated compliance rates for each water supply. The ratings are:

- All met (100%)
- Almost met (95–99%)
- Partially met (1–94%)
- None met (0%)

The DWQAR primarily impose requirements relating to drinking water supplier duties to:

- supply safe drinking water
- ensure that drinking water complies with the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 (DWSNZ).

The DWQAR are structured as ‘modules’, with the main modules covering general rules, source water, treatment systems and distribution systems. Source water, treatment system, and distribution system rules have three complexity levels, dependent on the size of the supply.

The DWQAR include rules for bacterial and protozoal compliance in treatment systems and monitoring free available chlorine (FAC) and microbial water quality in distribution systems. Protozoal treatment is typically achieved through filtration and/or ultraviolet (UV) disinfection. However, if treatment is interrupted (for example due to power outages or flood events that cause periodic high turbidity), protozoal compliance will not be achieved. As a result, some water supply schemes do not meet the criteria to demonstrate compliance for the assessment period. To ensure a safe drinking water supply if treatment is interrupted, all Council water supplies are monitored with alarm systems that alert staff or, where necessary, automatically shut down the supply in response to high turbidity or low FAC levels.

Water in the distribution zones is monitored for FAC and the presence of *E. coli* and total coliforms. The DWSNZ set a maximum acceptable value (MAV) of less than 1 *E. coli* per 100 ml sample, on the basis that this best represents water quality as received by consumers. The Council notifies the Water Services Authority - Taumata Arowai of any non-compliant test results. There were no instances where the *E. coli* MAV was exceeded in any drinking water samples collected from Council water supplies during the assessment period.

There are two approaches to reporting the T3 Protozoal Rules compliance rate. The first, as per rule T3.22, reports whether a treatment plant had a suitable protozoal barrier(s) in place to meet the required log level of the water class, as determined under rule S3.1. The alternate approach calculates the percentage of days the wider category of protozoal rules were met, which reflects the performance

7.4.2 Appendix 2 – Statement On Drinking Water Quality Performance – October to December 2025(Cont.)

of the protozoal barrier, similar to the bacterial rules demonstration. Wai Comply's audit methodology involves evaluating compliance with all the applicable T3 Protozoal Rules. This statement uses the alternate reporting approach. Where T3.22 has not been met, this is also reported.

Table 1: Mandatory measures (safety of drinking water)

Supply	Category	Compliance rate (%)	Performance rating
Whakatāne	T3 Bacterial Rules	100%	All met
	T3 Protozoal Rules	100%	All met
	D3 Microbiological Monitoring Rules	100%	All met
Matatā	T3 Bacterial Rules	100%	All met
	T3 Protozoal Rules	100%	All met
	D3 Microbiological Monitoring Rules	100%	All met
Murupara	T3 Bacterial Rules	98%	Almost met
	T3 Protozoal Rules	100%	All met ¹
	D3 Microbiological Monitoring Rules	100%	All met
Otumahi	T3 Bacterial Rules	86.5%	Partially met
	T3 Protozoal Rules	85%	Partially met
	D3 Microbiological Monitoring Rules	100%	All met
Rangitāiki Plains	T3 Bacterial Rules	99.9%	Almost met
	T3 Protozoal Rules	99.9%	Almost met
	D3 Microbiological Monitoring Rules	100%	All met
Rūātoki	T3 Bacterial Rules	96.6%	Almost met
	T3 Protozoal Rules	97.8%	Almost met
	D3 Microbiological Monitoring Rules	100%	Met
Tāneatua	T3 Bacterial Rules	83.2%	Partially met
	T3 Protozoal Rules	91.0%	Partially met
	D3 Microbiological Monitoring Rules	100%	All met
Te Mahoe	T3 Bacterial Rules	97.0%	Almost met
	T3 Protozoal Rules	98.5%	Almost met
	D2.1 Distribution System Rule	100%	All met
Waimana	T3 Bacterial Rules	100%	All met
	T3 Protozoal Rules	100%	All met
	D2.1 Distribution System Rule	100%	All met

Murupara source water has demonstrated Interim Class 1 status. A protozoa barrier is not required.

Table 2: Information where any mandatory measure compliance rate is less than 100%

Supply	Category	Comments
Murupara	Murupara WTP T3 Bacterial Rules	WaterOutlook reports indicated there were 3 days where low C.t value and low retention events, and 17 days where low FACe events occurred during the period affecting the chlorine demonstration. WDC reported that the low retention and C.t value events indicated on WaterOutlook reports were due to inaccurate data against the reservoir level SCADA tag.
Otumahi	Paul Rd WTP T3 Bacterial Rules/T3 Protozoal Rules	Paul Rd WTP and network upgrades and changes during October and November 2025 resulted in chlorine or UV disinfection being non-compliant for 20 days (bacterial) and 22 days (protozoal) out of 56 days that the WTP was in service.

7.4.2 Appendix 2 – Statement On Drinking Water Quality Performance – October to December 2025(Cont.)

Supply	Category	Comments
Rangitāiki Plains	Johnson Rd WTP T3 Bacterial Rules/T3 Protozoal Rules	The WaterOutlook report for December indicated that a low UV dose event of 23 minutes occurred on the 26/12/2025.
Rūātoki	Rūātoki WTP T3 Bacterial Rules/T3 Protozoal Rules	WaterOutlook reports indicated that low UV dose and high turbidity events occurred on up to 10 days during the period. WDC reported that high turbidity in the source water was the cause of the low UV dose events. Chlorine dosing continued throughout this period.
Tāneatua	Tāneatua WTP T3 Bacterial Rules/T3 Protozoal Rules	WaterOutlook reports indicated that low UV dose events occurred for 23 days in October, all days in November, and 1 day in December 2025. WDC reported that a new UV disinfection unit was installed but was not able to be correctly set up until 01/12/2025. Chlorine dosing continued throughout the period.
Te Mahoe	Te Mahoe WTP T3 Bacterial Rules/T3 Protozoal Rules	WaterOutlook reports indicated low UV dose events occurred on 6 days and elevated turbidity events occurred on 7 days during the period. WDC reported that “during start-up, turbidity levels at the plant often exceed the normal threshold. The bore has been checked with no issues found. Past incident reports suggest this may be due to air in the system; however, this has not been confirmed.” Therefore, the exceedances are reported as non-compliances.
All supplies	T3 Protozoal Rules	The T3 Protozoal Rules performance is measured by the percentage of days in the reporting period that each treatment plant achieved compliance with the protozoal rules. All WTPs had a protozoa barrier that provides treatment equal to or exceeding the log level of the water class for all of the reporting period.

Table 3: Recommended measures (D2/D3 residual disinfection)

Supply	Category	Compliance rate	Performance rating
Whakatāne	D3 Residual Disinfection	100%	All met
Matatā	D3 Residual Disinfection	100%	All met
Murupara	D3 Residual Disinfection	100%	All met
Otumahi	D3 Residual Disinfection	100%	All met
Rangitāiki Plains	D3 Residual Disinfection	100%	All met
Rūātoki	D3 Residual Disinfection	100%	All met
Tāneatua	D3 Residual Disinfection	100%	All met
Te Mahoe	D2 Residual Disinfection	100%	All met
Waimana	D2 Residual Disinfection	100%	All met

Water suppliers are required to notify the Water Services Authority if there is a reasonable likelihood that drinking water is or may be unsafe or drinking water does not comply with drinking water standards. Event reporting may provide appropriate context alongside DWQAR performance in demonstrating drinking water safety.

7.4.3 Appendix 3 - Resident Satisfaction Survey Summary**Table 4: Notifications to the Water Services Authority**

Notification ID	Supply	Date	Observation
NOT-00010418	Tāneatua	27/11/2025	A new UV treatment system was installed at the Tāneatua WTP. The system could not be commissioned remotely, and the contractor was delayed in attending the site to complete commissioning. A boil water notice was issued due to lack of protozoal treatment during this time.
NOT-00010386	Rūātoki	19/11/2025	The Council completed two notifications for the Rūātoki supply for high turbidity in the source water causing low UV dose events and high turbidity in treated water events and resulting in WDC issuing boil water notices.
NOT-00010174	Rūātoki	15/10/2025	
NOT-00009456	Rangitāiki Plains	20/11/2025	Associated with a positive <i>E. coli</i> detection at Braemar WTP.

7.4.3 Appendix 3 - Resident Satisfaction Survey Summary



Whakatāne District Council

2025-26 Resident
Survey Tracking
(Quarter Two Summary)
| SIL Research

January 2026

7.4.3 Appendix 3 - Resident Satisfaction Survey Summary(Cont.)

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7.4.3 Appendix 3 - Resident Satisfaction Survey Summary(Cont.)

SATISFACTION WITH SERVICES AND FACILITIES

The purpose of this research is to survey Whakatāne District residents to determine levels of satisfaction with, and perceptions of, Council’s services, communications and management to identify opportunities for improvement. This report is a quarterly tracking survey summary for 2025-26 Q2. This information is for indicative tracking purposes only. Fieldwork was conducted between 12 – 27 January 2026. A total of n=150 surveys were used in the Q2 interim analysis. Further methodology details and contextual information are provided on pages 11-14 of this report. Note: a small sample size results in a higher margin of error; margins may vary between quarters. **The year-to-date (YTD) measure is a moving average for the four most recent quarters (n=600 covering Q3-Q4 2025 & Q1 -Q2 2026).** This measure allows for the tracking results to be reported with a smaller margin of error. Some services/facilities are combined into related groups for reporting an overall average satisfaction score within each group (Cemeteries & crematorium, Recreation facilities, Water, Roads, Art & Culture services). Note: Community facilities index removed in 2024-25; ‘Boat ramps & wharf facilities’ removed from Recreation index in 2024-25 Q1.

Note: Services are listed from highest-to-lowest YTD score within their group. YTD tracking results are compared to the 16 LTP targets for the 2025-26 year: **green** – performance is above target, **orange** – performance is on par, **red** – performance is below target, **pink** – performance is below the target but within the margin of error. NZBS = New Zealand Benchmark Survey n=400. Reported results are rounded; tracking differences are calculated on actual (not rounded) values. EBOP = Eastern Bay of Plenty benchmarking.

	2022-23 survey	2023-24 survey	2024-25 survey	NZBS	'Users' satisfaction tracking 2025-26					YTD margin of error (+/-)	Tracking difference (YTD VS 2024-25)	LTP target			EBOP
					Q1	Q2	Q3	Q4	YTD (Q2 2025 - Q1 2026)			Is it a LTP measure?	2025-26 target	YTD difference with target	
Services and facilities															
Cemeteries & crematorium facilities (index result)	85%	77%	86%		94%	78%			85%		0%	Yes	77%	+8%	
¹⁷ Whakatāne crematorium facility	88%	85%	89%		97%	74%			88%	8%	-2%				
¹⁸ Cemeteries overall	82%	68%	82%	78%	90%	81%			83%	6%	1%				85%
Recreation facilities (index result)	78%	75%	77%		81%	76%			76%		1%	Yes	77%	-1%	
⁴ Sports fields	76%	75%	84%	74%	78%	75%			80%	5%	-3%				
¹ Parks and reserves	81%	80%	78%	76%	74%	74%			76%	4%	-2%				
³ Playgrounds	77%	69%	69%		75%	65%			71%	6%	2%				
Water (index result)	72%	62%	62%	62%	68%	55%			59%		-3%	Yes	70%	-11%	
¹³ Water supply overall	76%	68%	68%		74%	61%			65%	4%	-3%				
¹⁴ Quality of drinking water	68%	56%	57%		63%	50%			54%	5%	-2%				
Roads (index result)	48%	50%	52%	43%	58%	55%			53%		1%	Yes	57%	-4%	50%
²⁵ Safety of Council roads	48%	52%	54%		58%	58%			55%	4%	1%				
²⁴ Council roads overall	48%	47%	50%		57%	52%			51%	4%	1%				

7.4.3 Appendix 3 - Resident Satisfaction Survey Summary(Cont.)

	2022-23 survey	2023-24 survey	2024-25 survey	NZBS	'Users' satisfaction tracking 2025-26					YTD margin of error (+/-)	Tracking difference (YTD VS 2024-25)	LTP target			EBOP 2022-23
					Q1	Q2	Q3	Q4	YTD (Q2 2025 - Q1 2026)			Is it a LTP measure?	2025-26 target	YTD difference with target	
Art and Culture services (index result)	84%	76%	82%		82%	86%			82%		0%	Yes	78%	+4%	
¹² Te Whare Taonga o Taketake - Whakatāne Museum and Research Centre	82%	73%	80%		86%	100%			87%	9%	7%				
¹⁰ Te Kōputu a te Whanga a Toi - Whakatāne Library and Exhibition Centre	87%	80%	85%		82%	80%			80%	7%	-5%				88%
⁹ District libraries	82%	76%	81%	78%	79%	79%			77%	7%	-3%				88%
Regional development (not indexed)															
²⁸ Efforts to enable and promote events	60%	56%	49%	61%	56%	44%			49%	5%	0%	Yes	61%	-12%	
²⁷ Tourism promotion	60%	52%	51%		49%	46%			47%	5%	-4%	Yes	63%	-16%	
²⁹ Business promotion	53%	52%	37%		43%	37%			38%	5%	1%	Yes	56%	-18%	
General services (not indexed)															
²² Kerbside waste collection service	88%	89%	85%	67%	88%	82%			84%	3%	-1%	Yes	85%	-1%	
²³ Refuse transfer station facilities	82%	76%	78%	64%	84%	71%			78%	4%	0%	Yes	82%	-4%	79%
¹⁶ Sewerage system	77%	74%	76%	74%	80%	71%			76%	4%	-1%	Yes	75%	+1%	
⁵ Public swimming pools	81%	73%	77%	56%	76%	74%			73%	7%	-3%	Yes	77%	-4%	
¹⁹ Boat ramps and wharf facilities	79%	73%	72%		75%	71%			73%	5%	1%	Yes	77%	-4%	
² Walking and cycling facilities in the District	75%	71%	67%	52%	68%	69%			70%	4%	3%				
¹⁵ Stormwater services	69%	66%	70%	51%	75%	61%			69%	5%	0%				
¹¹ Public halls	87%	68%	64%		80%	60%			67%	8%	3%	Yes	77%	-10%	
⁸ Street lighting	74%	71%	68%	67%	67%	63%			65%	4%	-3%				
⁷ Footpaths	63%	57%	59%	55%	66%	56%			60%	4%	0%				61%
²⁶ Parking in Whakatāne	62%	60%	53%	51%	67%	55%			59%	4%	1%				
⁶ Public toilets	59%	49%	58%	60%	59%	53%			56%	6%	-2%	Yes	68%	-8%	61%
²⁰ Noise control	43%	50%	23%		55%	45%			44%	17%	21%				
²¹ Dog control	38%	43%	30%	57%	60%	42%			37%	10%	7%				35%

7.4.3 Appendix 3 - Resident Satisfaction Survey Summary(Cont.)

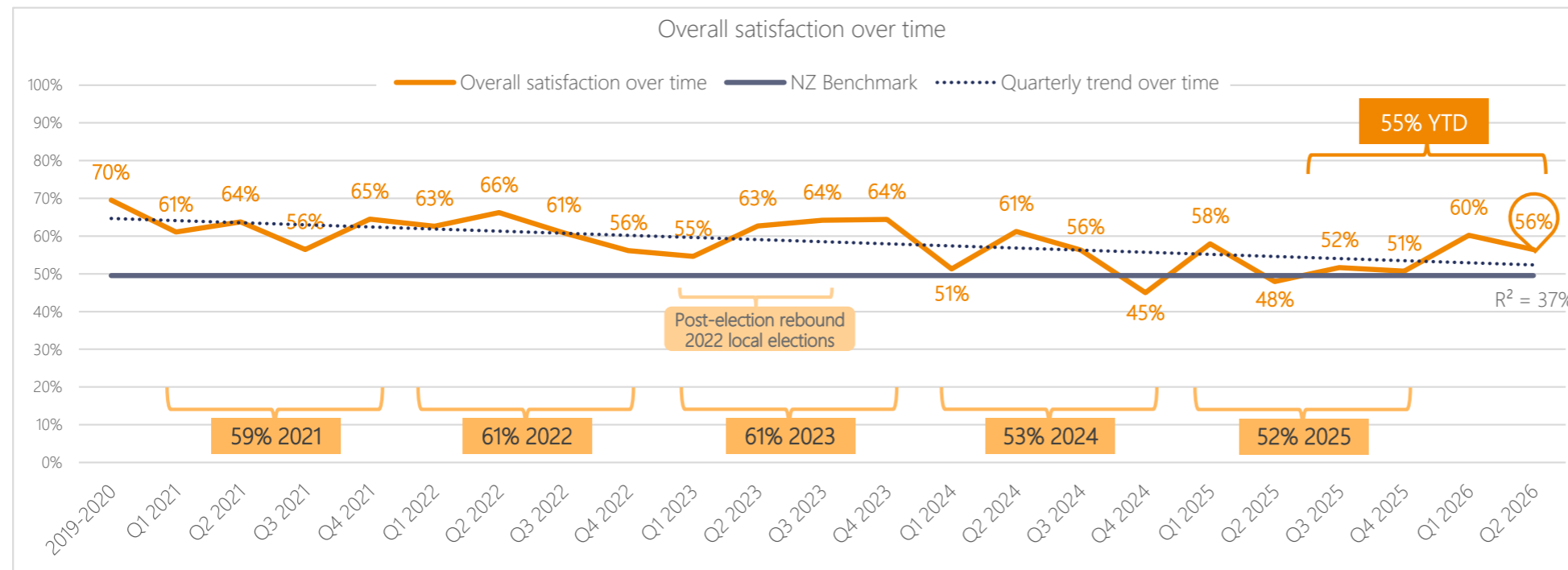
	2022-23 survey	2023-24 survey	2024-25 survey	NZBS	'Users' satisfaction tracking 2025-26					YTD margin of error (+/-)	Tracking difference (YTD VS 2024-25)	LTP target			EBOP 2022-23
					Q1	Q2	Q3	Q4	YTD (Q2 2025 - Q1 2026)			Is it a LTP measure?	2025-26 target	YTD difference with target	
Communication & engagement															
Keeps people informed	53%	51%	45%	46%	45%	43%			45%	4%	1%				
Makes it easy for people to interact and engage with them	47%	44%	35%	43%	46%	42%			40%	4%	5%				
Provides sufficient opportunities for people to have their say	49%	47%	36%	43%	46%	40%			39%	4%	3%				53%
Makes it easy for people to transact with Council	48%	44%	37%		46%	44%			39%	4%	2%				
Listens to and acts on the needs of the people	35%	27%	22%	31%	25%	30%			26%	4%	3%				
Leadership															
Leadership of Mayor	47%	41%	42%	45%	37%	41%			38%	4%	-4%				
Leadership of councillors	44%	33%	27%	39%	31%	33%			29%	4%	2%				
Strategies for developing prosperity and wellbeing	40%	29%	24%	33%	19%	31%			24%	4%	0%				
Council management															
Managers and staff doing a good job	49%	38%	30%	43%	30%	34%			33%	4%	2%				60%
Working with other councils where relevant	46%	33%	26%	41%	33%	27%			29%	5%	2%				
Skills and expertise to manage community affairs	44%	32%	25%	38%	24%	28%			24%	4%	-1%				
Efficiency and effectiveness	42%	29%	23%	35%	19%	27%			22%	4%	-1%				
Continual performance improvement	38%	28%	22%	33%	19%	28%			22%	4%	0%				
Value for money	34%	23%	17%	30%	21%	27%			21%	3%	4%				44%
Trust to make good spending decisions	32%	20%	15%	30%	18%	22%			18%	3%	3%				
Managing finances well	31%	19%	14%	28%	10%	24%			16%	3%	2%				
Life in the District															
Safety	69%	64%	63%	53%	67%	61%			61%	4%	-2%				
Quality of life	68%	59%	56%		52%	56%			53%	4%	-2%				
As a place to live (Net Promoter Score)	+3%	-18%	-24%		-32%	1%			-22%		2%				
Holiday destination (Net Promoter Score)	+20%	+3%	-7%		-2%	-6%			-7%		0%				
Customer Service Front Desk	75%	73%	74%		69%	72%			73%	5%	-2%	Yes	76%	-3%	

7.4.3 Appendix 3 - Resident Satisfaction Survey Summary(Cont.)

	2022-23 survey	2023-24 survey	2024-25 survey	NZBS	'Users' satisfaction tracking 2025-26					YTD margin of error (+/-)	Tracking difference (YTD VS 2024-25)	LTP target			EBOP
					Q1	Q2	Q3	Q4	YTD (Q2 2025 - Q1 2026)			Is it a LTP measure?	2025-26 target	YTD difference with target	
Overall performance															
Overall performance	61%	53%	52%	50%	60%	56%			55%	4%	3%				
Performance in communication	45%	37%	30%	37%	38%	40%			34%	4%	4%				
Performance in terms of Council leadership	44%	35%	30%	37%	23%	33%			29%	4%	-2%			56%	
Performance in managing day-to-day business	46%	34%	26%	37%	23%	30%			26%	4%	-1%				

7.4.3 Appendix 3 - Resident Satisfaction Survey Summary(Cont.)

KEY HIGHLIGHTS



Despite the quarterly variability measured over the last two years, recent improvement in overall satisfaction has been sustained this quarter. In Q2 2025-26, 56% of respondents reported satisfaction with Council services – on par (and within the margin of error) with the previous quarter (Q1) result (60%, the highest result since Q2 2024). While up from previous quarters (particularly 48% in Q2 2025), current results are not statistically higher so still remain indicative only at this point. However, the two most recent results do indicate some improving sentiment and positivity across the Whakatāne District community: consistently lifting general service satisfaction above the 50% range typically seen over the last year – and clearly above the national benchmark – particularly since the 2025 Local Government elections (in October 2025).

In this context, the YTD result (a moving average of the four most recent quarters, currently covering Q3-Q4 2025 and Q1-Q2 2026) indicated greater stability - currently at 55% satisfaction – and once more rising above annual results of both 2024 and 2025 (for the first time since 55% YTD in Q1 2025).

Notably, a similar rebound in satisfaction was also observed after the 2022 local elections (following Q1 2023; see chart above). Forthcoming quarterly results will confirm the extent to which current improvements are maintained beyond the initial post-election period.

7.4.3 Appendix 3 - Resident Satisfaction Survey Summary(Cont.)**SERVICE SATISFACTION REMAINS STEADY OVERALL**

In Q2 2026, the highest rated services (all 80% satisfaction or higher among users/visitors of each respective service) remained fairly consistent:

- Te Whare Taonga o Taketake (Whakatāne Museum and Research Centre) - 100% Q2, 87% YTD (note low sample size)
- Kerbside waste collection service - 82% Q2, 84% YTD
- Cemeteries - 81% Q2, 83% YTD
- Te Kōputu a te Whanga a Toi (Whakatāne Library and Exhibition Centre) - 80% Q2, 80% YTD

Most YTD results for tracked services remained within margins of error (no statistically significant changes). However, two services in Q2 2026 saw YTD results significantly above 2024-25 annual figures:

- Noise control - 44% YTD, up +21%-points from 23% 2024-25 (note low sample size so results can be more volatile)
- Parking in Whakatāne - 59% YTD, up +6%-points from 53% 2024-25

CONCERNS RAISED OVER WATER SERVICES

Despite stability over the longer term (in YTD scores), satisfaction with water services saw some decline in Q2 2026 compared to Q1 (although returning to levels seen earlier in the previous year). This may have resulted from a combination of recent heavy rain events, together with uncertainty around proposed reorganising of water management through central government's Local Water Done Well reforms.

Resident sentiment was reflected in spontaneous (open text) feedback, with water services emerging as one of the most notable areas of concern. Stormwater and drainage attracted concern due to flooding, stagnant waterways, silt build up in rivers, inadequate capacity during heavy rain events, and a lack of proactive maintenance. Many respondents expressed dissatisfaction with drinking water quality, particularly over summer,

describing poor taste and low confidence in safety. Water supply and infrastructure issues were also prominent, including ageing pipes, inconsistent pressure, limited rural supply options, and high water related charges. Overall, there were calls for greater transparency around water sourcing and management, alongside frustration about perceived prioritisation of water assets outside the district.

SIGNS OF STABILITY & IMPROVING SATISFACTION WITH LEADERSHIP

Satisfaction remained lower for elected officers than for service provision but held steady following the 2025 local government elections (in October 2025, during the previous Q1 survey data collection period). However, there were signs of improving sentiment around the mayor's and councillors' strategies for developing prosperity and wellbeing – achieving the highest quarterly score in two years:

- Leadership of mayor - 41% Q2 2026, compared to 37% Q1 2026
- Leadership of councillors - 33% Q2 2026, compared to 31% Q1 2026
- Strategies for developing prosperity and wellbeing - 31% Q2 2026, compared to 19% Q1 2026 (previous peak of 35% in Q2 2024).
- Overall performance of Council leadership - 33% Q2 2026, compared to 23% Q1 2026

Satisfaction ratings were supported by resident feedback expressing strong approval of recent Council actions, with particularly positive feedback about the new mayor - who was seen as proactive, visible, and effective, especially during extreme weather events and through regular updates. Many respondents also valued clear and timely communication, highlighting the Council communications team, civil defence alerts, and information provided during red level weather events. There was additional approval for prudent financial decision making, including delaying major redevelopment projects, and decisions around Three Waters delivery.

7.4.3 Appendix 3 - Resident Satisfaction Survey Summary(Cont.)**LTP TARGETS**

3-of-16 LTP targets were met or exceeded based on current YTD figures:

- Cemeteries & crematorium overall (85% vs target of 77%)
- Art & culture overall (82% vs target of 78%)
- Sewerage system (76% vs target of 75%)

A further 7-of-16 results were close to target and within respective margins of error: recreation facilities overall, roads overall, kerbside waste collection, refuse transfer station facilities, public swimming pools, wharf facilities, and customer service front desk.

The remaining six targets were significantly below target: water services overall, event promotion, tourism promotion, business promotion, public halls, public toilets. Nevertheless, this was an improvement over the previous Q1 2026, when eight LTP targets were significantly below target.

SOME IMPROVEMENT IN PERCEPTIONS OF COUNCIL SPENDING & FINANCIAL GOVERNANCE DESPITE CONTINUED LOW PERFORMANCE

Despite some evidence of improving service-related perceptions among residents (as noted above), council governance, management and especially financial administration remained areas of notable concern – consistently the lowest rated areas in the survey. Concerns about rates and overall Council spending persisted in Q2 2026 - with at least 1-in-5 of all respondents spontaneously expressing negative feedback about rates and Council costs; albeit notably fewer than in Q1 (around 1-in-3 respondents). While 1-in-6 residents (16%) in Q2 indicated approval of recent Council actions or decisions, almost 2-in-5 (37%) disapproved of recent decisions (albeit less than 49% in Q1).

Such concerns continued to exert a strong negative influence on Council reputation measures. However, some of these lowest rated survey areas did show indicative signs of improved perceptions. In this regard, the lowest

performing attributes in Q2 2026 (30% or lower satisfaction - also contributing to low YTD results) remained:

- trust to make good spending decisions - 22% Q2, 18% YTD
- managing finances well - 24% Q2 (up from 10% Q1), 14% YTD
- value for money - 27% Q2 (up from 21% Q1), 21% YTD
- efficiency and effectiveness – 27% Q2 (up from 19% Q1), 22% YTD
- continual performance improvement - 28% Q2 (up from 19% Q1), 22% YTD
- skills and expertise to manage community affairs - 28% Q2, 24% YTD

Most of these measures remained on par with 2024-25 figures but below national benchmarks.

In this context, residents' feedback highlighted dissatisfaction centred on rising rates and perceptions of poor value for money, with many concerned about high increases relative to inflation, overspending, growing debt, and expenditure on consultants, staffing, tourism, events, and non-essential projects. Respondents also expressed concern about planning and development decisions, lack of consultation or communication, impacts on small businesses, and dissatisfaction with specific projects such as parks, growth strategies, and marina or redevelopment proposals.

Overall, respondents strongly indicated that Council should reduce spending on perceived non-essential or discretionary activities and refocus on core services - prioritising increased investment in core infrastructure and basic services, particularly roads, bridges, footpaths, water supply and quality, stormwater, sewerage, and drainage resilience during severe weather events. There was a clear expectation that Council should operate more efficiently, limit bureaucracy, improve accountability for contractors, and prioritise essential infrastructure and services that deliver visible value to ratepayers – particularly greater investment outside the main urban areas.

7.4.3 Appendix 3 - Resident Satisfaction Survey Summary(Cont.)**ADDITIONAL FEEDBACK**

Given the opportunity to provide any additional feedback about Council and/or its services, varied resident views were expressed across the community. Overall, comments reflected widespread concern about affordability, value for money, and Council capability, alongside some recognition of positive aspects.

Rising rates and cost pressures were repeatedly raised, with many respondents questioning transparency, staffing levels, use of consultants, management competence, and whether spending decisions are delivering tangible improvements for residents. Water quality emerged as a major and emotive issue, particularly over summer, alongside concerns about ageing infrastructure, roads, bridges, river management, litter, and maintenance of public spaces. Respondents also highlighted safety and amenity issues such as roaming dogs, homelessness around public facilities, graffiti, parking, and inadequate consultation on planning decisions, especially affecting rural communities.

At the same time, some acknowledged that Whakatāne is a good place to live, praised parks, communications, free parking, and civil defence efforts, and expressed a desire for better promotion, community involvement, and long-term vision - provided Council focuses on core services, accountability, and living within ratepayer means.

7.4.3 Appendix 3 - Resident Satisfaction Survey Summary(Cont.)

METHODOLOGY

RESEARCH GOAL

As a part of its consultation process, Whakatāne District Council (WDC) has commissioned a Resident Satisfaction Survey every year. The purpose of this research was to consultatively engage with Whakatāne District residents to determine levels of satisfaction with and perceptions of Council's services, communications and management, to identify opportunities for improvement.

This report is a '*Quarter Two*' (Q2) tracking summary for the 2025-26 Resident Survey.

QUESTIONNAIRE AND PROJECT SPECIFICS

Since 2019-20, the Resident Survey has been conducted by SIL Research. From 2020-21, data collection has been administered four times a year (quarterly) to allow for seasonal variations to be tracked using a 1-10 Likert scale, which provides more robust options for residents to express their views.

For the 2025-26 survey year, the data is again being collected from October (retrospectively covering the Jul-Sep quarter) to June (covering the Apr-Jun quarter) to align with WDC's annual reporting period of 1 July to 30 June.

With the change to quarterly fieldwork cycles, the recall window for respondents has also been adjusted since 2020. Previously, respondents had been asked to indicate which services/facilities they had used or visited in '*the last 12 months*'. From 2021 Q1, respondents were instead asked about the services/facilities they used/visited in '*the last 3 months*'. While representing a shift from the previous method, moving forward the use of

a narrower recall window should result in more accurate responses (easier to recall behaviour over the previous 3 months than a longer 12-month period), while providing more sensitive measures of seasonal variations across quarterly cycles.

DATA COLLECTION

Fieldwork for Q2 was conducted between 12 – 27 January 2026. A total of n=150 (Q2 2026) surveys were used in the analysis, and incorporated into the year-to-date (YTD) averages (n=600 responses currently covering Q3-4 2025 and Q1-Q2 2026).

Multiple data collection methods were utilised to ensure residents are represented. A mixed methods approach included:

- (1) Telephone survey. Respondents were randomly selected from the publicly available telephone directories within specified territorial units;
- (2) Social media (available via SIL Research social media platforms, such as Facebook). The invitation advertisement was randomly promoted to District residents within specified territorial units;
- (3) Postal survey. Survey forms were sent to randomly selected Whakatāne District households.

7.4.3 Appendix 3 - Resident Satisfaction Survey Summary(Cont.)**DATA ANALYSIS**

Surveys were conducted proportional to the population in each of Whakatāne District's community boards.

Responses were also statistically weighted (post-stratification) to reflect the gender, age and ethnicity group proportions as determined by the Statistics New Zealand 2023 Census population benchmarks.

SIL Research ensured quality control during the fieldwork period. In addition, a quality control check was performed using follow-up calls across randomly selected respondents (10% of those who agreed to the follow up) to verify the key responses.

Further checks included, but were not limited to, removal of incomplete responses and responses coming from outside of Whakatāne District.

NOTES ON REPORTING

Quarterly results are presented for indicative tracking only.

The rationale behind quarterly data collection is to improve the quality of overall results (e.g. mitigating seasonal bias) based on the full sample (n=600), and to allow for seasonal variations to be tracked. Also, emerging trends of current and new issues are tracked so that they may be considered in Council decision making when these issues arise, rather than after they have happened.

The specific margins of error are reported with the results. Higher proportions of 'Don't know' and non-user responses further reduce the effective sample sizes and result in larger margins of error. Measures with low sample sizes (e.g. below n=50) can produce more volatile (variable) results quarter to quarter.

'Satisfaction' percentages presented in this report are aggregated 6-10 responses on a 1-10 scale.

2025-26 WHAKATĀNE DISTRICT COUNCIL RESIDENT SURVEY: QUARTER TWO - SIL RESEARCH | 12

ENVIRONMENTAL FACTORS

When reading this report, it is important to note that factors such as the timing of unusual or one-off events can affect the ratings that residents give, particularly if they occur close to the time when the survey data is being gathered.

Factors that may have influenced public perception of the Council's performance in 2025-26 include:

Q1 2025-26:

- 1 In early July 2025, the Council and Trust Horizon joined forces to launch the new Whakatāne Community Climate Action and Youth Development Fund to support local responses to climate change and youth development. The fund opened for its first funding round with \$95,000 available in the 2025/26 year, aiming to back projects that reduce carbon emissions, build community resilience, and support rangatahi into climate-related education and training.
- 2 In late July 2025, access between Whakatāne District and Ōpōtiki was cut off due to flooding and multiple road closures. Both Wainui Road and State Highway 2 were closed, with surface flooding exceeding 200mm. Council activated its Emergency Operations Centre in response to the situation.
- 3 In August 2025, a comprehensive Climate Change Risk Assessment for the Whakatāne District was completed and presented to the Environment, Energy and Resilience Committee, to help Council plan and adapt to climate change impacts affecting local communities. The assessment combined local knowledge, existing natural hazard data, new climate science, and insights from more than 50 engagement sessions held across the district; as part of the Council's broader commitment to delivering the Our Climate Pathway and the 2024-34 Long Term Plan.

7.4.3 Appendix 3 - Resident Satisfaction Survey Summary(Cont.)

4. In mid-August 2025, Council adopted a series of targeted speed limit reductions on high-risk local roads, following recommendations from the Infrastructure and Planning Committee. Decisions were informed by technical assessments, crash data, and feedback from a district-wide consultation. While public opinion was mixed, the Council has prioritised long-term road safety and community wellbeing.
5. In mid-August 2025, Council formally adopted its Water Services Delivery Plan, confirming that water, wastewater and stormwater services will be delivered through a stand-alone, ring-fenced business unit within the Council. The decision followed extensive community engagement through the Local Water Done Well project, aligning with new national legislation requiring councils to outline how they will manage water services locally.
6. In early-September 2025, the Council's Living Together Committee approved a new vision for the future of the District, adopting the first-ever Open Spaces Strategy, establishing a long-term framework for managing 1,440 hectares of parks and reserves. The Strategy encompasses 330 public spaces across the district - from sports reserves and playgrounds to cemeteries and scenic reserves - providing a unified approach to planning and decision-making.
7. In September 2025, Council approved the next steps for the Matatā Wastewater Project, endorsing a refined approach to delivering wastewater services for the community - confirming a moderate-scale, modular treatment system designed to service up to 700 homes, alongside moving forward with a resource consenting strategy. The project aims to address long-standing public health and environmental risks from failing on-site wastewater systems.
8. In September and October 2025, voting for the 2025 Local Government Elections was conducted, with voting closing on Saturday 11 October. As a result, a new mayor, councillors and Community Board representatives were elected. In addition, the binding poll on Māori wards saw local voters choose to retain Māori wards for the 2028

and 2031 local elections. The electoral campaign and voting period likely brought local issues and concerns to the forefront of residents' minds as they considered the forthcoming Council term and evaluated candidates up for election.

Q2 2025-26:

9. In October 2025, a major new water reservoir in Te Teko was completed, marking a significant milestone in water resilience for the Edgecumbe and Te Teko communities. This project was part of a wider infrastructure upgrade, with pipe sizing designed to allow for future network expansion, providing greater buffer capacity and improving resilience when bore water availability is reduced.
10. In early November 2025, Council's Water Services Delivery Plan was accepted by the Department of Internal Affairs, confirming the future delivery model for local water services management by a stand-alone, ring-fenced business unit within the Council. The approach reflected community feedback through the Local Water Done Well project, with the Council beginning transition planning to ensure the new delivery model is fully operational by the statutory deadline of 1 July 2028. The option of a shared regional model across neighbouring councils was still open for consideration.
11. In November 2025, Council and Te Rūnanga o Ngāti Manawa signed a Mana Whakahono ā Rohe agreement, marking a significant milestone in how the two organisations work together on resource management and environmental care. The agreement - the first to be established within the Whakatāne District - ensures Te Rūnanga o Ngāti Manawa have a meaningful role in environmental decisions affecting their rohe.
12. In November 2025, Council adopted its audited Annual Report for the 2024/25 financial year. During the reporting period, Council achieved 58% of its performance targets, down from 72.5% the previous year, due to new measures and evolving benchmarks. However, resident

7.4.3 Appendix 3 - Resident Satisfaction Survey Summary(Cont.)

- satisfaction remained steady, and 73% of mandatory measures were met.
13. In November 2025, nominations opened for the 2026 Community Board By-Elections in the Whakatāne District. This followed insufficient nominations in the triennial elections in October 2025 vacant positions on the Murupara Community Board (Galatea-Waiōhau Subdivision) and the Tāneatua Community Board.
14. In late-November 2025, Quotable Value's three-yearly revaluation of the Whakatāne District showed Whakatāne home values dip by 2% while land values were down 9%. The new rating valuations were prepared for 17,277 properties, showing the total rateable value for the district is now \$16.4 billion with the land value of those properties now valued at \$8.3 billion. The average home value is now \$567,000, while the corresponding average land value decreased to \$289,000. Property owners received a Notice of Rating Valuation with their updated property rating value soon after the announcement.
15. In late-November 2025, the Mayors of the Eastern Bay of Plenty released a joint statement in response to the central government "Simplifying Local Government" announcement – which proposed replacing regional councillors with a board of mayors who work together on regional issues. The Mayors acknowledged that change may be needed in how local government is organised, and were willing to engage constructively in that discussion. However, they believed any reform of local government must be undertaken in a careful, considered, and integrated way as changes of this scale are constitutionally significant, and warrant a process that reflects that importance.
16. In December 2025, Council sought community input into its draft Local Growth Strategy. The 30-year blueprint outlined how Council will support new housing development and essential infrastructure while protecting the environment, preparing for natural hazards, partnering with iwi, hapū and whānau, and working with local communities.

7.5 Organisation Performance Report – Quarter 1 and Quarter 2 2025/26**7.5 Organisation Performance Report – Quarter 1 and Quarter 2 2025/26**

To: **Finance, Performance and Risk Committee**

Date: **Thursday, 26 February 2026**

Author: **H Madden / Strategic Policy Analyst**

Authoriser: **L Woolsey / GM Strategy and Growth**

Reference: **A3066386**

1. Reason for the report - Te Take mō tēnei rīpoata

The purpose of this report is to provide the Finance, Performance and Risk Committee the Organisation Performance Report for Quarter 1 and 2 of the 2025/26 financial year (1 July – 30 September 2025 and 1 October – 31 December 2025).

2. Recommendation - *Tohutohu akiaki*

THAT the Finance, Performance and Risk Committee **receive** the Organisation Performance Reports for Quarter 1 and Quarter 2 2025/26.

3. Background - *He tirohanga whakamuri*

Organisation performance reports provide the Council with an overview of how the organisation is tracking across a wide range of high-level measures. Organisation Performance Measures Quarter 1 2025/26 and Organisation Performance Measures Quarter 2 2025/26 are both attached for your information.

The four themes for the performance indicators in the Organisational Performance Reports (refer Appendix 1) are:

- **Service Performance:** Focuses on the effectiveness, efficiency, and the quality of Council services.
- **Financial Performance:** Measures the soundness of financial management practices, trends, and forecasting abilities.
- **Organisational Preparedness:** The capacity of the organisation to meet current and future obligations as required.
- **Organisational Health:** Focuses on culture, leadership, staff, internal processes, and relationships.
- **Business Plan:** The report also provides an update on the business plan 2025-26 which supports the implementation of our annual work programme, providing greater visibility and accountability for the projects Council is working on for a one-year period.

This is the first and second report of the financial year 2025- 2026.

7.5 Organisation Performance Report – Quarter 1 and Quarter 2 2025/26(Cont.)**4. Discussion – Kōrerorero**

Overall, Council is tracking in line with previous results across all performance measures at the end of Quarter 2:

- **Organisational Health:** Staff turnover remains steady, with only 3.5% exiting the organisation in Quarter 2. Employees accessing employee assistance programmes has declined this quarter, with only 19 employees using the service. Lifting staff's cultural capability remains a priority, with Toi Kōtuia focused on forward planning and delivering courses.
- **Service Performance:** The residents survey overall satisfaction (56%) has decreased slightly from the last quarter.
- **Financial Performance:** The operating expenditure and fees and charges revenue are less than budget at the close of Quarter 2. Capital expenditure remains behind budget.
- **Organisational Preparedness:** The Emergency Operations Centre (EOC) staff availability remains steady from the last quarter with 103 staff on the roster. Cyber security training decreased slightly in Quarter 2 with 56% completing the training modules.
- **Business Plan:** Performance is tracking well with only 13% of items behind schedule.
- It should be noted that on 3 November 2025, Council transitioned from Ozone to Datascope. We are currently in the process of updating our data capture, categorisation, and reporting processes. As a result, some Q2 data is not yet available and will be reported once the transition is complete.

5. Options Analysis - Ngā Kōwhiringa

There are no options as this is an information report.

6. Significance and Engagement Assessment - Aromatawai Pāhekoheko**6.1. Assessment of Significance**

The decisions and matters of this report are assessed to be of low significance, in accordance with the Council's Significance and Engagement Policy.

6.2. Engagement and Community Views

Engagement on this matter is not being undertaken in accordance with Section 6.0 of the Council's Significance and Engagement Policy. This states that the Council will not consult when the matter is not of a nature or significance that requires public engagement (low significance).

7. Considerations - Whai Whakaaro**7.1. Strategic Alignment**

No inconsistencies with any of the Council's policies or plans have been identified in relation to this report.

7.5.1 Appendix 1 – Organisation Performance Measures Quarter 1 2025/26**7.2. Legal**

The Local Government Act 2002 (LGA 2002) requires Council to demonstrate they are accountable to their communities. Council quarterly reporting, in relation to the LGA 2002, serves as a key process for ensuring transparency, accountability and ongoing performance monitoring.

7.3. Financial/Budget Considerations

There are no budget considerations associated with the recommendations of this report.

7.4. Climate Change Assessment

There are no significant or notable impacts associated with the matters of this report.

7.5. Risks

There are no significant or notable risks associated with the matters of this report.

Attached to this Report:

- Appendix 1 – Organisation Performance Measures Quarter 1 2025/26.
- Appendix 2 - Organisation Performance Measures Quarter 2 2025/26.

7.5.1 Appendix 1 – Organisation Performance Measures Quarter 1 2025/26

7.5.1 Appendix 1 – Organisation Performance Measures Quarter 1 2025/26(Cont.)

Whakatāne District Council

ORGANISATION PERFORMANCE REPORT Q1


Q1 2025/2026

1 July - 30 September

*Te Pūrongo Aroturukitanga Mahi
a Te Kaunihera ā-rohe
o Whakatāne Q1*

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WHAKATĀNE
District Council
Kia Whakatāne au i ahau

WHAKATĀNE DISTRICT COUNCIL ORGANISATION PERFORMANCE REPORT Q1 Page | 1

7.5.1 Appendix 1 – Organisation Performance Measures Quarter 1 2025/26(Cont.)

Purpose of this Report

Te take o tēnei pūrongo

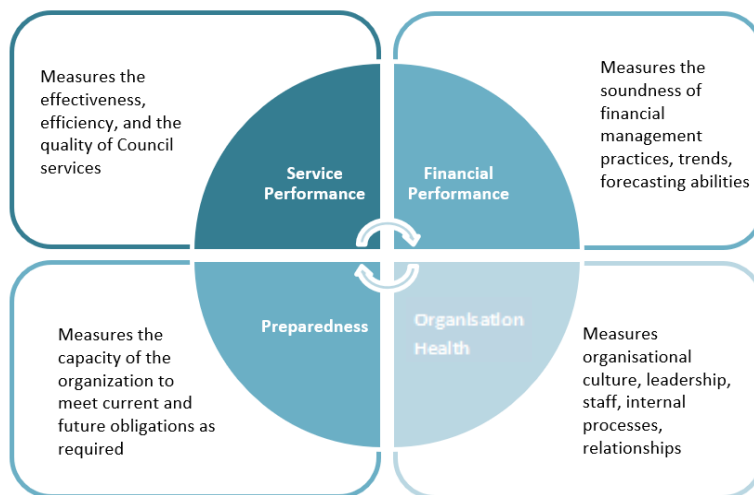
This Organisation Performance Report is a quarterly report presented to the Council and covers quarter 1 of the 2025/26 financial year: 1 July – 30 September.

The purpose of this report is to provide the Council with an overview of how we are performing across a wide range of high-level measures including service performance, financial performance, the Council’s preparedness to meet current and future obligations and the health of the organisation. This report provides a high-level holistic view of performance, so that collective decisions can be made about where and how improvements can be progressed. More detailed information on the measures of performance can be found in specific topic-based reports provided to the Council regularly.

Performance Measurement Themes

Ngā Kaupapa inenga mahi

The performance measures have been categorised into four themes, outlined below.



7.5.1 Appendix 1 – Organisation Performance Measures Quarter 1 2025/26(Cont.)

Quarterly Summary

Organisation Health

The Cultural and Leadership People Survey provides a gauge on how staff feel about working at WDC. Q1 had an overall satisfaction score by staff of 69%, which sits just below the local government benchmark. Q1 saw a decrease in employees accessing EAP counselling and advice programmes. Turnover remains steady with a rolling 12-month percentage of 11.9% for permanent employees, below the maximum turnover rate of 14% indicating strong retention. There have also been various organisational cultural competency training opportunities in which staff have participated.

Service Performance

Satisfaction with Council services for this quarter has seen significant improvement (60%) sitting well above the national benchmark of 50%, and the highest result we have seen in two years. Of the requests for service (RFS) received in the first quarter, 96% were completed and 3% scheduled. We received more RFS requests in Q1 compared to the same quarter last year. While the overall categories remained largely consistent with the previous quarter, the data shows a substantial increase in rates enquiries and a noticeable rise in requests relating to roading conditions.

Financial Performance

At the end of Q1, operating expenditure is under budget primarily due to timing of staff and supplier payments, while capital expenditure is behind phased delivery. Fees and charges revenue is 5% under budget, and other revenue is under budget due to timing of capital subsidies.

Preparedness Performance

The minimum requirement for a full Emergency Operations Centre (EOC) roster is 90 staff. There are 101 staff available to roster in the WDC EOC, including 80 that are fully trained for their respective positions.

We continue to see positive progress in cyber security training with a 5% increase in take-up from Q4 in 2024/25 to 58% of staff completing their cyber security training in Q1 2025/26. The Digital Services team are working through several initiatives to continue to increase the participation rate.

Business Plan

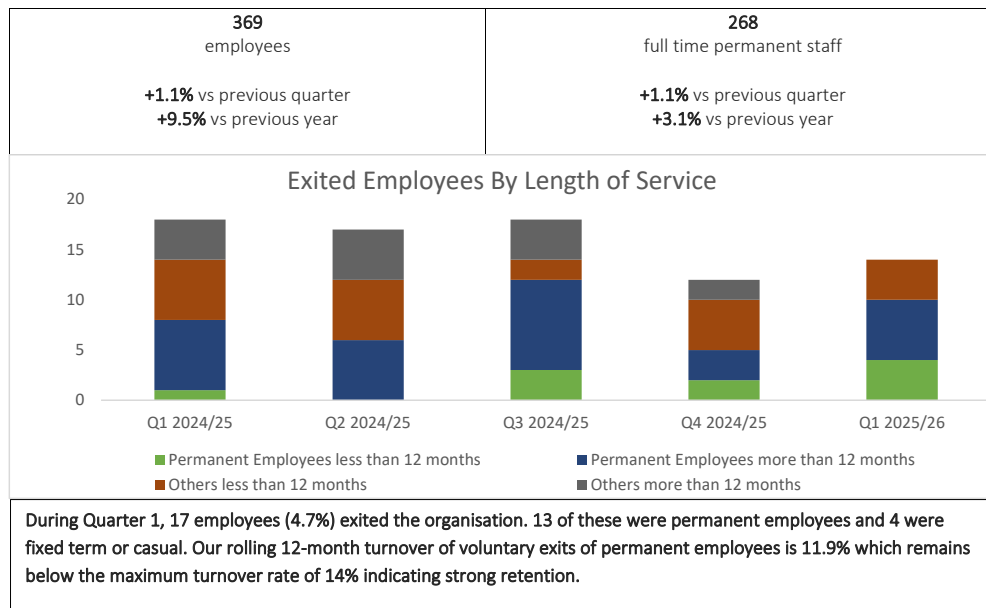
The Whakatāne District Council Business Plan reporting provides an overview on progress against the Council's work programme as set out in the Council's Business Plan for the 2025/26 financial year. There is a total of 356 items listed in the Business Plan for the 2025-26 year; of these 90% of items are on track or completed as at Q1.

7.5.1 Appendix 1 – Organisation Performance Measures Quarter 1 2025/26(Cont.)

Organisation Health Measures

Ngā inenga hauora o te tōpūtanga

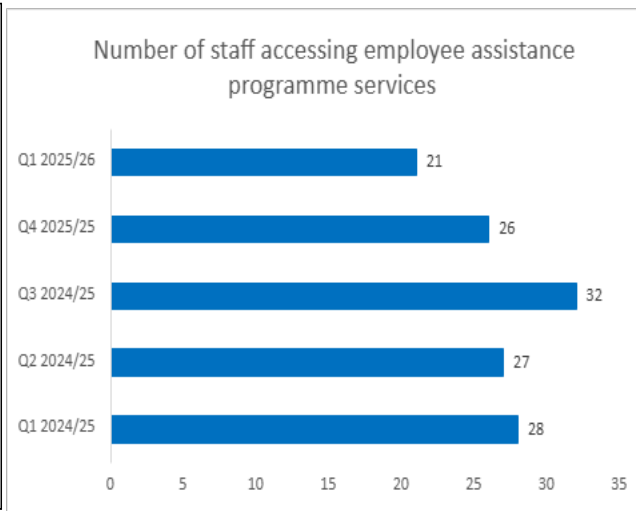
The following indicators give an overview of the organisational culture, leadership, process, and relationships.



The overall quarterly survey score remains positive with a satisfaction score of **69%**, against a target of **70%** and a staff participation rate of 47%. The survey results reveal a generally positive perception among participants regarding the work environment and leadership, however there are opportunities for improvement in performance management and team collaboration. There is an initiative underway to assist people leaders with managing poor performance. This quarter we included some cultural competency questions with a reasonably favourable response.

7.5.1 Appendix 1 – Organisation Performance Measures Quarter 1 2025/26(Cont.)

Utilisation of EAP declined this quarter with 21 employees accessing this service (compared to an average of 26.5 employees accessing EAP per quarter, over the last 12 months). This represents approximately 7% of total employees accessing the service, including some front-line staff where psychosocial harm has been identified as a risk. EAP services are used as a way of reducing harm for these staff.



Health and Safety

73 Health and safety incidents **13** Near misses **16** Injuries **42** Incidents **2** Illness

Additional information can be found in our Health and safety report.

Several training sessions were held this quarter. Leadership and professional development training included Leading Our People/Communicate Powerfully, which concluded in September, and Growing Greatness, which concluded in October.

Health and safety training included First Aid and Refresher courses (general and Aquatics), Situational Safety, Working at Heights, Respirator Fit training, Chemical Handling, and Traffic Management.



7.5.1 Appendix 1 – Organisation Performance Measures Quarter 1 2025/26(Cont.)**Organisational Cultural Competency Training****Treaty training | 17-18 July | 40 Participants**

Forty staff members from across Council gathered for an exceptional two-day Te Tiriti o Waitangi workshop earlier this month. With legislative changes reshaping how councils engage with tangata whenua and Te Tiriti, this intensive workshop was perfectly timed and welcomed participants at every knowledge level. Associate Professor Dr Veronica Tāwhai of Te Ata Kura Educators led the workshop, guiding participants through the history and journey of not only Te Tiriti, but Aotearoa as a whole. Staff from different departments brought unique perspectives, learning, re-learning, and dispelling long-held myths while building connections between historical agreements and today's operations.

Organisational Mihi Whakatau | 21 July & 8 September | 70 Participants

A bi-monthly organisational mihi whakatau took place on Monday, 8 September, bringing together Council whānau to formally welcome new starters from the past two months. We were fortunate to have Te Rūnanga o Ngāti Awa to help lead the whakatau and provide their expertise and mātauranga in making it a special event. This bi-monthly initiative ensures every new starter receives a proper organisational welcome while upholding tikanga within the whare - a practice that strengthens the cultural foundation of the organisation.

Tikanga sessions underway | 29 September | 12 participants

Our third block of Tikanga sessions began on Monday, 29 September led by our Kaiako (teachers) Moerangi Black and Matetu Herewini of Te Whare Wānanga o Awanuiārangi. These sessions are a rare opportunity to help staff deepen their understanding of tikanga in a supportive, interactive space. The programme includes exploring local tikanga and kawa, karakia, and practising mihi and pepeha to empower staff to feel more comfortable in a variety of settings they may find themselves in the workplace. The final week included a session where staff put their learning into practice, visiting significant sites in our rohe, heard kōrero tuku iho/ancestral knowledge of Mataatua, and took part in a pōhiri at one of our local marae.

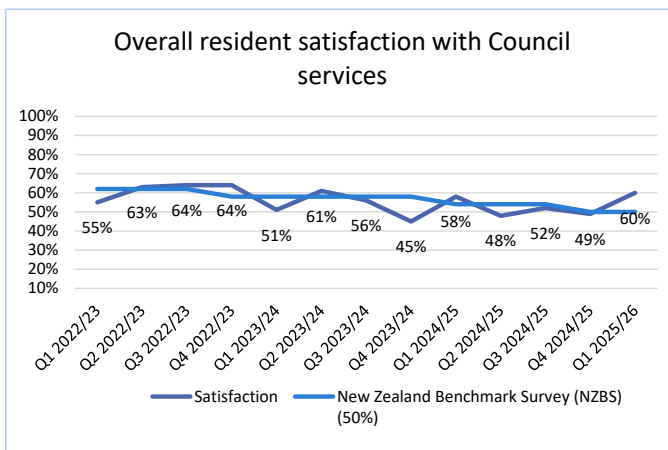
Te Wiki o Te Reo Māori events | 15 – 19 September | 82 attended open organisation-wide sessions

Council celebrated the 50th anniversary of Ngā mihi o Te Wiki o Te Reo Māori with a number of activities. This included guest speaker Tame Malcolm who is akin to the Māori David Attenborough; a haerenga around some of the significant sites in our rohe with Moerangi Black and Matetu Herewini; a games day to test our reo, a kupu o te rā/word of the day; and some fun videos across our different social media platforms to whakatairanga/elevate te reo Māori.

7.5.1 Appendix 1 – Organisation Performance Measures Quarter 1 2025/26(Cont.)

Service Performance Measures Ngā inenga ratonga Kaunihera

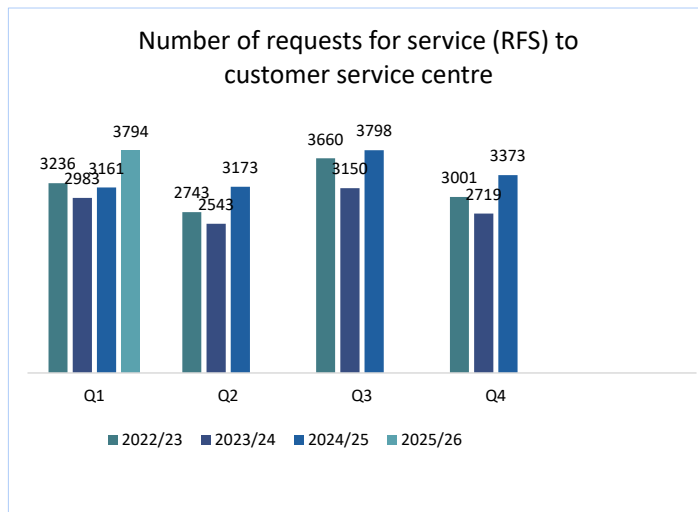
The following indicators have been identified to measure the effectiveness, efficiency, and the quality of Council services.



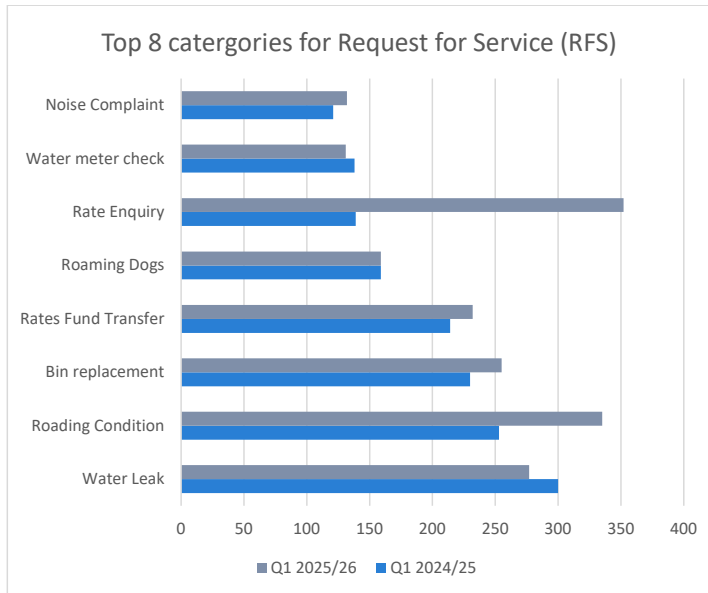
This quarter, we received an overall resident satisfaction result of 60%, the highest result in two years (since Q2 2024).

Target: Equal or above the NZ benchmark (50%).

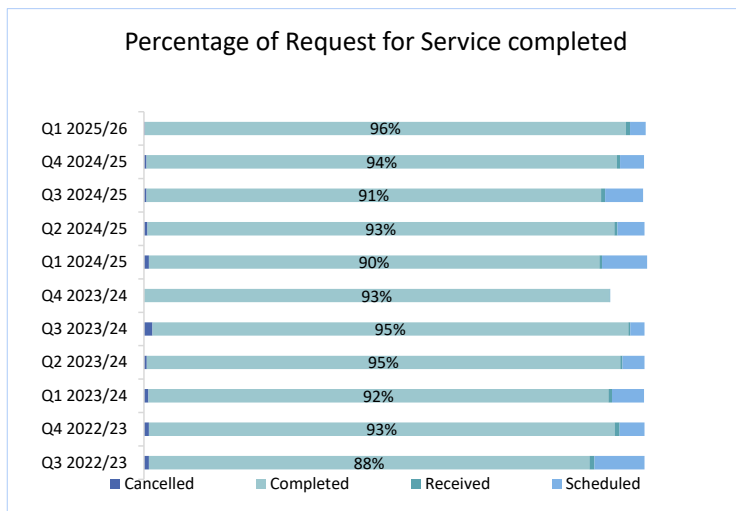
There has been a large increase of 633 more RFS' logged into Ozone as the same period last year. This could be due to an increase in both emails (+262 on Q1 last year) and afterhours phone calls (+152 on Q1 last year) and may show a changing trend in the way the public communicates with council.



7.5.1 Appendix 1 – Organisation Performance Measures Quarter 1 2025/26(Cont.)



The top 8 categories for RFS remain the same as Q1 last year. There has been a substantial increase in the number of rates enquiries in Q1. This is because of a change in process by the rates team for monitoring callback enquiries. The number of RFS's relating to rates fund transfers, bin replacements and roading conditions also increased this Q1 compared with last year's Q1.



There were 9,700 calls received by Customer Services this quarter. Of these **90.37%** of calls were answered within 30 seconds.

Target: **85%**

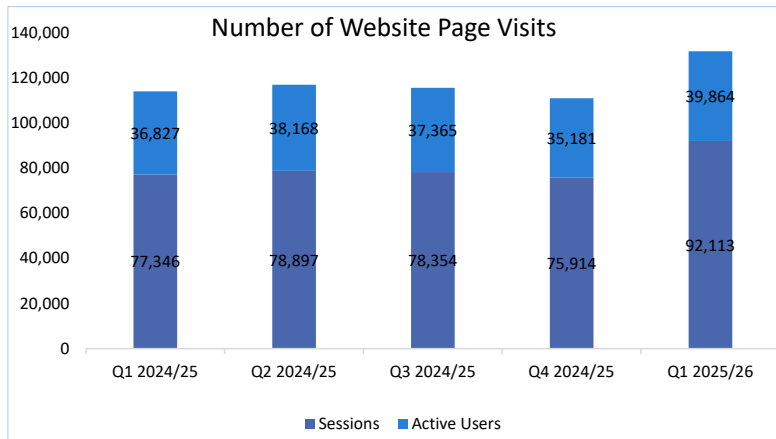
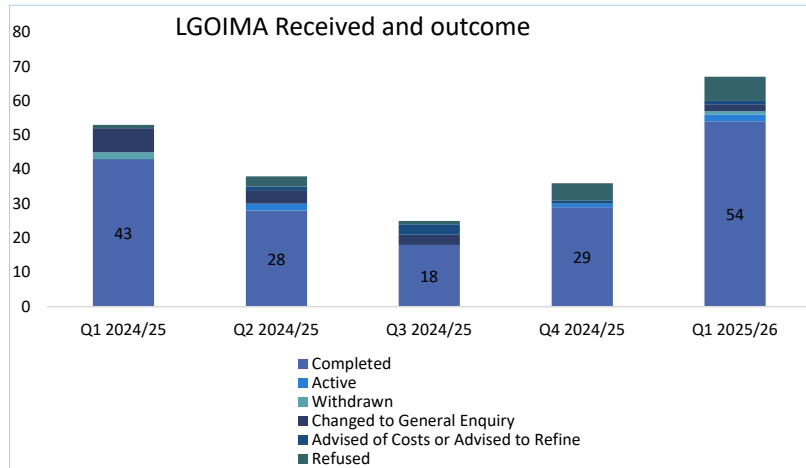
Of the 3794 RFS that were received this quarter, **96.13%** of these have been completed. Some RFS are sent to a third-party contractor for action and therefore have been 'completed' within our systems.

Target: **90%** completed and scheduled.

7.5.1 Appendix 1 – Organisation Performance Measures Quarter 1 2025/26(Cont.)

Council received a larger number of LGOIMA requests this quarter (54 compared to 29 for the previous quarter).

100% of requests under the Local Government Official Information and Meetings Act (LGOIMA) were processed within 20 days (statutory timeframe).

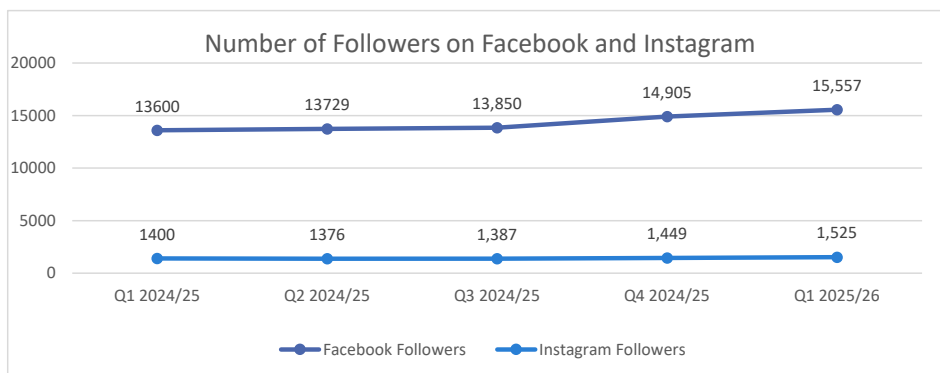


The number of website page visits and the number of followers on Facebook and Instagram increased in Q1 compared with previous quarters.

Reporting remains as New Zealand website traffic only.

Sessions: A period during which a user interacts with our website.

Active Users: The number of unique individuals who have engaged with our website within the specified timeframe.



7.5.1 Appendix 1 – Organisation Performance Measures Quarter 1 2025/26(Cont.)**Campaigns**

Greenwaste campaign
 Whakaora risk management/contractor management and critical risks comms support
 Aratakina pathways to project leadership/templates/all staff update comms support
 Air New Zealand x Air Chathams interline event
 Cyber awareness month
 Seniors morning tea
 Antenno & online portal internal soft launch
 Comms plan for Antenno community launch
 Three strikes campaign
 Pre-election report
 Rates invoice and newsletter
 Tourism summer campaign
 Annual plan 2025/26
 Annual report 2024/25
 Airport SOI
 Whakaora branding and campaign
 Art Gallery exhibitions
 Follow The River
 Tapa Moana Nui
 Complexities
 Local Growth Strategy collateral
 Local Wild Food Festival collateral
 Ōhope Beach Festival branding
 Wharfside Harvest branding
 Ports Operational plan
 Recruitment refresh
 Ride the runway event
 Disability comms around parks, dogs and crossings
 Local road speed limits adopted
 Mimiha bridge comms
 Various public notices around TMPs and emergency road works/crashes on our local roads
 Summer roading projects – many (overall campaign, and then roll out of all project comms, and some in conjunction with BOPRC and NZTA)
 Wainui Road works comms (emergency works with slip)
 New variable school speed limits comms (prep for roll out in 2026)
 Comms for upcoming Keepa Rd shared use path upgrades
 Lisa Carrington sign installed comms/socials
 Local water done well plan with DIA and comms oversight
 Rūātoki boil water notices (various), and comms on upcoming Rūātoki works for 2026
 Planned water shut down comms & general works
 Hinemoa storm water pump station works updates comms

Peace St sponge reserve comms and signage
 Rūātoki boil water notices and future of water supply (many), flooding in local park, LWDW enquiry on DIA info
 Fire hydrant testing comms and website updates
 Social media for public preparedness/awareness
 Comms support for Emergency management community November event
 Evacs workshop and comms support
 ShakeOut comms
 DEI community discussions on evacs (key messaging and oversight)
 EOC tier 2 exercise and recap
 Storm comms during recent weather events, and car accidents on our roads
 Comms around wondering stock
 Comms & awareness - food safety courses that were run at Council
 Regulatory – comms onto website around LAWA/water safety
 New LIMs changeover comms and education
 New changeover from Alpha1 platform to Objective
 Matatā Wastewater Project
 Murupara wastewater project and Tāneatua wastewater project
 Proposed sale of surplus property
 community engagement
 Stakeholder engagement for Local Growth Strategy
 Local elections (stand + enrol + vote)
 Wharfside comms
 Cycleways comms
 Heritage hikoi
 Economic development

Other highlights for this quarter

70 media enquiries
 27 media releases
 7 x newsletters: Ko Konei x3, Murupara Community x2, Rangitāiki Community x2
 Short form video (Reels) = 31 Insta reels - 15 Tiktoks

7.5.1 Appendix 1 – Organisation Performance Measures Quarter 1 2025/26(Cont.)

Finance Performance Measures

Ngā inenga mahi ahumoni

The measures below provide an overview of Council's financial management practices, trends, and forecasting ability. Variances that are outside the target range are shown as red.

Operating Expenditure

	ACTUAL	BUDGET	VARIANCE %	Target
2025/26 YTD	\$20.88M	\$22.30M	6.4%	At or within 5% of budget

Capital Expenditure

	ACTUAL	BUDGET	VARIANCE %	Target
2025/26 YTD	\$5.1M	\$10.17M	49.5%	At or within 5% of budget

Fees and charges revenue

	ACTUAL	BUDGET	VARIANCE %	Target
2025/26 YTD	\$2.4M	\$2.6M	-5.0%	At or within 5% of budget

Other Revenue

	ACTUAL	BUDGET	VARIANCE %	Target
2025/26 YTD	\$21.19M	\$22.478M	5.7%	At or within 5% of budget

Debt as a proportion of LTP forecast

ACTUAL	FORECAST	VARIANCE %	Target
\$173.8M	\$212.5m	18.2%	Within 5% of forecast

Rates Debtors

PERCENTAGE COLLECTED	VARIANCE %	Target
95.05%	4.95%	Within 5% of total rates

Operating Expenditure YTD: Predominant driver of expenditure under budget is payments to staff and suppliers (timing).

Capital Expenditure YTD: Project delivery to the end of September is behind phased budget.

Fees and Charges YTD: Fees and charges are less than budget at the close of Q1 (5%).

Other Revenue YTD: Predominant driver of other revenue under budget is capital subsidies, this is related to the timing of subsidy funded projects.

Debt as a proportion of LTP forecast: Debt of \$173.8M is less than budgeted debt for 2026 of \$212.5m at close of Q1.

Rates Debtors as a % of Total Rates: Land Rate debt is \$8.87M at end of Q1 (this debt relates to prior years as well). Percentage of invoiced rates collected 95.05%.

7.5.1 Appendix 1 – Organisation Performance Measures Quarter 1 2025/26(Cont.)

Preparedness Performance Measures

Ngā inenga mahi whakaritenga

The minimum staffing requirement for a full 24/7 EOC roster is three shifts, with 11 managers and 19 pool staff for each shift. This provides 30 staff per shift with a total of 90 staff needed on the roster. Council currently has 101 staff on the EOC roster as shown in the table below.

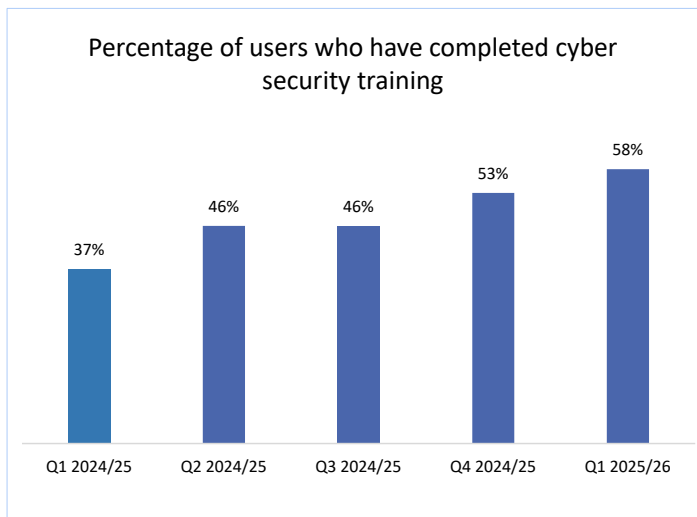
Emergency Operations Centre

Role	Minimum required	Currently Appointed
Managers	33	26 (includes Taupuhipuhi)
Pool Staff	57	75
Total	90	101

Of the 101 appointed staff, 80 are fully trained for their respective positions, 14 are partially trained, and 9 are yet to start training.

The following measures show the capacity of the organisation to meet current and future obligations as required.

Cyber Security



In Q1, cybersecurity training had a slight increase (5%) in uptake from Q4. The Digital Services team are working through several initiatives to increase the participation rate.

7.5.1 Appendix 1 – Organisation Performance Measures Quarter 1 2025/26(Cont.)

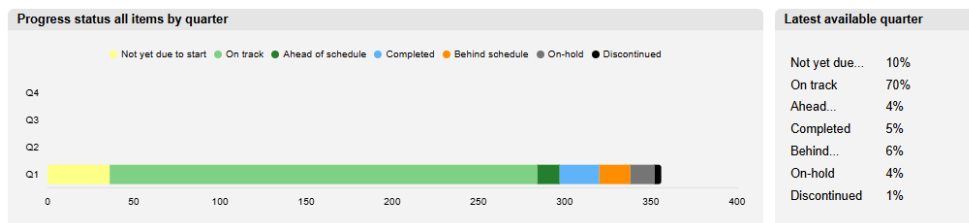
Council Business Plan 2025-26 – Progress Report

The Business Plan 2025-26 – Q1 Report represents the status of the work programme as of 30 September 2025. Detailed information and insights are provided to the Executive Team for organisation management purposes, with top line results provided to the Finance, Performance and Risk Committee through this report.

The Business Plan supports implementation of our annual work programme, providing greater visibility and accountability for the things the Council is working on for a one-year period. Quarterly reporting on the Business Plan keeps us in touch with our intention to ‘successfully deliver our intended work programme for the year.

Overall progress as at Q1:

- The Business Plan reports against 356 items on the Council’s work programme.
- Overall, 90% are tracking positively as at Q1 – these items are awaiting their start date, on-track, ahead of schedule or completed.
- This leaves overall 10% of items that are either behind schedule, on-hold, or discontinued.
- Overall progress is shown below – additional quarters will be added as we progress through the year.



7.5.1 Appendix 1 – Organisation Performance Measures Quarter 1 2025/26(Cont.)**New completions during Q1:**

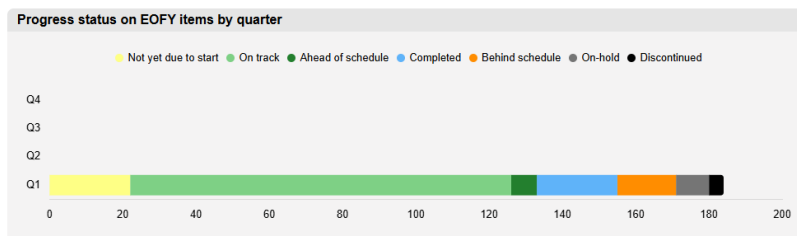
- Already in Q1 there are 22 completions across a range of portfolios.
- 5 of the completed items are ahead of their completion date.
- Completions for Q1 are listed below.

Ref #	Item / Project	Q1 PROGRESS STATUS	Intended start	Intended finish
1.01.03	Coordinate local government elections 2025 and Maori ward referendum process	Completed	2024 Nov	2025 Oct
5.02.05	Complete Wharfside Ohope redevelopment works	Completed	2024 Jul	2025 Aug
5.02.06	Development of Wharfside Ohope operational plan	Completed	2025 Jan	2025 Sep
7.02.04	Solar panels implementation for Council facilities	Completed	2024 Aug	2025 Sep
7.02.05	Establish contestable climate change community fund (grants policy mechanism)	Completed	2024 Nov	2025 Aug
10.01.09	Water network upgrade - Valley Road	Completed	2025 Jul	2026 Jun
10.02.01	Complete Water Service Delivery Plan and submit to DIA	Completed	2024 Oct	2025 Sep
12.01.14	Develop People and Places Strategy (formerly Open Spaces Strategy)	Completed	2023 Jul	2025 Aug
14.01.14	Goulstone Rd Safe Crossings	Completed	2025 Feb	2025 Jul
16.01.05	Review of asset management plan for Waste Management and Minimisation activity	Completed	2024 Jan	2025 Dec
18.02.02	James St Kopeopeo toilets (relocate and rebuild - site dependent TBC before project can commence)	Completed	2025 May	2025 Aug
19.01.05	Business cases for Airport Masterplan implementation - Feasibility study for airport hangar development (and initial trial)	Completed	2025 Feb	2026 Jun
20.03.07	Solar Panels installation on Civic Centre	Completed	2025 Mar	2025 Aug
20.09.03	HSW Governance - Review governance charter, and commence HSW reporting	Completed	2025 May	2025 Aug
20.09.04	HSW Worker Participation & Engagement - re-establish HSW Committee meetings, clarity on meeting purpose/agenda.	Completed	2025 May	2025 Jul
20.09.05	HSW Risk Management - Develop new risk management policy	Completed	2025 May	2025 Oct
20.09.07	HSW Risk Management - Review/confirm critical risks, develop critical risk framework	Completed	2025 Jul	2025 Sep
20.10.04	Move to Windows 11	Completed	2025 Jan	2025 Nov
20.10.06	Move Mail Marshal to the Cloud	Completed	2024 Nov	2025 Aug
20.10.08	Aquatic Centre Rostering	Completed	2025 Jan	2025 Sep
20.12.20	Develop pre-election report to inform 2025 local elections	Completed	2025 Mar	2025 Jul
20.12.22	Business Plan update for 2025-26 FY	Completed	2025 Jul	2025 Sep

7.5.1 Appendix 1 – Organisation Performance Measures Quarter 1 2025/26(Cont.)

Items due for completion by EOFY:

- The Business Plan includes 184 work programme items and projects are due for completion by the end of the financial year.
- The remainder of items are ongoing/annual delivery or are projects that span multiple years and will carry through into the next financial year.
- For the items due for completion in this financial year, many completion timeframes align with the end of the financial year. This said 22 items were completed and in Q1.
- The following chart shows the status of work programme items that are due for completion during this financial year.



7.5.1 Appendix 1 – Organisation Performance Measures Quarter 1 2025/26(Cont.)**Business Plan Variations as at Q1:**

- The context in which the Council operates is dynamic resulting in variations being required to the work programme from time to time.
- The following variations have been required during Q1.

Activity	Variation	Description
Transport	Add (x5)	Additional items resulting from June/July Storms: <ul style="list-style-type: none"> - Initial Response, been underway since July, due to complete by end of Nov. - Hillcrest Road under-slip, currently being design/tendered, due to complete by March 2026 - Ruatahuna Road under-slip, currently being design/tendered, due to complete by April 2026 - Manawahe Road under-slip, currently being investigated/designed. Completion currently hard to tell until scoping is done, likely to extend into 26/27. - Manawahe Road Culvert Replacement, currently being investigated/designed. Completion currently hard to tell until scoping is done, likely to extend into 26/27.
Waste Minimisation	Remove	Project to investigate 'organic waste processing options' deprioritised due to change in Govt policy that now no longer requires kerbside food-waste collections. This project will potentially recommence after completion of the regional waste strategy.
Stormwater	Remove (x2)	'St Joseph's Pipe upgrades' and 'St Josephs Pump replacement' (x2 projects) deferred until pump station works designed - lower priority shift to future year.
Water Supply	Remove (x2)	Water network projects require water modelling first to scope and prioritise future upgrades: <ul style="list-style-type: none"> - Te Tahi Industrial upgrade project - may progress in future but not this year - Ōhope dual main - may progress in future but not this year

7.5.1 Appendix 1 – Organisation Performance Measures Quarter 1 2025/26(Cont.)**How our measures are calculated**

Culture and Leadership Survey – This is sent to 100 randomly selected staff members to participate in quarterly. The survey has a total of 25 questions (11 relating to workplace culture, 7 relating to leadership, and 7 relating to performance development) to help us understand staff perception of our culture and leadership.

Overall resident satisfaction with Council services – Results are from the quarterly Residents Satisfaction Survey provided by SIL research. The overall score includes all survey questions relating to the satisfaction with Council services. The New Zealand Benchmark is calculated at the end of the financial year and compares how we have performed, against other councils. Our target will change every year based on this result and will report against the previous year's benchmark.

Requests for Service – is the service delivery process that supports any request (job) received from the public that is formally recorded. The request is then referred to the appropriate department for further action and closed once completed. A Request for Service enables our community to notify Council of any problems/concerns in our District that need to be brought to our attention for necessary action such as animal control, water, or rates etc. There are multiple ways a Request for Service can be logged such as telephone, email, website or in person.

LGOIMA – This is a request for information under the Local Government Official Information and Meetings Act 1987. These requests must be completed within 20 working days of being received.

Emergency Operations Centre (EOC) Training Requirements – 90 staff are required to be on the EOC roster, with 60% of these staff to have completed training appropriate for the role. This measure ensures that we are prepared to effectively manage and respond to an emergency.

7.5.1 Appendix 1 – Organisation Performance Measures Quarter 1 2025/26(Cont.)



WHAKATĀNE DISTRICT COUNCIL ORGANISATION PERFORMANCE REPORT Q1

1 JULY- 30 OCTOBER 2025

Te Pūrongo Aroturukitanga Mahi a

Te Kaunihera ā-rohe o Whakatāne 1

7.5.2 Appendix 2 – Organisation Performance Measures Quarter 2 2025/26

7.5.2 Appendix 2 – Organisation Performance Measures Quarter 2 2025/26

7.5.2 Appendix 2 – Organisation Performance Measures Quarter 2 2025/26(Cont.)

Whakatāne District Council

ORGANISATION PERFORMANCE REPORT Q2

Q2 2025/2026

1 October – 31 December

*Te Pūrongo Aroturukitanga Mahi
a Te Kaunihera ā-rohe
o Whakatāne Q2*

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Performance Measurement Themes	2
Quarterly Summary	3
Organisation Health Measures	4
Service Performance Measures Ngā inenga ratonga Kaunihera	7
Finance Performance Measures	11
Council Business Plan 2025-26 – Progress Report	13



7.5.2 Appendix 2 – Organisation Performance Measures Quarter 2 2025/26(Cont.)

Purpose of this Report

Te take o tēnei pūrongo

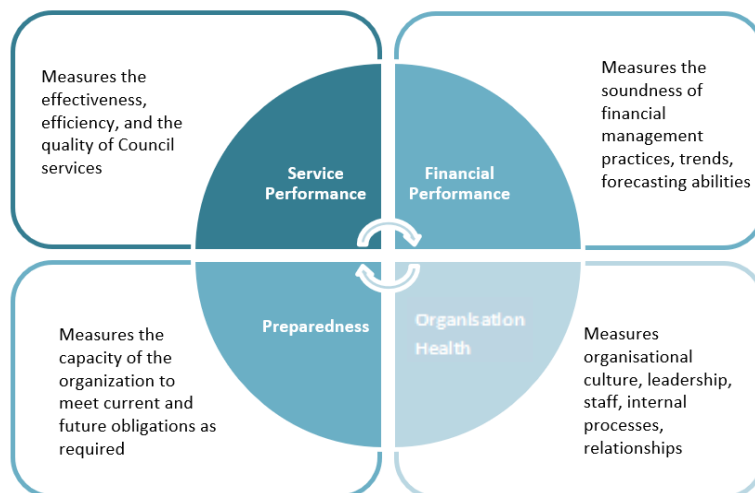
This Organisation Performance Report is a quarterly report presented to Council and covers quarter 2 of the 2025/26 financial year: 1st October – 31st December.

The purpose of this report is to provide Council with an overview of how we are performing across a wide range of high-level measures including service performance, financial performance, the Council’s preparedness to meet current and future obligations and the health of the organisation. This report provides a high-level holistic view of performance, so that collective decisions can be made about where and how improvements can be progressed. More detailed information on the measures of performance can be found in specific topic-based reports provided to the Council regularly.

Performance Measurement Themes

Ngā Kaupapa inenga mahi

The performance measures have been categorised into four themes, outlined below.



7.5.2 Appendix 2 – Organisation Performance Measures Quarter 2 2025/26(Cont.)

Quarterly Summary

Organisation Health

The Cultural and Leadership People Survey for Q2 had an overall satisfaction score of 70% with a 35% response rate. This satisfaction score sits above the Local Government benchmark of 66% however the participation rate sits well below the Local Government benchmark at 67%. Q2 again saw a decrease in employees accessing employee assistance programmes. Turnover remains steady with a rolling 12-month percentage of 11.7% for permanent employees, below the target of 14%.

Service Performance

Customer Services reporting for Q2 reflects the shift from the Ozone system to Datascape, meaning only November–December data is available while we continue to embed the new system. Early results show strong call-handling performance, with 7,290 calls received and 92.89% answered within 30 seconds (above the 85% target). New measures introduced through Datascape such as top 8 subtypes for service requests, top 8 departments (phone calls), and source of request data provide clearer insights into customer demand.

Financial Performance

At the end of Q2, operating expenditure is under budget largely driven by staff vacancies and operating project timing. Fees and charges are 3.5% below budget for the quarter, and other revenue is higher than budgeted.

Preparedness Performance

The minimum requirement for a full Emergency Operations Centre (EOC) roster is 90 staff. There are 102 staff available to roster in the WDC EOC, including 79 that are fully trained for their respective positions.

Cyber security training dropped slightly this quarter, decreasing by 2% from Q1. The Digital Services team are working through several initiatives to continue to increase the participation rate.

Business Plan

The Whakatāne District Council Business Plan reporting provides an overview on progress against the Council's work programme as set out in the Council's Business Plan for the 2025/26 financial year. Overall, 80% are tracking positively as at Q2.

7.5.2 Appendix 2 – Organisation Performance Measures Quarter 2 2025/26(Cont.)

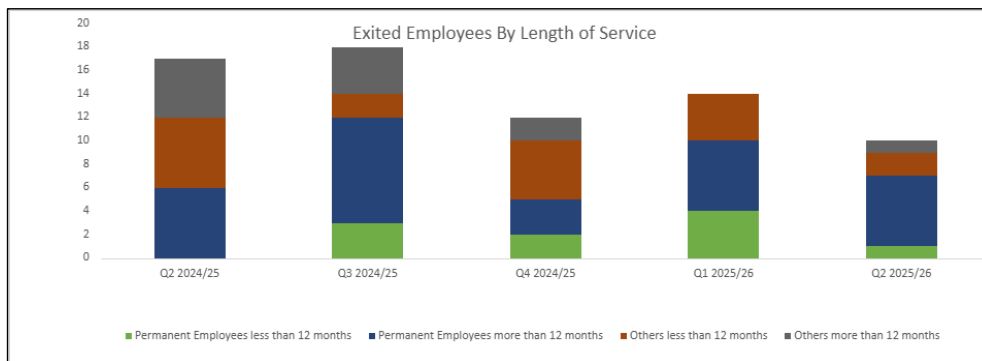
Organisation Health Measures

Ngā inenga hauora o te tōpūtanga

The following indicators give an overview of the organisational culture, leadership, process, and relationships.

384
employees
+0.7% vs previous quarter
+9.4% vs previous year

270
full time permanent staff
+4.1% vs previous quarter
+1.5% vs previous year



During Quarter 2, 13 employees (3.5%) exited the organisation. 10 of these were permanent employees and 3 were fixed term or casual. Our rolling 12-month turnover of voluntary exits of permanent employees is 11.7%, which is positive and remains well below our maximum turnover threshold of 14%

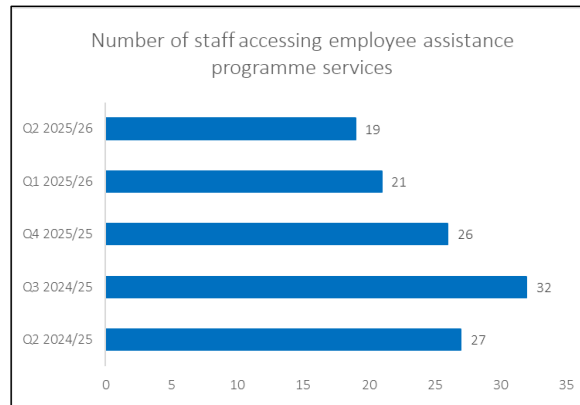


The overall quarterly survey score remains positive with a satisfaction score of **70%** which hits our 70% target. The participation rate (35%) this quarter likely reflects the time of year with many people still away on leave when it was completed. The results indicate a very positive perception within the organisation.

Note: This is a pulse survey of 100 employees and asks a sample of the questions contained in our full engagement survey. The next full survey is scheduled for November 2026.

7.5.2 Appendix 2 – Organisation Performance Measures Quarter 2 2025/26(Cont.)

Utilisation of EAP declined this quarter with 19 employees accessing this service (compared to an average of 26.5 employees accessing EAP per quarter, over the last 12 months). This represents approximately 4.9% of total employees accessing the service, including some front-line staff where psychosocial harm has been identified as a risk. EAP services are used as a control for that risk.



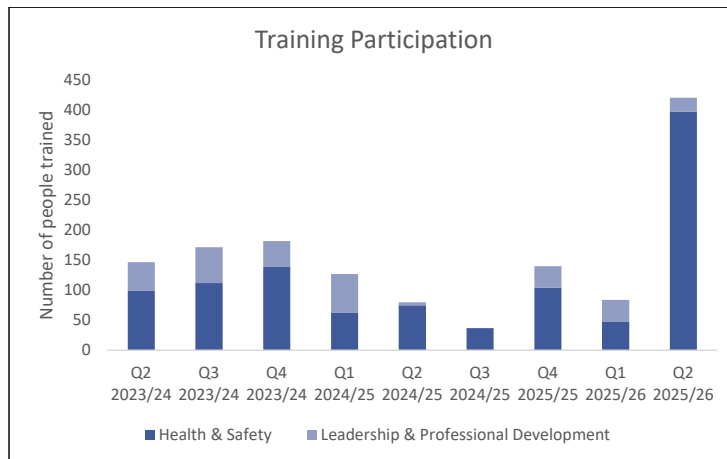
Health and Safety

70 Health and safety incidents **5** Near misses **15** Injuries **49** Incidents **1** Illness

Additional information can be found in our Health and safety report.

Health and safety training for this quarter has been significant with the role out of Risk Management training to all staff. In addition, there was First Aid training, STMS Traffic Management, Situational Safety and GrowSafe training.

There was a small amount of leadership and professional development training. The majority of this is usually run in quarters one and four.



7.5.2 Appendix 2 – Organisation Performance Measures Quarter 2 2025/26(Cont.)**Organisational Cultural Competency Training****Tikanga Sessions Block 2 | 29 September to 24 October | 12 Participants**

This quarter, block 2 of the tikanga programme included a five-session series covering Mataatua pōwhiri practices, tikanga and kawa, karakia, and the development of mihi and pepeha. The programme concluded with a half-day visit to a local marae, followed by a haerenga to key sites within the rohe.

Waiata | 1 October to 17 December | 70 Participants

This quarter, Moerangi and Matetu from Te Whare Wānanga o Awanuiārangi facilitated weekly 30-minute waiata sessions. These sessions focused on learning well-known waiata and mōteatea from across our rohe, building staff confidence to participate in internal kaupapa and community events

Noho Marae Rangitahi Marae | 13 – 14 November | 25 participants

The second and final noho marae for the year was held at Rangitahi Marae in Matatā. Staff were welcomed by Ngāti Rangitahi and participated in activities focused on tikanga Māori, developing their mihi and pepeha, and learning about the history of the rohe. The programme included visits to significant sites such as Te Awa o Te Atua (Matatā Lagoon) and Otaramuturangi.

Mihi Whakatau | 15 – 19 September | 50 attended

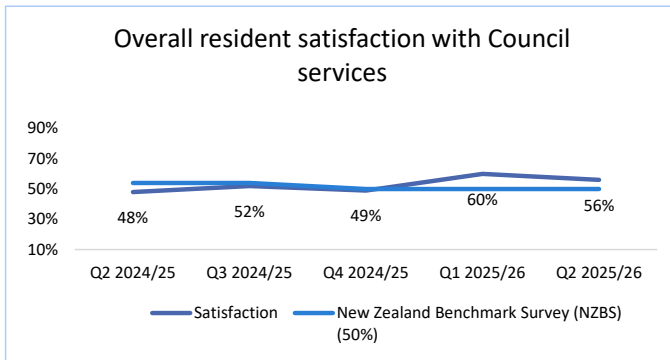
The final mihi whakatau for the year was held, welcoming 14 new starters to our WDC whānau.

7.5.2 Appendix 2 – Organisation Performance Measures Quarter 2 2025/26(Cont.)



Service Performance Measures Ngā inenga ratonga Kaunihera

The following indicators have been identified to measure the effectiveness, efficiency, and the quality of Council services.

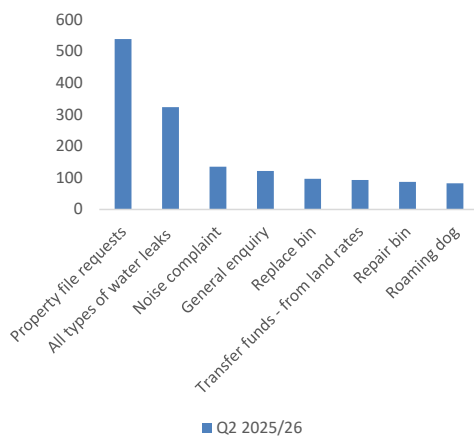


This quarter’s overall resident satisfaction result is 56%, representing a decrease from 60% reported in Q1.

Target: Equal or above the NZ benchmark (50%).

In November last year, we transitioned from the Ozone system to Datascape. As a result, the graphs below reflects only the November–December portion of Q2, as full quarter data is split across two systems. We are still familiarising ourselves with Datascape and its reporting functions, and some measures previously reported under Ozone are no longer available in the new system. As we build confidence with Datascape, we will review the reporting functions and will continue to refine the measures as the system becomes more established.

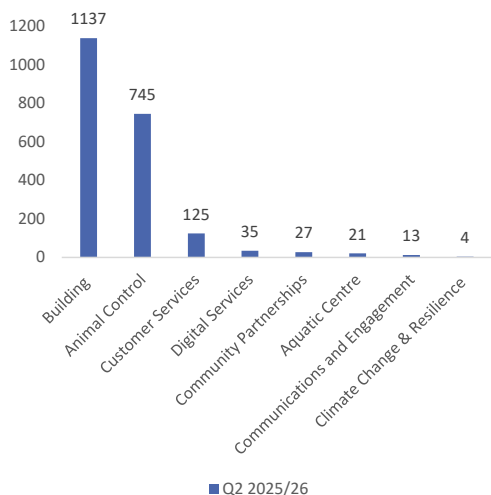
Service Requests - Top 8 subtypes



Q2: 7290 calls received by Customer Services this quarter
92.89% of calls were answered within 30 seconds. Target: 85%

7.5.2 Appendix 2 – Organisation Performance Measures Quarter 2 2025/26(Cont.)

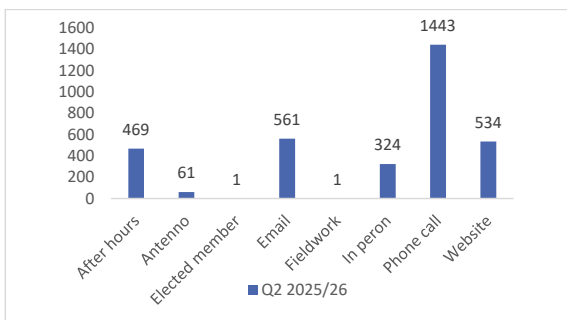
Top 8 departments (Service Requests- customer interactions)



Wrap-up codes are a new measure that record which Council department the customer interacted with. As this is a new measure, there is no earlier data to compare it with.

In Q2, the highest number of customer interactions were recorded for Building (1,137), followed by Animal Control (745).

Source of our service requests



Source of service requests refers to how customers contact Council—such as by phone, email, website, in person, or after-hours. Tracking this helps us understand which channels people are using and how demand is changing over time.

Phone calls were the main source in Q2 with 1443 calls received.

7.5.2 Appendix 2 – Organisation Performance Measures Quarter 2 2025/26(Cont.)

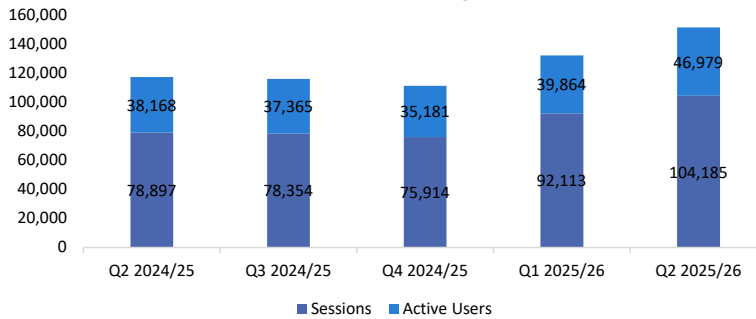
The number of website page visits and the number of followers on facebook and Instagram increased in Q2 compared with previous quarters.

Reporting remains as New Zealand website traffic only.

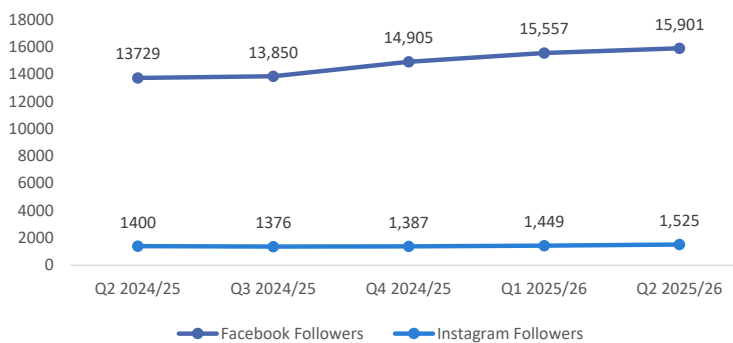
Sessions: A period during which a user interacts with our website.

Active Users: The number of unique individuals who have engaged with our website within the specified timeframe.

Number of Website Page Visits



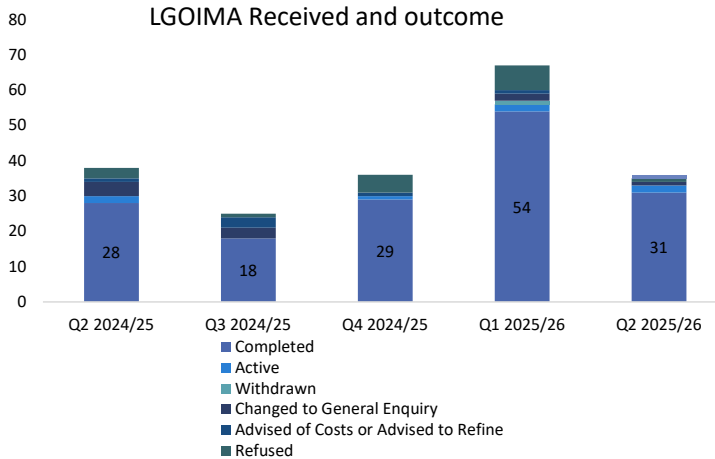
Number of Followers on Facebook and Instagram



Council received a smaller number of LGOIMA requests this quarter - 34 compared to 54 in the previous quarter.

88% of requests under the Local Government Official Information and Meetings Act (LGOIMA) were processed within 20 days (statutory timeframe).

LGOIMA Received and outcome



7.5.2 Appendix 2 – Organisation Performance Measures Quarter 2 2025/26(Cont.)

Campaigns

Elections 2025
Hinemoa Stormwater Pump Station
Civic Ceremonies
Summer Roding
Desludging works
Internal Antenna roll out
Chorus Cabinet Art
Fire Hydrant Testing
Air NZ / Air Chats agreement
Flower giveaway
Ride the Runway
Boil water notices
ShakeOut
Bird Walk closure
Wharfside
Severe weather events
Ōtūmahi Reservoir
Emergency Services Open Day
The Strand wastewater pipe upgrade
New triennium
Boat ramp maintenance
Whakaora
Aratakina
Greenwaste
Faces Behind the Mahi
Magic Sand recall
Mana Whakahono ā Rohe agreement
Annual Report
Whakatāne District Seniors' Morning Tea
Palm Tree removal works
Dredging
Youth Council mural
Whakatāne District Growth Strategy
Youth Council applications
Matatā Wastewater
Animal control
Water Services Delivery Plan
Community Board Funding
Summer waste collection
Raumati in the Rohe

7.5.2 Appendix 2 – Organisation Performance Measures Quarter 2 2025/26(Cont.)

Finance Performance Measures

Ngā inenga mahi ahumoni

The measures below provide an overview of Council's financial management practices, trends, and forecasting ability. Variances that are outside the target range are shown as red.

Operating Expenditure

	ACTUAL	BUDGET	VARIANCE %	Target
2025/26 YTD	\$44.69M	\$47.78M	6.5%	At or within 5% of budget

Capital Expenditure

	ACTUAL	BUDGET	VARIANCE %	Target
2025/26 YTD	\$16.52M	\$26.97M	38.7%	At or within 5% of budget

Fees and charges revenue

	ACTUAL	BUDGET	VARIANCE %	Target
2025/26 YTD	\$4.69M	\$4.85M	-3.5%	At or within 5% of budget

Other Revenue

	ACTUAL	BUDGET	VARIANCE %	Target
2025/26 YTD	\$51.37M	\$50.70M	1.3%	At or within 5% of budget

Debt as a proportion of LTP forecast

ACTUAL	FORECAST	VARIANCE %	Target
\$188.8M	\$212.5M	11.15%	Within 5% of forecast

Rates Debtors

PERCENTAGE COLLECTED	VARIANCE %	Target
95.63%	4.37%	Within 5% of total rates

Operating Expenditure YTD: Operational expenditure is less than budget (6.5%) largely driven by staff vacancies and operational project timing.

Capital Expenditure YTD: Project delivery to the end of December is behind phased budget (38.7%). Forecasts for capital expenditure will be provided with Q2 reporting to Committee.

Fees and Charges YTD: Fees and charges are less than budget at the close of Q2 (3.5%).

Other Revenue YTD: Other Revenue is higher than budget at close of Q2 (1.3%).

Debt as a proportion of LTP forecast: Debt of \$188.8M is less than budgeted debt for 2026 of \$212.5m at close of Q2.

Rates Debtors as a % of Total Rates: Land Rate debt is \$9.03M at end of Q2 (this debt relates to prior years as well). % of invoiced rates collected 95.63%.

7.5.2 Appendix 2 – Organisation Performance Measures Quarter 2 2025/26(Cont.)

Preparedness Performance Measures

Ngā inenga mahi whakaritenga

The following measures show the capacity of the organisation to meet current and future obligations as required.

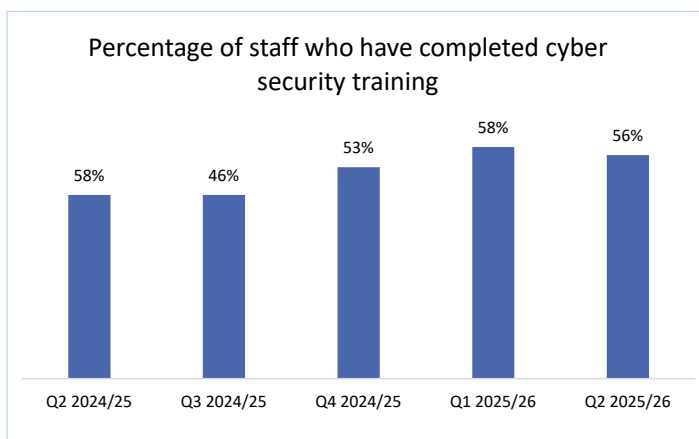
The minimum staffing requirement for a full 24/7 EOC roster is three shifts, with 11 managers and 19 pool staff for each shift. This provides 30 staff per shift with a total of 90 staff needed on the roster. Council currently has 102 staff on the EOC roster as shown in the table below.

Emergency Operations Centre

Role	Minimum required	Currently Appointed
Managers	33	28 (includes Taupuhipuhi)
Pool Staff	57	74
Total	90	102

Of the 102 appointed staff, 79 are fully trained for their respective positions, 12 are partially trained, and 11 are yet to start training.

Cyber Security



In Q2, cybersecurity training had a slight decrease (2%) in uptake from Q1. The Digital Services team are working through several initiatives to increase the participation rate.

7.5.2 Appendix 2 – Organisation Performance Measures Quarter 2 2025/26(Cont.)

Council Business Plan 2025-26 – Progress Report

The Business Plan 2025-26 – Q2 Report represents the status of the work programme as of 31 December 2025. Detailed information and insights are provided to the Executive Team for organisation management purposes, with top line results provided to the Finance and Performance Committee through this report.

The Business Plan supports implementation of our annual work programme, providing greater visibility and accountability for the things Council is working on for a one-year period. Quarterly reporting on the Business Plan keeps us in touch with our intention to ‘successfully deliver our intended work programme for the year.

Overall progress as at Q2:

The Business Plan reports against 361 items on Council’s work programme.

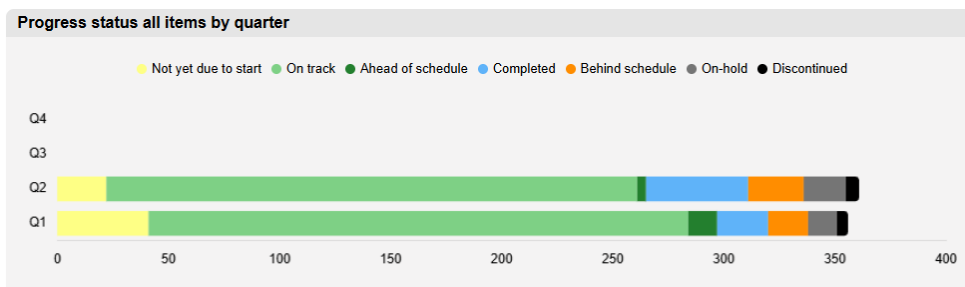
Overall, 80% are tracking positively as at Q2 – this includes items that are awaiting their start date, on-track, ahead of schedule or completed. This leaves overall 20% of items that are either behind schedule, on-hold, or discontinued.

Progress breakdown as at Q2 is as follows:

- Not yet due to start: 6%
- On track: 66%
- Ahead of schedule: 1%
- Completed: 7%
- Behind schedule: 13%
- On hold: 5%
- Discontinued: 2%

If we look at only the ‘active’ portion of our work programme, removing items that are not yet scheduled to start or that have been cancelled (discontinued), we see 87% is tracking positively

Overall progress is shown below – additional quarters will be added as we progress through the year:



7.5.2 Appendix 2 – Organisation Performance Measures Quarter 2 2025/26(Cont.)**New completions during Q2:**

In Q1 there were 22 project completions across a range of portfolios. In Q2 there were a further 24 project completions. The Q2 completions are listed below:

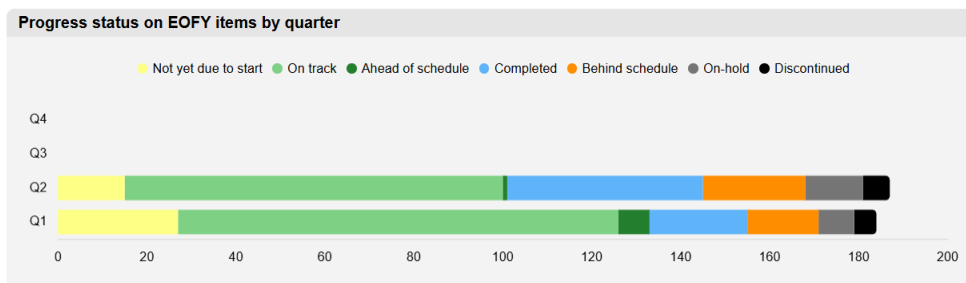
Ref #	Item / Project	LATEST PROGRESS STATUS:
3.01.08	Support delivery of Iwi Policy Hub pilot (BoF project)	Completed
3.02.06	Internal roadshow for Diversity Equity Inclusion Policy	Completed
4.01.04	Whakatane Aquatic Centre replacement of air handling units 3	Completed
7.02.08	Climate change adaptation programme development - stage 1: risk assessment	Completed
10.01.08	Water treatment plants minor equipment renewals programme	Completed
10.01.14	New water source and treatment - Otumahi works and equalised schemes PH and UV upgrades	Completed
10.01.15	Whakatane Huna Road subdivision plan change 8, water supply for subdivision	Completed
10.01.22	Murupara water network renewals programme	Completed
11.01.05	New Pontoon at Whakatāne Boat Ramp	Completed
14.01.04	Road rehabilitation - Manawahe Rd	Completed
14.01.05	Road rehabilitation - Thornton Beach Rd	Completed
14.01.26	June/July 2025 storm event - initial response works	Completed
14.01.08	Electronic advanced warning signage	Completed
14.01.17	Seal extensions programme - Thornton Hall Rd	Completed
18.02.03	Matata toilet upgrade	Completed
20.02.03	Finalise project framework including template set	Completed
20.02.04	Develop and implement pathways	Completed
20.09.06	HSW Risk Management- Develop risk register template and implement through business partnering	Completed
20.09.12	HSW Training Matrix - Review/revise and implement	Completed
20.09.14	HSW Occurrence Management - Develop investigations capability within Council through training & s	Completed
20.10.11	Adapt migration to cloud	Completed
20.10.16	ERP - CRM	Completed
20.12.06	Dangerous Effected and Insanitary Buildings Policy review	Completed
20.12.18	Develop Annual Report 2024-25 year	Completed

Items due for completion by EOFY:

The Business Plan includes 181 work programme items and projects that are due for completion by the end of the financial year. The remainder of items are ongoing/annual delivery or are projects that span multiple years and will carry through into the next financial year.

The focus on this portion of the work programme aims to minimise workload carry-forward into the next financial year. The following chart shows the status of work programme items that are due for completion during this financial year:

7.5.2 Appendix 2 – Organisation Performance Measures Quarter 2 2025/26(Cont.)



High profile work programme:

The following programmes and focus areas of work are highlighted as ‘high profile’ for greater Council visibility. Some of these high profile items are single projects while others are programmes of work encompassing multiple sub-projects and work streams (as indicated by the number of traffic light items).

In general, items are tracking well as at Q2. Of the 51 items, 45 are either on track (green), or completed (blue). Four items are behind schedule and one is on hold.

A summary of progress on the high-profile work programme is as follows:

High Profile Item/Programme	Progress Status (as at Q2)
Growth Strategy	● On track
Commercial Property Programme	● On track ● Behind schedule ● On-hold
Flood wall integration	● On track
Matatā wastewater scheme	● On track
3W Reform	● On track ● On track ● On track ● Completed ● Behind schedule
3W Consents	● On track ● On track ● On track ● On track ● On track ● On track ● On track
Navigating RMA reform / District Plan Review	● On track
Rex Morpeth Park	● On track ● On track ● On track
Airport Governance	● Behind schedule
EPMO Aratakina	● On track ● On track ● On track ● On track ● On track ● Completed ● Completed ● Behind schedule
Whakaora establishment projects	● On track ● On track ● On track ● On track ● On track ● On track ● On track ● On track ● On track ● Completed ● Completed ● Completed ● Completed ● Completed ● Completed
ERP programme	● On track ● On track ● Completed ● Behind schedule
Long Term Plan development	● On track

7.5.2 Appendix 2 – Organisation Performance Measures Quarter 2 2025/26(Cont.)**How our measures are calculated**

Culture and Leadership Survey – This is sent to 100 randomly selected staff members to participate in quarterly. The survey has a total of 25 questions (11 relating to workplace culture, 7 relating to leadership, and 7 relating to performance development) to help us understand staff perception of our culture and leadership.

Overall resident satisfaction with Council services – Results are from the quarterly Residents Satisfaction Survey provided by SIL research. The overall score includes all survey questions relating to the satisfaction with Council services. The New Zealand Benchmark is calculated at the end of the financial year and compares how we have performed, against other councils. Our target will change every year based on this result and will report against the previous year's benchmark.

Requests for Service – is the service delivery process that supports any request (job) received by the public that is formally recorded. The request is then referred to the appropriate department for further action and closed once completed. A Request for Service enables our community to notify Council of any problems/concerns in our District that need to be brought to our attention for necessary action such as animal control, water, or rates etc. There are multiple ways a Request for Service can be logged such as telephone, email, website or in person.

LGOIMA – This is a request for information under the Local Government Official Information and Meetings Act 1987. These requests must be completed within 20 days of being received.

Emergency Operations Centre (EOC) Training Requirements – 90 staff are required to be on the EOC roster, with 60% of these staff to have completed training appropriate for the role. This measure ensures that we are prepared to effectively manage and respond to an emergency.

7.5.2 Appendix 2 – Organisation Performance Measures Quarter 2 2025/26(Cont.)



WHAKATĀNE DISTRICT COUNCIL ORGANISATION PERFORMANCE REPORT Q2

1 OCTOBER- 31 DECEMBER 2025

Te Pūrongo Aroturukitanga Mahi a
Te Kaunihera ā-rohe o Whakatāne 2

7.6 Ratepayer Assistance Scheme**7.6 Ratepayer Assistance Scheme**

To: **Finance, Performance and Risk Committee**

Date: **Thursday, 26 February 2026**

Author: **P Davidson / Chief Financial Officer**

Authoriser: **P Davidson / Chief Financial Officer**

Reference: **A3066568**

1. Reason for the report - *Te Take mō tēnei rīpoata*

The purpose of this paper is to gain support for the Ratepayer Assistance Scheme (RAS) and its potential benefits to the community. The RAS aims to assist with the economic and social issues by providing flexible and competitive financing options for ratepayers, thereby supporting local government policies and initiatives.

This report to Council follows a briefing on the 4th of February to seek support to investigate further options for implementing this scheme at Council for the community.

2. Recommendations - *Tohutohu akiaki*

1. THAT the Finance, Performance and Risk Committee **receive** the Ratepayer Assistance Scheme Report (RAS); and
2. THAT the Finance, Performance and Risk Committee **approves** in-principle support for establishment of the Ratepayer Assistance Scheme (RAS), subject to commitment from other key stakeholders (central government, Local Government Funding Agency and other local authorities), acceptable final development and due diligence
3. THAT the Finance, Performance and Risk Committee **approves** notification to the Minister for Local Government that assuming the RAS is established as envisioned, Whakatāne District Council intends to:
 - a. Make RAS products (which may include Rates Postponement, Deferred Development Contributions and potentially IMPACT (Investment for Modernising Properties and Community Transformation loans) available to its ratepayers by joining RAS as a member
 - b. Join RAS as a member requiring it to:
 - i. Sign up to joint and several guarantee (based on the LGFA joint and several guarantee)
 - ii. Support ratepayer access to RAS products through for example links on the WDC website
 - iii. Support information sharing arrangements between WDC and RAS
 - c. Consider making an equity investment in RAS in due course, noting that total equity is estimated to be \$30 million to \$35 million, the majority of which will come from the local government sector.

7.6 Ratepayer Assistance Scheme(Cont.)

4. THAT the Finance, Performance and Risk Committee **note** that any commitment, beyond the notification of intent to the Minister of Local Government as outlined in resolution three is subject to final approval of Council upon further development of the RAS. This will include consideration of the relevant amount of equity required to be invested in the future and any consultation requirements that are needed for an equity investment consistent with that required on the establishment of the LGFA. For the avoidance of doubt the passing of resolution three does not commit WDC to any contribution of equity or other funding unless approved at a later date by Council.

3. Background - *He tirohanga whakamuri*

Development of the RAS has been underway for the last six years. Over the last four years, a RAS Steering Group focusing on the development of options to assist affordability of local government charges have been in place. The Group consists of members from Local Government, Local Government Funding Agency (LGFA), Simpson Grierson, Cameron Partners and a number of local authorities. Funding has been provided by the participating local authorities. Despite not being a funding local authority the Chief Financial Officer of Whakatāne District Council has remained on the steering group due to the history of involvement from the commencement of this initiative.

New Zealand is facing a cost-of-living crisis, an ageing population, and the need for significant investment in infrastructure, health and safety, and environmental requirements. Local governments are responding to these challenges but require additional tools to finance and administer their policies effectively. The RAS has been developed to address these issues by offering ratepayers the flexibility to decide when to pay local authority charges and providing very competitive finance terms.

Funding has been obtained through a number of local authorities to progress this scheme so there will be no cost to Whakatāne to continue to explore options however in the event that scheme is established there will be some financial commitment required to be a member of the scheme which is yet to be determined.

Commitment is sought for the scheme noting that final approval of any financial commitment will be the subject of a future paper to Council.

4. Discussion – Kōrerorero**4.1. What is the RAS?**

RAS is a local government led initiative which has a structure similar to the Local Government Funding Agency (LGFA). It will in effect be jointly owned by local authorities (plus central government and LGFA) and seeks to achieve scale across the sector to offer low cost, off balance sheet affordability solutions to ratepayers. It has similarities to the successful British Columbia property tax deferral scheme. Cameron Partners has been the key consultant advising on the development of the scheme and with the steering group has led the development of the initiative. Other stakeholders that have been involved to refine and critique the scheme include a Strategic Advisory Group made up of Hon Nick Smith, Cameron Bagrie from Bagrie Economics and Stuart Henderson (ex Price Waterhouse Coopers). To date government departments involved include Department of Internal Affairs, Treasury, Ministry of Housing and Urban Development and Ministry of Building, Innovation and Employment. A summary of the RAS scheme is attached as **Appendix 1**.

7.6 Ratepayer Assistance Scheme(Cont.)

4.2. What products will RAS offer?

RAS offers multiple applications, including Deferred Development Contributions (DCs), IMPACT Loans (Investment for Modernising Properties and Community Transformation), and Rates Postponement (RP). Each of these applications provides specific benefits to ratepayers and local authorities:

1. **Deferred Development Contributions:** This allows the cost of development contributions to be spread over 30 years, supporting development and addressing affordability concerns.
2. **IMPACT Loans:** These loans support ratepayers in investing in property improvements with public benefits, such as home insulation, heat pumps, and solar panels. The RAS can finance and administer these loans, providing competitive financing options.
3. **Rates Postponement:** This allows qualifying ratepayers to defer rates (and other local government charges) and pay on the sale of their property, providing flexibility and addressing affordability issues.

Refer to **Appendix 1** for further details of these products.

The Minister for Local Government is supportive of the RAS and instructed officials to commence policy work on the RAS in August 2025 with a stop/go decision targeted for Q1 2026. If approved, and with appropriate stakeholder support, establishment could occur within six to nine months.

5. Options Analysis - Ngā Kōwhiringa

5.1. Option 1 Approve in principle for support of the Ratepayer Assistance Scheme including support to become a member subject to the financial requirements to be addressed in a future report (recommended option).

This option would require the committee to support the resolutions that outline clear support for the scheme and an intention to enter and actively participate in promoting the scheme once established. At present, the final amount of equity contribution to become a member of the scheme is yet to be defined and any agreement to become a member will be subject to a future report. The report will seek final commitment to becoming a member including an understanding of the future return available from the scheme and whether equity funding will also be contributed.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Signals to central government and other stakeholders support for this initiative. • If established this scheme will offer choice for ratepayers providing affordability options • Will assist in the cost-of-living crisis given the ability to postpone rates and undertake other initiative that may reduce cost e.g. energy efficiency • Provides alternative to current high financing cost options • Provides the ability for environmental outcomes through IMPACT loans 	<ul style="list-style-type: none"> • Initial equity requirement from Council (noting that this decision is not required in this report)

7.6 Ratepayer Assistance Scheme(Cont.)

<ul style="list-style-type: none"> • Longer term it's projected to provide a return to Councils once established • Off balance sheet option (so no impact on Council debt capacity) and will retain a very strong credit rating and therefore low cost of borrowing • Administration of the scheme is largely with the RAS not requiring material resourcing from Council 	
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5.2. Option 2 Do not approve in principle for support of the Ratepayer Assistance Scheme

Not providing support for this initiative at this time would not have any financial implications at present but may our Council's ability to partake in ongoing discussions on the establishment and creation of the RAS.

Advantages	Disadvantages
<ul style="list-style-type: none"> • No future commitment to equity would be required 	<ul style="list-style-type: none"> • The more support from local authorities gained will provide greater probability of success for the scheme • The affordability benefits outlined in the benefits section of option 1 would not be achieved and ratepayers would be restricted to existing high-cost options

6. Significance and Engagement Assessment - Aromatawai Pāhekoheko**6.1. Assessment of Significance**

The decisions and matters of this specific report are assessed to be of low significance in accordance with the Council's Significance and Engagement Policy. However, this report is part of a broader process that is, or may be in future, assessed to be of **moderate/high** significance.

As this paper is seeking support for a future proposal at present it is deemed low significance. If this progresses to the establishment of the scheme and a future equity investment it would become of moderate to high significance.

6.2. Engagement and Community Views

Engagement on this matter is not being undertaken in accordance with Section 6.0 of the Council's Significance and Engagement Policy. This states that the Council will not consult when the matter is not of a nature or significance that requires public engagement (low significance). In the event this initiative progresses further consultation will be considered at that time.

7.6.1 Appendix 1 – Ratepayer Assistance Scheme (RAS) Summary**7. Considerations - *Whai Whakaaro*****7.1. Strategic Alignment**

No inconsistencies with any of the Council's policies or plans have been identified in relation to this report. This initiative supports affordability for ratepayers.

7.2. Financial/Budget Considerations

There is no budget considerations associated with the recommendations of this report. In the event that this initiative progresses, financial implications will be subject of a future report.

7.3. Climate Change Assessment

Whilst there are no direct significant or notable impacts associated with the matters of this report the provision of impact loans as a product of this initiative may be used to support climate change outcomes.

7.4. Risks

As this report seeks approval of support for the scheme without any financial commitment at this time there are no significant or notable risks associated with the matters of this report. It should also be noted that the products of this initiative are optional for ratepayers and it provides flexibility further reducing any risks.

8. Next Steps – E whai ake nei

If approved the support noted will be provided to the Minister of Local Government via the Steering Group for this initiative. If this initiative is then further developed a subsequent report will be provided to Council outlining any financial commitment required.

Attached to this Report:

- Appendix 1 – Ratepayer Assistance Scheme (RAS) Summary

7.6.1 Appendix 1 – Ratepayer Assistance Scheme (RAS) Summary

7.6.1 Appendix 1 – Ratepayer Assistance Scheme (RAS) Summary(Cont.)

Appendix One

Ratepayer Assistance Scheme (RAS)

Overview and Purpose

The Ratepayer Assistance Scheme (RAS) is a proposed new entity designed to address New Zealand's cost-of-living crisis, aging population challenges, and infrastructure investment needs.

RAS would be owned by local authorities, New Zealand Local Government Funding Agency (LGFA), and government, enabling more efficient and effective delivery of products and services currently provided by local authorities.

It is envisaged that RAS will provide three core financial assistance products to ratepayers:

1. Deferred Development Contributions (DCs):

- RAS effectively converts upfront DC charges into 30-year annual payments
- Deferred DCs remove any potential cash flow impediments for developers (corporates and 'mum and dad' developers) of DCs:
 - LAs receive cash upfront removing any impact on their constrained balance sheets
 - Optional for developers (who can pay DCs in full or defer through RAS)
 - The financing option to developers enables LAs to fully charge the costs of growth to the beneficiaries of the growth investment (removing the effective subsidy from existing ratepayers)
 - The "cost" of growth more closely matches the benefits of the investment and subsequent beneficiaries / owners can effectively finance via the RAS deferred DC levy
- Future property purchasers in principle should pay less to reflect deferred DC levies
- The present value of the unpaid levies can be repaid at any time
- Assists housing affordability and development viability (including developers of granny flats who may have no immediate intention to sell)

2. IMPACT Loans:

- IMPACT loans would be made available by RAS to finance property improvements with public benefits
- Examples include:
 - Solar and home batteries loans – cash flow positive for households + increased distributed renewable generation, reducing the need for new large-scale generation and transmission investment (leading to lower electricity prices) and improving household, community and system energy resiliency and sustainability
 - Efficient heating, insulation and double glazing – improving housing stock, providing energy savings to households and improving health outcomes

7.6.1 Appendix 1 – Ratepayer Assistance Scheme (RAS) Summary(Cont.)

- Septic tank replacement and water storage tank loans – enables LAs and water CCOs to defer / avoid potentially very significant network infrastructure investment
- In time larger community investment projects are possible such as seawalls, flood protection, remote water schemes – providing necessary infrastructure for specific groups - avoiding cross-subsidisation from other ratepayers and mitigating risks / costs that fall to local government and government
- LAs opt-in and manage administration directly or via Implementation Partners (e.g. Energy, Efficiency & Conservation Authority (EECA))
- EECA and Rewiring Aotearoa:
 - Consider RAS to be the most impactful of 60 policies considered to accelerate electrification of the economy, drive down consumer power bills and emissions and improve New Zealand energy resiliency
 - Note that Energy IMPACT loans could save most participating households **\$1,000-\$2,000+ a year** (after all repayments) by installing solar, batteries, hot water heat pumps and/or heat pumps

3. Rates Postponement (RP):

- RAS allows qualifying ratepayers to defer rates until property sale (average residential rates in NZ are ~\$4,000 pa)
- RAS addresses affordability, demographic changes, and cost-of-living challenges:
 - New Zealand’s population is aging rapidly
 - New Zealanders aged 65+ years currently number ~900k (17% of the total population) and are expected to increase to ~1.2m and over 20% of the population within ten years
 - Many of this cohort are in semi / full retirement and will be reliant on superannuation
 - 75% of 65 are homeowners
 - Superannuation is unlikely to cover all living expenses for many low-income ratepayers
 - Many have significant equity in their homes
- There is ~\$1.2 trillion in housing equity in New Zealand and RAS (and RAS provides a mechanism for home owners to efficiently access this)
- RAS will enable “New Zealand Inc” to access / leverage some of this equity (at the lowest possible financing rates consistently available to New Zealanders) reducing fiscal risks to Central Govt and local government and allowing ratepayers to benefit themselves with significant positive externalities – for example:
 - Rates postponement enables the rapidly growing cohort of asset rich / cash poor retirees to avoid hardship, mitigate cost of living increases (including inevitable rises in rates / water / infrastructure charges required to ensure New Zealand remains a first world country) and continue to consume and

7.6.1 Appendix 1 – Ratepayer Assistance Scheme (RAS) Summary(Cont.)

contribute to the economy

- RAS rates postponement will be a standardized product available nationally and water charges and other charges (eg IFF levies) can be included
- British Columbia has an existing scheme that provides a strong precedent with 83,000+ users, ~C\$2.7 billion in loans (3.9% of households)

What RAS is

RAS is a local government-led initiative similar in structure to the LGFA:

- Utilizes the strength of LA rates charges for security
- Achieves economies of scale across the sector
- Accesses low-cost financing and passes savings to ratepayers:
 - RAS expects to be able to provide financing at interest rates below all mortgages rates (including special rates) and 2%+ below equivalent bank floating rates
 - RAS would be able to provide financing at 4% – 5% below reverse mortgage rates
 - Proposed fees are \$100 flat on initial drawdown
- Lends directly to ratepayers (unlike LGFA which lends to LAs)
- Ratepayers 'opt in' to use RAS products – there is no compulsion
- Provides financing for approved purposes only (requiring Cabinet approval)
- Very low-cost operations with no discretionary activities
- Would be off-balance sheet for local authorities

Operationally the RAS is essentially a national shared service available to all LAs:

- Undertakes administration of ratepayer loans
- RAS levies ratepayers directly for repayment
- Seamless interface between LAs, RAS, and ratepayers
- Minimal LA involvement in administration

Process

Development has been underway for over six years with funding supplied by nine councils (Auckland, Hamilton, Tauranga, New Plymouth, Palmerston North, Hutt City, Wellington, Christchurch and Queenstown Lakes) and the support of Local Government New Zealand (LGNZ), LGFA, Rewiring Aotearoa and EECA. This group has combined to form a Steering Group with overall responsibility for the project.

Advisors involved include Cameron Partners (lead financial), PwC (accounting, tax and IT) and Simpson Grierson (legals).

Other stakeholders include:

- Strategic Advisory Group comprising Hon Nick Smith, Cameron Bagrie and Stuart

7.6.1 Appendix 1 – Ratepayer Assistance Scheme (RAS) Summary(Cont.)

Henderson to provide independent and objective input to the Steering Group

- Government departments comprising DIA, Treasury, MHUD and MBIE

In early 2025 the Minister of Local Government expressed his in-principle support for RAS recommending that an updated Business Case be prepared so that government officials could undertake policy work in late 2025.

In response a detailed Business Case has been prepared by the Steering Group.

The 2025 Business Case has involved detailed business plan analysis (including development of a comprehensive financial model and detailed interrogation of key assumptions with multiple stakeholders including peak industry bodies and external experts) and the Steering group considers that:

- The business plan is conservative
- Any establishment and operational risks are low and manageable
- There will be strong support from local authorities and ratepayers for RAS's products
- RAS will have the ability to provide appropriate returns to shareholders (including Central Government)

The Business Case has been recommended to the minister by the Steering Group and is currently with government officials and preliminary ministerial advice is expected before Christmas 2025.

A "stop/go decision" is being targeted for Q1 2026 involving decisions by the key stakeholders – the existing funding councils (and other interested councils), LGFA and central government. If approved, establishment could occur within 6-9 months (Q3/Q4 2026).

7.7 Financial Reporting as at 31 December 2025**7.7 Financial Reporting as at 31 December 2025**

To: **Finance, Performance and Risk Committee**

Date: **Thursday, 26 February 2026**

Author: **K Farr / Manager Financial Planning and Reporting
J Caverhill / Manager External Reporting**

Authoriser: **P Davidson/ Chief Financial Officer**

Reference: **A3066538**

1. Reason for the report - *Te Take mō tēnei rīpoata*

To provide the Finance Performance and Risk Committee with the Financial Reporting to 31 December 2025, the second quarter (Q2) of the 2026 financial year.

2. Recommendation - *Tohutohu akiaki*

THAT the Financial Performance and Risk Committee **receive** the Financial Reporting as at 31 December 2025 report.

3. Background - *He tirohanga whakamuri*

This report presents a snapshot of Council's financial performance for Q2 of the 2026 financial year, including key variances to budget and year-end forecasts.

The 2026 financial year is year two of the 2024 – 2034 Long Term Plan (LTP), therefore the budget for this financial reporting is based on year two of the LTP adjusted by changes made through the 2026 Annual Plan process as well as carry forward budgets and other revisions as approved by Council (Revised Budget Full Year).

Due to the timing of the 2025 Council Elections and the subsequent meeting scheduling, this is the first quarterly report for the 2026 financial year.

The next financial reporting update will be presented on Thursday 07 May for Quarter Three (to 31 March 2026).

3.1. Financial Performance Summaries

A balanced budget deficit remains however favourable operating results support progress toward a balanced budget. The overall deficit, while still present, is less than budgeted and is primarily the result of depreciation higher than budget reflecting the impact of the 2025 Rooding Revaluation offset by lower spending as outlined below.

The LTP forecasts indicated that Council would return to a balanced budget, any favourable variances forecast support this plan and reinforce Council's commitment to restoring a balanced budget as quickly as possible.

7.7 Financial Reporting as at 31 December 2025(Cont.)

The key financial KPI indicators are summarised as follows:

- An actual **Deficit of Operating Activities** of \$11.4m is \$3.1m less than the revised budget deficit of \$14.5m. Payments to staff and suppliers under budget, and other operating revenue higher than budget are the significant drivers of the favourable result compared to budget.
- A deficit of operating activities of \$22.9m is forecast at the close of the financial year which is \$1.4m less than budget of \$24.3m.
- An actual **Deficit of All Activities** of \$6.3m is \$2.7m less than revised budget deficit of \$8.96m with the under-budget position for staff and suppliers at the end of the quarter having a significant impact on the overall result.

The year end forecast also indicates a Deficit of All Activities of \$11.9m which is \$0.6m less than the budgeted deficit of \$12.5m.

4. Discussion – Kōrerorero

4.1. Financial Performance Overview as at 31 December 2025 (Q2)

This report covers the period from 1 July 2025 to 31 December 2025, representing the second quarter of the 2026 financial year, and includes year to date results and full year forecasts.

The information presented depicts financial impacts of Operating and Capital Expenditure at a summary level along with explanations of material variances. The reporting also includes trends for debtors and rates debtors.

7.7 Financial Reporting as at 31 December 2025(Cont.)

Financial Performance to 31 December 2025	\$000					
	Actual YTD	Revised Budget YTD	Variance YTD	Forecast Full Year	Revised Budget Full Year	Forecast YE Variance
OPERATIONAL						
Sources of Operating Funding						
Revenue from Rates	38,467	38,432	34	79,178	79,144	33
User Fees and Charges	4,691	4,859	(168)	8,862	9,440	(578)
Subsidies and Grants for Operating Purposes	4,157	4,239	(82)	8,517	7,801	716
Other Operating Income	3,221	2,484	737	4,587	3,980	608
Total Sources of Operating Funding	50,536	50,014	521	101,144	100,365	779
Applications of Operating Funding						
Payment to Staff	16,327	16,939	612	33,070	33,893	823
Payment to Suppliers	24,090	26,508	2,418	47,571	48,625	1,055
Depreciation	17,248	16,744	(503)	34,742	33,489	(1,253)
Financing Costs	4,273	4,334	60	8,667	8,667	0
Total Applications of Operating Funding	61,938	64,525	2,587	124,050	124,675	625
Surplus (Deficit) of Operating Activities	(11,403)	(14,510)	3,108	(22,906)	(24,310)	1,404
OTHER ACTIVITIES						
Non-Operating Activities						
Gain (Loss) on Revaluation - Derivatives	(389)	0	(389)	(389)	0	(389)
Surplus (Deficit) of Other Activities	(389)	0	(389)	(389)	0	(389)
CAPITAL						
Sources of Capital Funding						
Subsidies and Grants for Capital Purposes	5,426	5,207	218	10,999	11,129	(130)
Development Contributions	104	345	(241)	431	691	(260)
Total Sources of Capital Funding	5,530	5,553	(23)	11,430	11,820	(390)
Surplus (Deficit) of All Activities including Other and Capital*	(6,261)	(8,958)	2,696	(11,864)	(12,490)	625
CAPITAL EXPENDITURE						
Capital Expenditure						
Capital Expenditure	16,529	26,979	10,450	50,043	67,611	17,568

* Differs to the balanced budget as includes non funded depreciation and development contributions

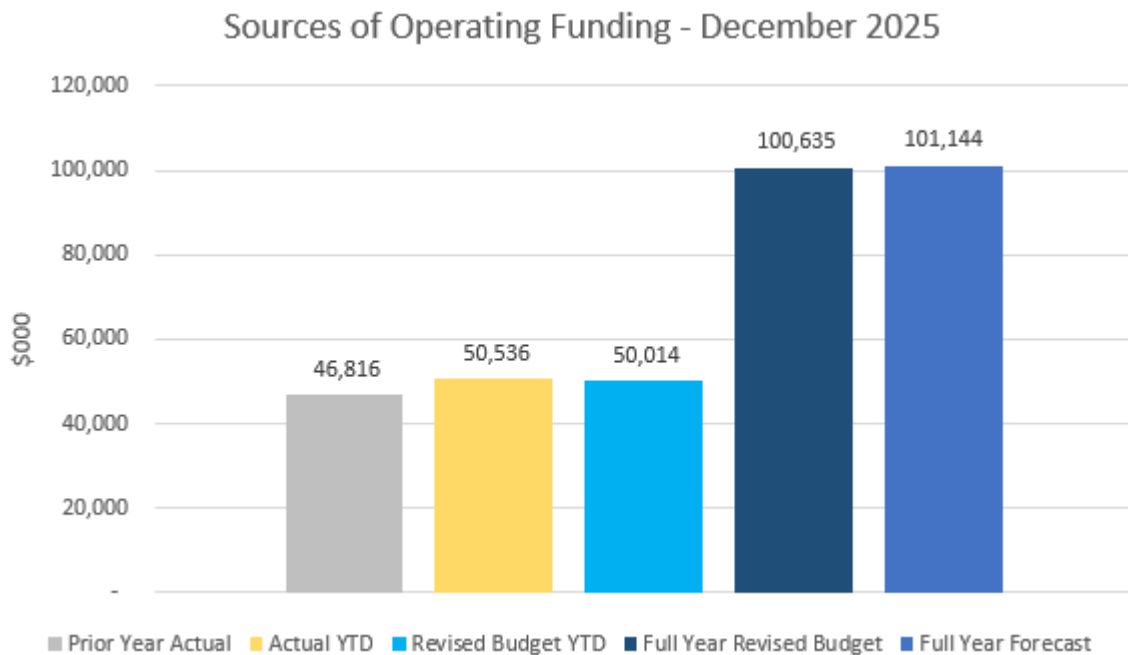
4.2. Operating Performance

The deficit for operating activities of \$11.4m is \$3.1m less than the budgeted operating deficit of \$14.5m.

- Actual Operating Revenue (Sources of Operating Funding) of \$50.5m aligns with budget of \$50m overall.
- Actual Operating Expenditure (Applications of Operating Funding) of \$61.9m is \$2.6m (4%) less than budget of \$64.5m.

4.3. Operating Revenue

Operating Revenue (Sources of Operating Funding) is within range of budget overall (1%) at the end of the December 2025. The forecast indicates that operating revenue will also align with budget at the end of the financial year.

7.7 Financial Reporting as at 31 December 2025(Cont.)

User Fees and Charges are less than budget by \$168k overall (3%), the forecast is for this underbudget position to increase slightly by the end of the financial year (6%).

Although aligning with budget overall in December there are some variances of note:

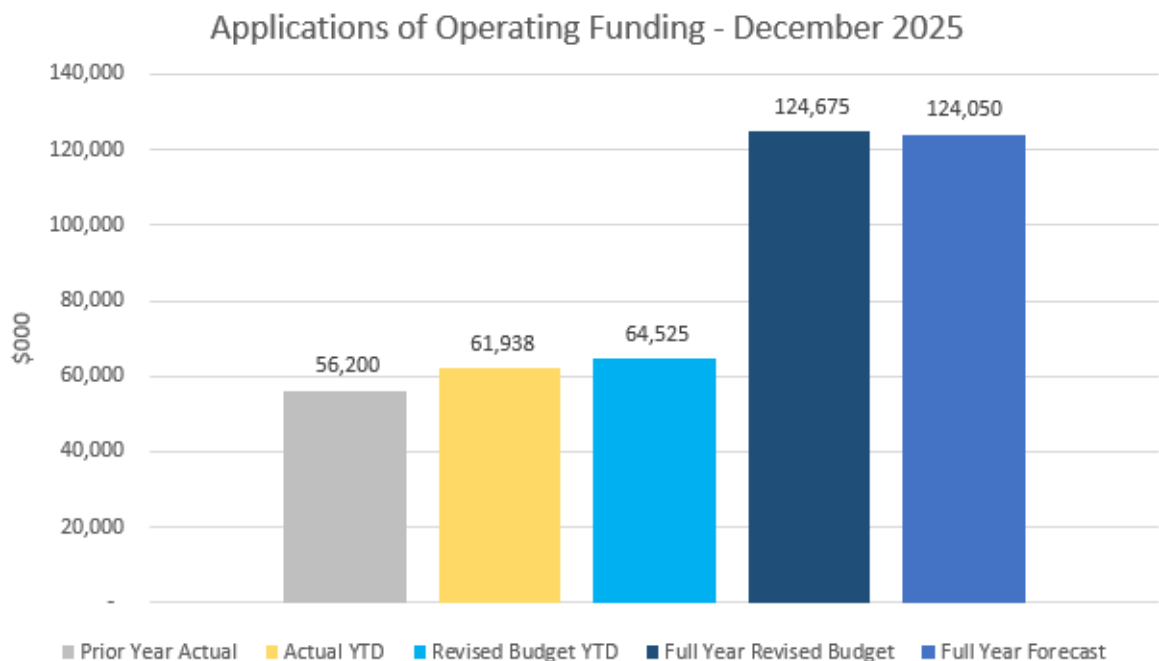
- Resource Management activities are less than budget by \$137k (34%).
- Community Regulation activities report fees less than budget by \$103k (16%) predominantly in the Animal Control activity.
- Holiday Park fees are less than budget by \$209k (35%) largely driven by the economic climate.

Subsidies and Grants for Operating Purposes are within range of budget overall (2%). The forecast is for operating subsidies to be slightly higher than budget at year end (9%) largely owing to NZTA funding to fund unbudgeted flood damage sustained during the year (\$1.1m)

Other Operating Income is higher than budget by \$737k (30%); this variance predominantly relates to interest revenue of \$148k on prefunding, and the timing of Harbour Leases (\$235k). The year end position is also forecast to be higher than budget (15%).

4.4. Operating Expenditure

Operating Expenditure (Applications of Operating Funding) of \$61.9m is \$2.6m (4%) lower than budget of \$64.5m.

7.7 Financial Reporting as at 31 December 2025(Cont.)

Payments to Staff of \$16.3m are \$612k less than budget of \$16.9m; largely driven by salaries less than budget by \$687k (4%) reflecting vacancies during the year. This variance is anticipated to increase to around \$807k by the end of the financial year.

Payment to Suppliers is less than budget by \$2.4m (9%) expenditure. This variance is largely timing and related to operational projects.

The forecast is for payments to suppliers to be within range of budget at the close of the financial year overall (1%).

Depreciation: of \$17.2m is \$0.5m higher than budget of \$16.7m at the end of December. The overbudget position predominantly relates to the 2025 Roding Revaluation. The variance is expected to increase to be around \$1.3m higher than budget at the end of the financial year.

Financing Costs are within range of budget at the end of December (1%) and are forecast to remain aligned with budget at year end.

4.5. Capital**4.5.1. Sources of Capital Funding are \$5.6m which aligns with budget overall.**

Capital Subsidies are within range of budget (4%) at the end of December. The forecast is for subsidies to also align with budget at year end.

Development Contributions are under budget \$241k. Development Contribution revenue is transferred to reserves to fund growth related projects, with any shortfall over time meaning there will be less funding available to fund projects.

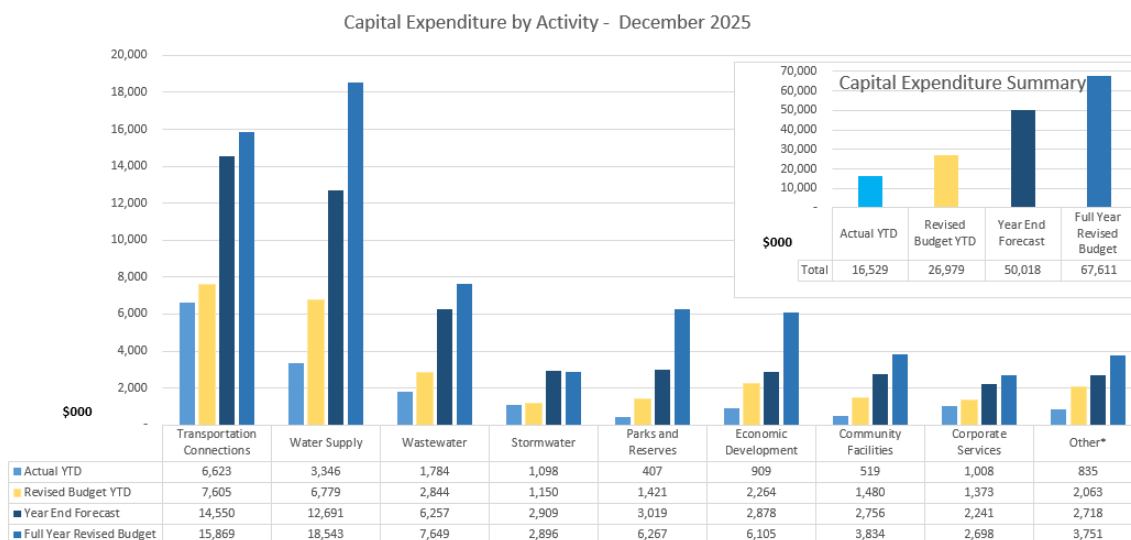
4.5.2. Capital Expenditure

Capital Expenditure of \$16.5m is \$10.5m less than year to date budget of \$27m.

7.7 Financial Reporting as at 31 December 2025(Cont.)

The forecast is for a capital spend of \$50m at the end of the 2026 financial year, representing a 74% spend versus budget.

A summary of Capital Expenditure by Group of Activity is reflected in the graph below. The graph shows spend and budget year to date to the end of December and full year forecasts vs budget.



The Other category groups together activities where capital budget for the year is less than \$1m. These activities are Ports and Harbour, Holiday Park, Waste Management, Aquatic Centres, Arts and Culture, Climate Change and Resilience, Events and Tourism and Whakatane Airport.

Current forecasts indicate around \$17m will be considered for carry forward into the 2027 financial year or beyond for projects not expected to be completed this financial year.

Projects forecasting significant underspends (primarily timing) in the current year include:

- Taneatua Road Flood Resilience (\$0.85m)
- Ruatoki Water Treatment (\$2.8m) and Murupara Water Treatment Upgrades (\$3m)
- Whakatane Wastewater Rising Main Renewal (\$1.2m)
- Awatapu Lagoon Wetland Construction (\$0.9m)
- Whakatane Cemetery New Site Development (\$1.3m) - no site identified for development
- Floodwall Integration (\$1.5m)
- Rex Morpeth Hub (\$0.9m)

Staff are continuing to review how capital budgets are scheduled to ensure the programme can realistically be delivered each year.

A full review of capital projects will be undertaken ahead of finalising the 2027 Annual Plan. All 2026 carry forward amounts will be critically assessed alongside the draft 2027 capital programme to ensure that the 2027 programme is realistic and deliverable.

Detailed project reporting is provided through the Project and Services Committee.

7.7 Financial Reporting as at 31 December 2025(Cont.)**4.5.3. Non-Operational Activities.**

Gain/Loss on Derivatives: An overall loss on derivatives of \$389k is reported to the end of December.

4.6. Council Credit Ratings

WDC had an early credit rating discussion with Fitch Ratings on 4th February 2026. Council's current rating is AA-. Paul Norris and Sabrina Rivers attended the meeting from Fitch Ratings (Sydney). A number of topics were discussed particularly around the upcoming and numerous new legislation affecting local government. WDC supplied updated financials as at 31 December 2025 and details around loans and derivatives currently held and compliance measures. A further meeting will take place closer to June 2026 and council will then be advised of their new credit rating.

4.7. Treasury Update

Every quarter, financial services reports on the loans and derivatives activity and key compliance criteria within the treasury function for the quarter.

The following gives a summary of that activity and compliance.

Treasury continues to meet on a monthly basis and monitor the liquidity needs for council to fund capital expenditure projects.

Council has debt maturity and repayment requirements for April 2026 of \$32 million. Prefunding has been uplifted with \$15M being uplifted in October 2025 and a further \$17M uplifted in January 2026. These funds are currently on term deposit.

4.7.1. Treasury Management Summary as at 31 December 2025

The balance of the Interchangeable Facility Agreement (IFA) and LGFA funding issued on 31 December 2025 is \$202.8 million (\$177.8 million 30 June 2025).

The council borrowed \$25 million during the first two quarters of the 2026 financial year. The first loan of \$10M was drawn down in July 2025 and the second loan of \$15M (prefunding) was drawn down in October 2025. Both loans were from LGFA. Net loans for the period only increased by \$10M as the \$15M loan was placed on term deposit.

The summary below provides the overview of key Treasury Management insights as at 31 December 2025.

7.7 Financial Reporting as at 31 December 2025(Cont.)

Summary Highlights of Treasury		1 July 2025 - 31 December 2025						
Movement of loans at a glance		July	Aug	Sept	Oct	Nov	Dec	Total
		(NZD \$M)	(NZD \$M)	(NZD \$M)	(NZD \$M)	(NZD \$M)	(NZD \$M)	(NZD \$M)
	Loans at beginning of period	177.80	187.80	187.80	187.80	202.80	202.80	177.80
plus	Loans drawn down	10.00			15.00			25.00
less	Loans repaid							0.00
	Loans end period	187.80	187.80	187.80	202.80	202.80	202.80	202.80
Drawn Net Debt		187.80	187.80	172.80	187.80	187.80	187.80	187.80

Net Loans for the Six Months 25.00

Fixed v Floating Interest % Compliance - Corridor approach

Term	Policy Limits	Dec Qtr	
Current - 1 year	40%-90%	70%	✓
Year 2	40%-90%	63%	✓
Year 3	35%-85%	53%	✓
Year 4	30%-80%	42%	✓
Year 5	25%-75%	31%	✓
Year 6	20%-70%	20%	✓
Year 7	0%-65%	9%	✓
Year 8	0%-60%	0%	✓
Year 9	0%-50%	0%	✓
Year 10	0%-50%	0%	✓

Terms of Loan Compliance

Term	Policy Limits	Jul	Aug	Sep	Oct	Nov	Dec
Overall Liquidity	>= 110%	115%	115%	123%	116%	116%	116%
0-3 years	15%-60%	60%	60%	60%	53%	53%	53%
3-7 years	25%-85%	40%	40%	40%	47%	47%	47%
7 years plus	0%-60%	0%	0%	0%	0%	0%	0%

Debenture Trust Deed Compliance (Based on Actual Income Extrapolated)

LGFA Foundation limit for credit rated councils	WDC Policy limit	Jul	Aug	Sep	Oct	Nov	Dec
Net debt as percentage of annual income not to exceed 280%	Net debt as percentage of annual income not to exceed 250%	160%	160%	147%	160%	160%	160%
Net interest expense of external borrowing not to exceed 30% of annual rates income (budget)	Net interest expense of external borrowing not to exceed 15% of annual rates income (budget)	10%	10%	10%	10%	10%	10%
Net interest expense of external borrowing not to exceed 20% of annual operating income (budget)	Net interest expense of external borrowing not to exceed 20% of annual operating income (budget)	6.7%	6.9%	6.7%	6.9%	6.9%	6.9%

Council’s funding maturity profile is compliant. Depending on Council’s capital programme (size and timing), and borrowing requirements going forward, the overall funding strategy will be to maintain policy compliance and mitigate refinancing risk.

Attached to this report - Appendix 1– PWC Treasury Report as at 31 December 2025.

7.7 Financial Reporting as at 31 December 2025(Cont.)

4.7.2. Current Treasury Strategies

4.7.2.1. Liquidity

Committed Facilities:

- ANZ \$20M Expiry 31 July 2028 (Margin 95 bps and line fee of 20bps)
- LGFA \$5M Pending (15 bps over BKBM for 30-181 days)
- i. (20bps over BKBM for 182-364 days)
- ii. Commitment fee of 20bps paid quarterly in advance

Council has access to bespoke longer-term loans with LGFA also.

Council has priced longer term facilities of 5 years with ANZ, but at this stage, treasury advice was to re-price again in the future.

4.7.2.2. Funding Terms

As at 31 December 2025, the average term of council loans was 2.64 years. Although long term internal loans are created to fund long term assets, council’s average term is relatively short because:

- LGFA are extraordinarily liquid and they are the best place to get funding. The reserve bank has given them a lot of credibility
- Shorter terms save council money (see LGFA Borrowing Update 9 February 2026 below). Currently 11-year debt has 97 bps margin but 4-year debt has only 59 bps margin
- The uncertainty over the three waters funding requirements longer term pending the formation of a possible multi-council CCO

Floating rate long term	Base margin	Borrowing margin AA+/AA rated councils	Borrowing margin AA- rated councils	Borrowing margin A+ and A rated councils	Borrowing margin Unrated guarantors	Borrowing margin Non-guarantors
15/04/2027	11 bps	36 bps	41 bps	46 bps	56 bps	66 bps
15/05/2028	21 bps	46 bps	51 bps	56 bps	66 bps	76 bps
20/04/2029	24 bps	49 bps	54 bps	59 bps	69 bps	79 bps
15/05/2030	29 bps	54 bps	59 bps	64 bps	74 bps	84 bps
15/05/2031	40 bps	65 bps	70 bps	75 bps	85 bps	95 bps
14/05/2032	48 bps	73 bps	78 bps	83 bps	93 bps	103 bps
14/04/2033	54 bps	79 bps	84 bps	89 bps	99 bps	109 bps
15/05/2035	64 bps	89 bps	94 bps	99 bps	109 bps	119 bps
15/04/2037	67 bps	92 bps	97 bps	102 bps	112 bps	122 bps

Note: All the above borrowing yields and spreads are fully inclusive of the applicable base lending and credit margins outlined below

4.8. Interest rate risk management

To maintain compliance, the following strategies, recommended by PWC Treasury, were employed during December 2025:

Strategy Type	Notional (NZDm)	Start date	Maturity date	Current swap rate	Marked to market value	New Maturity Date	New Notional (NZDm)	New swap rate	Target
Swap shortener	5	17-Apr-28	17-Apr-34	3.78%	\$161,286	17-Jul-32	10	3.89%	3.82%
Swap shortener	5	17-Apr-28	16-Apr-35	3.78%	\$201,139	17-Oct-32	10	3.83%	3.80%

7.7 Financial Reporting as at 31 December 2025(Cont.)

The weighted average rate of interest across all loans is currently 3.77%

79% of loans are currently hedged at a weighted average fixed rate of 3.83%

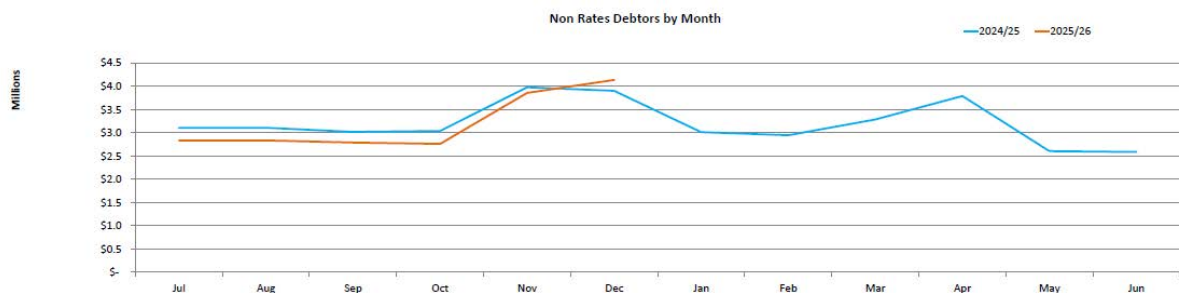
Floating loans (\$166M) weighted average interest rate (based on Dec 25 OCR) is 3.38%

Fixed loans (\$37M) weighted average interest rate is 3.93%

5. Non-Rates Debtors as at 31 December 2025

Sundry Accounts Receivable (non-rates) as at 31 December 2025						
Activity	Current	Overdue 30 days	Overdue 60 days	Overdue 90+ days	Total December 2025	Total December 2024
Airport	49,242.85	320.06	3,479.99	1,629,541.92	1,682,584.82	1,680,534.98
Building Consents	149,161.54	16,848.29	(1,310.20)	36,251.30	200,950.93	122,090.55
Refuse Transfer Station	150,648.84	9,921.88	12,820.79	15,029.08	188,420.59	296,129.90
Halls	10,484.55	(1,626.80)	-	(199.99)	8,657.76	18,100.40
Harbour Ground Lease	884,899.53	32,137.97	(1,112.05)	8,012.30	923,937.75	817,476.53
Leases/Rental (non Harbour)	45,679.43	560.00	(20.00)	5,001.38	51,220.81	55,137.26
Licences	24,218.95	682.82	720.00	2,494.00	28,115.77	52,702.80
Resource Consents	26,554.49	1,842.66	(40.00)	217,301.37	245,658.52	368,126.33
Roading	21,084.34	1,134.94	(108.10)	34,502.52	56,613.70	50,461.10
Sundry debtors	554,757.53	29,333.51	(164.74)	2,343.82	586,270.12	312,074.46
Trade Waste	5,443.50	(4,643.50)	250.00	76,205.39	77,255.39	32,502.22
Aquatic Centre	10,636.36	327.64	3,201.00	(1,717.00)	12,448.00	11,933.37
Moorings/Hardstand/Berthage	33,286.29	1,747.38	(269.50)	-	34,764.17	49,096.57
Liquor Licensing	1,295.00	0.25	-	2,217.40	3,512.65	638.15
Cemetery	34,545.00	(816.00)	-	1,490.43	35,219.43	34,200.43
Total	2,001,938.20	87,771.10	17,447.19	2,028,473.92	4,135,630.41	3,901,205.05
	48%	2%	0%	49%	100%	100%

* Sundry debtors include sponsorship invoicing, invoicing for pest control, invoicing to recover costs, and other invoicing that does not fit under other categories (including sand extraction, water connection fees and venue hire).



Explanation of Graph – How are debt levels tracking between this year and last year?

Total debt for December 2025 has increased by \$234K compared with December 2024. This is mainly due to a sundry invoice issued to MBIE for the Whakatane Regeneration programme.

- 90-day debt for December 2025 is at 49% of overall debt (2024: 56%). This is a decrease of \$148K compared with the prior year. As previously discussed, most of this debt relates to the Ministry of Transport debt for the Airport. If we remove the Airport, 90-day debt would be 16% of total debt.
- There were no bad debts written off in December 2025 (December 2024: \$Nil).

7.7 Financial Reporting as at 31 December 2025(Cont.)

6. Total Land Rates Debt

The total land rates debt as at 31 December 2025 is \$9.03 million (31 December 2024: \$8.35 million).

The percentage of quarterly rates invoicing collected at the reporting date is shown in the following table:

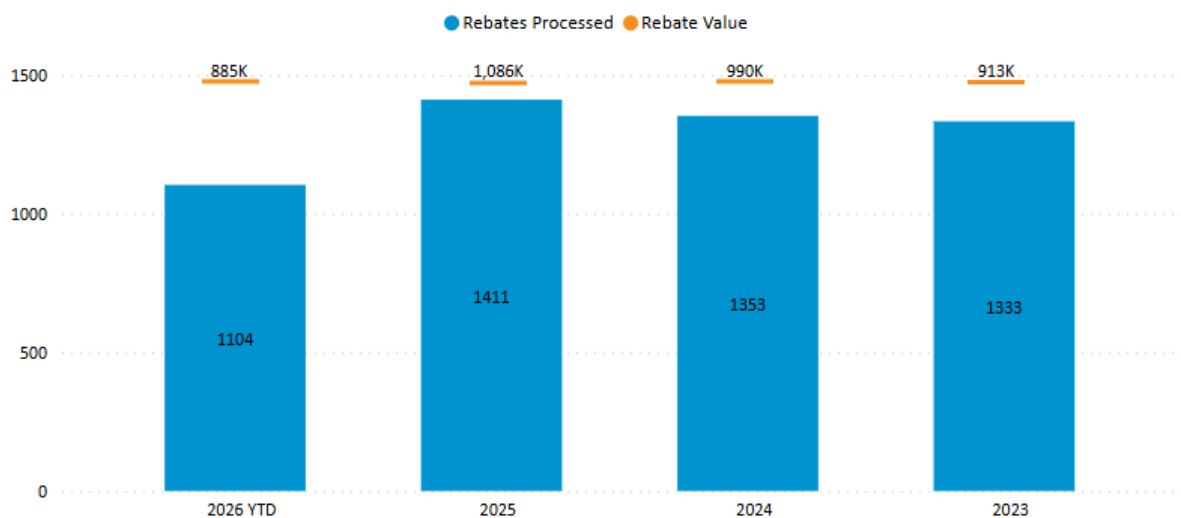
Percentage Collected	2026	2025	2024
Q1 as at 30 September	95.05%	91.59%	94.76%
Q2 as at 31 December	95.63%	95.63%	96.05%
Q3 as at 31 March		96.17%	96.57%
Q4 as at 30 June		96.70%	96.80%

6.0.1. Rates Rebates

Rates rebates processed to the end of October has increased 11% (1,104) in comparison to last year (996) at this point. The Rates team continue to encourage low-income ratepayers to submit applications to check if they qualify for the rebate of up to \$805. Reminders were sent with application forms for all customers who claimed last year with their first invoice and a further reminder will be enclosed in the third invoice. We also intend to use social media and Ko Konei to advertise again across the year, as well as attending local markets or events to raise awareness of this DIA funded scheme.

 **Rates Rebates, Email opt-ins and Direct Debits**

Rates Rebates Processed 2023-2026



This scheme is funded through the Department of Internal Affairs

7.7 Financial Reporting as at 31 December 2025(Cont.)**7. Options Analysis - *Ngā Kōwhiringa***

There are no options as this is an information report.

8. Significance and Engagement Assessment - Aromatawai Pāhekoheko**8.1. Assessment of Significance**

The decisions and matters of this report are assessed to be of low significance, in accordance with the Council's Significance and Engagement Policy.

8.2. Engagement and Community Views

Engagement on this matter is not being undertaken in accordance with Section 6.0 of the Council's Significance and Engagement Policy. This states that the Council will not consult when the matter is not of a nature or significance that requires public engagement (low significance).

9. Considerations - *Whai Whakaaro***9.1. Strategic Alignment**

No inconsistencies with any of the Council's policies or plans have been identified in relation to this report.

9.2. Financial/Budget Considerations

There is no budget considerations associated with the recommendations of this report.

9.3. Treasury Update

Council is required to remain compliant with all loan conditions attached to LGFA lending criteria

9.4. Climate Change Assessment

There are no significant or notable impacts associated with the matters of this report.

9.5. Risks

Risk	Description and/or Mitigation
Treasury Update - That council will exceed the interest rate, funding and liquidity parameters as specified in the council Treasury policy	Constant review of the council position on compliance indicators and treasury actions as required to remain compliant including monthly reviews of the current and forecast positions.
Treasury Update - That council will exceed the compliance indicators that form part of the LGFA lending conditions	Constant review of the council position on compliance indicators and treasury actions as required to remain compliant including monthly reviews of the current and forecast positions.

7.7.1 Appendix 1 - PWC Treasury Report as at 31 December 2025

Attached to this Report:

- Appendix 1 PWC Treasury Report as at 31 December 2025

7.7.1 Appendix 1 - PWC Treasury Report as at 31 December 2025

Appendix 1

Whakatane District Council



7.7.1 Appendix 1 - PWC Treasury Report as at 31 December 2025(Cont.)

Treasury summary - positions and compliance

Whakatane District Council

MonthEnd
 December 2025

2. Modified 24/34 LTP

Interest rate risk



Compliant until
 February 2026

\$147,700,000

Total fixed rate instruments

79%

Current hedged (%)

3.83%

WA fixed rate

Funding risk



Compliant until
 April 2026

Liquidity ratio

116%

Liquidity risk



Compliant until
 July 2028

\$187,797,668

Gross debt less prefunding

\$177,797,668

Net debt

\$20,000,000

Undrawn and unlinked bank facilities

\$10,000,000

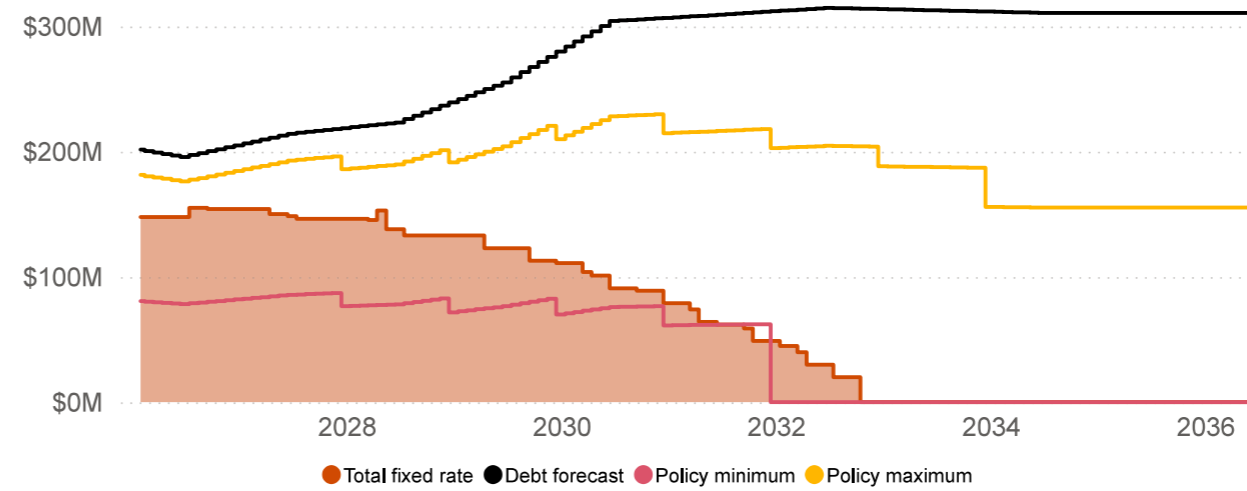
Liquid deposits

Counterparty credit limits

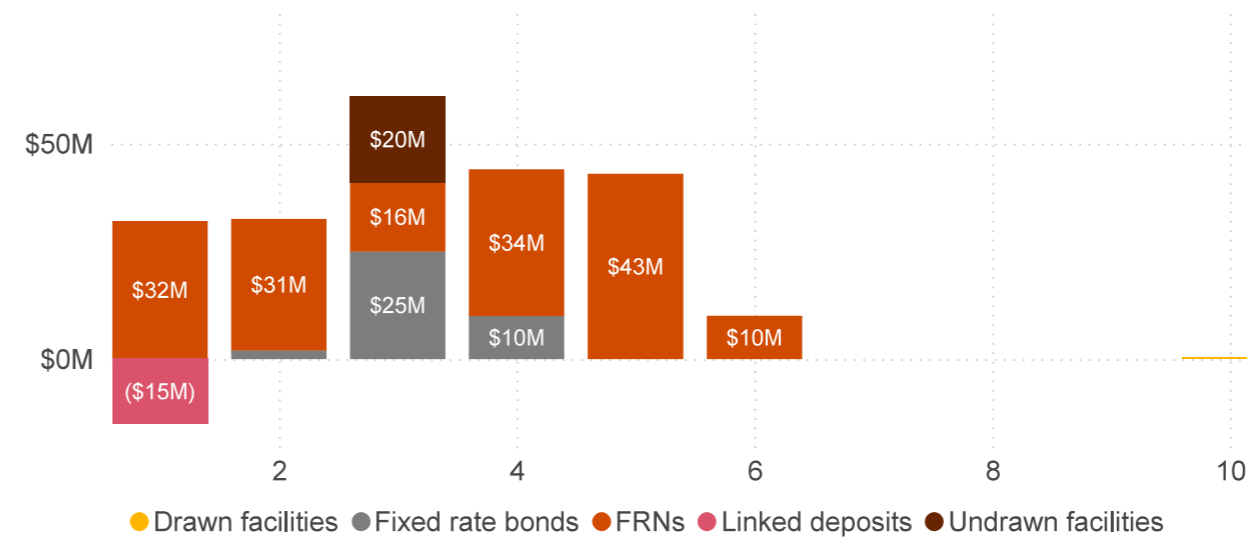
Counterparty Compliant?

ANZ	✓
BNZ	✓

Interest rate risk profile - Management forecast



Funding and liquidity risk timeline

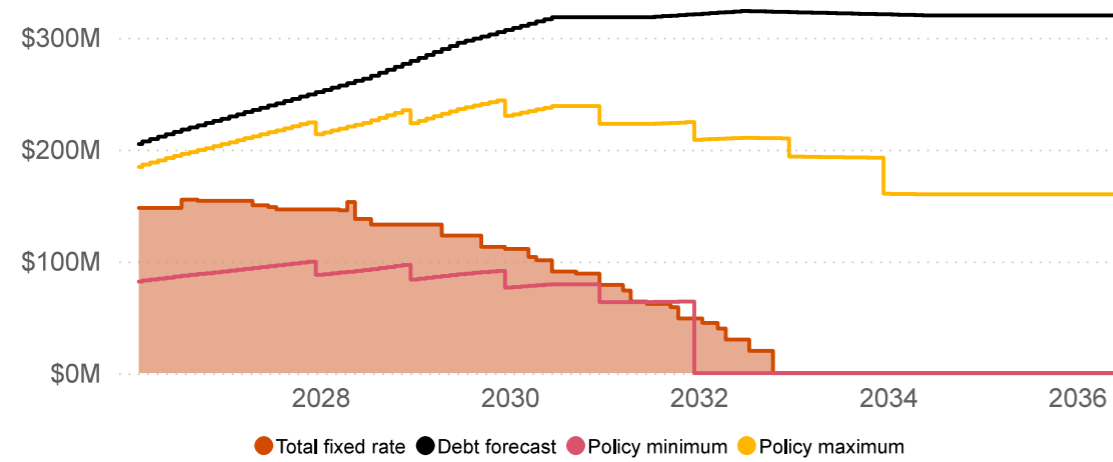


7.7.1 Appendix 1 - PWC Treasury Report as at 31 December 2025(Cont.)

Treasury summary - interest rate risk positions

Whakatane District Council

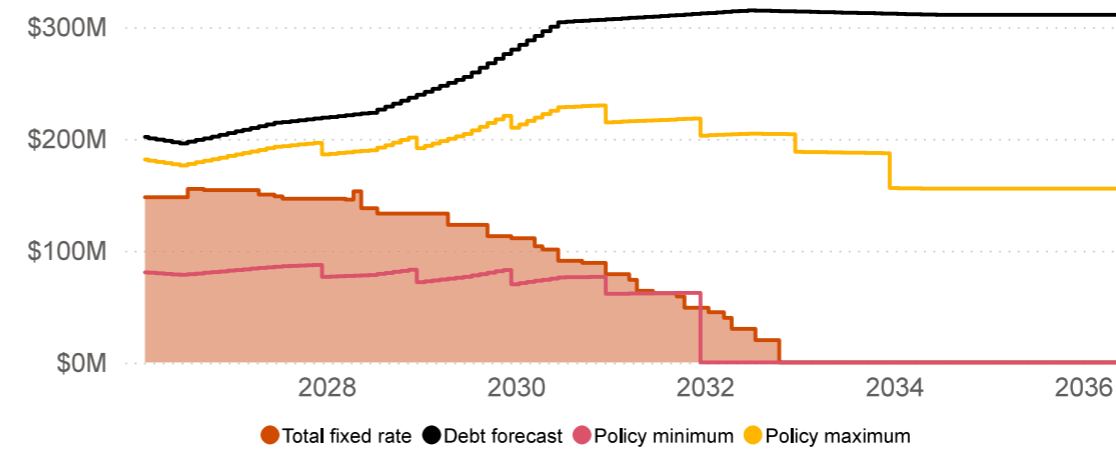
Interest rate risk profile - LTP 24/34



Interest rate summary

#	Bucket	Min	Max	Actual
1	0 - 12	40%	90%	70%
2	12 - 24	40%	90%	63%
3	24 - 36	35%	85%	53%
4	36 - 48	30%	80%	42%
5	48 - 60	25%	75%	31%
6	60 - 72	20%	70%	20%
7	72 - 84	0%	65%	9%
8	84 - 96	0%	60%	0%
9	96 - 108	0%	50%	0%
10	108 - 120	0%	50%	0%
11	120 - 132	0%	50%	0%

Interest rate risk profile - Management forecast



Interest rate summary

#	Bucket	Min	Max	Actual
1	0 - 12	40%	90%	75%
2	12 - 24	40%	90%	71%
3	24 - 36	35%	85%	62%
4	36 - 48	30%	80%	49%
5	48 - 60	25%	75%	33%
6	60 - 72	20%	70%	21%
7	72 - 84	0%	65%	9%
8	84 - 96	0%	60%	0%
9	96 - 108	0%	50%	0%
10	108 - 120	0%	50%	0%
11	120 - 132	0%	50%	0%

7.7.1 Appendix 1 - PWC Treasury Report as at 31 December 2025(Cont.)

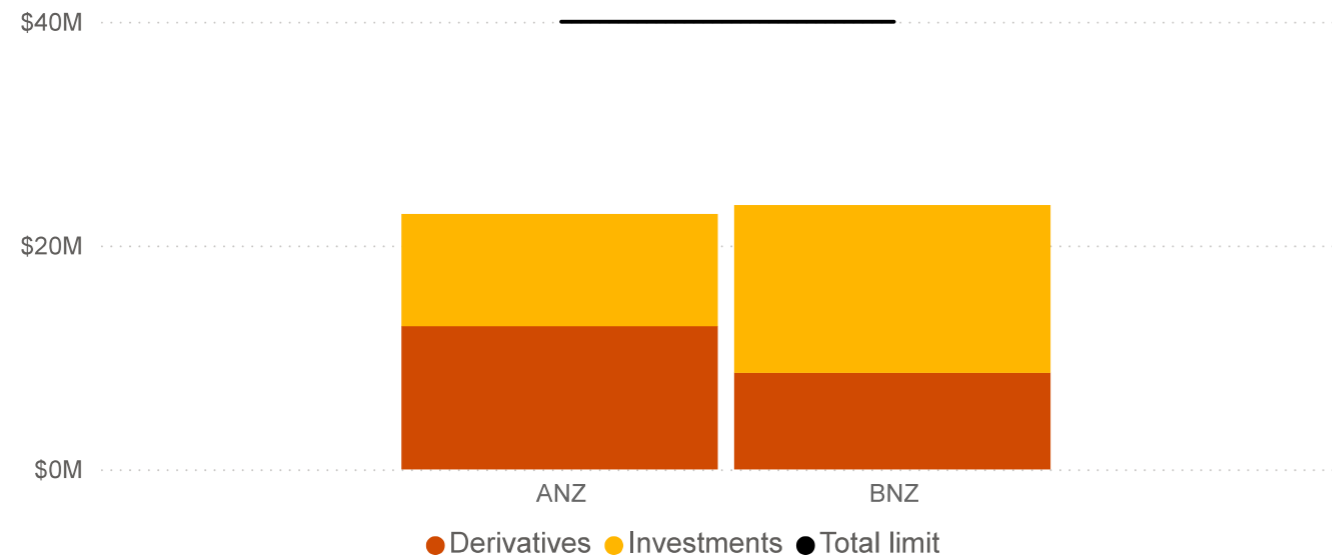
Counterparty credit overview

Whakatane District Council

Counterparty credit limits

Counterparty	Investments exposure	MtM	Derivatives exposure	Total exposure	Total limit	Compliant?
ANZ	\$10,000,000	\$42,666	\$12,805,183	\$22,805,183	\$40,000,000	✓
BNZ	\$15,000,000	\$325,545	\$8,612,033	\$23,612,033	\$40,000,000	✓

Counterparty credit usage, by bank



Counterparty credit composition

Description
 ● ANZ
 ● BNZ



7.7.1 Appendix 1 - PWC Treasury Report as at 31 December 2025(Cont.)

Funding and liquidity risk position

Whakatane District Council

Liquidity summary

116%

Liquidity ratio (liquid deposits)

110%

Liquidity ratio policy

\$187,797,668

Gross external debt, less prefunding

\$20,000,000

Undrawn and unlinked bank facilities

\$10,000,000

Liquid assets

\$15,000,000

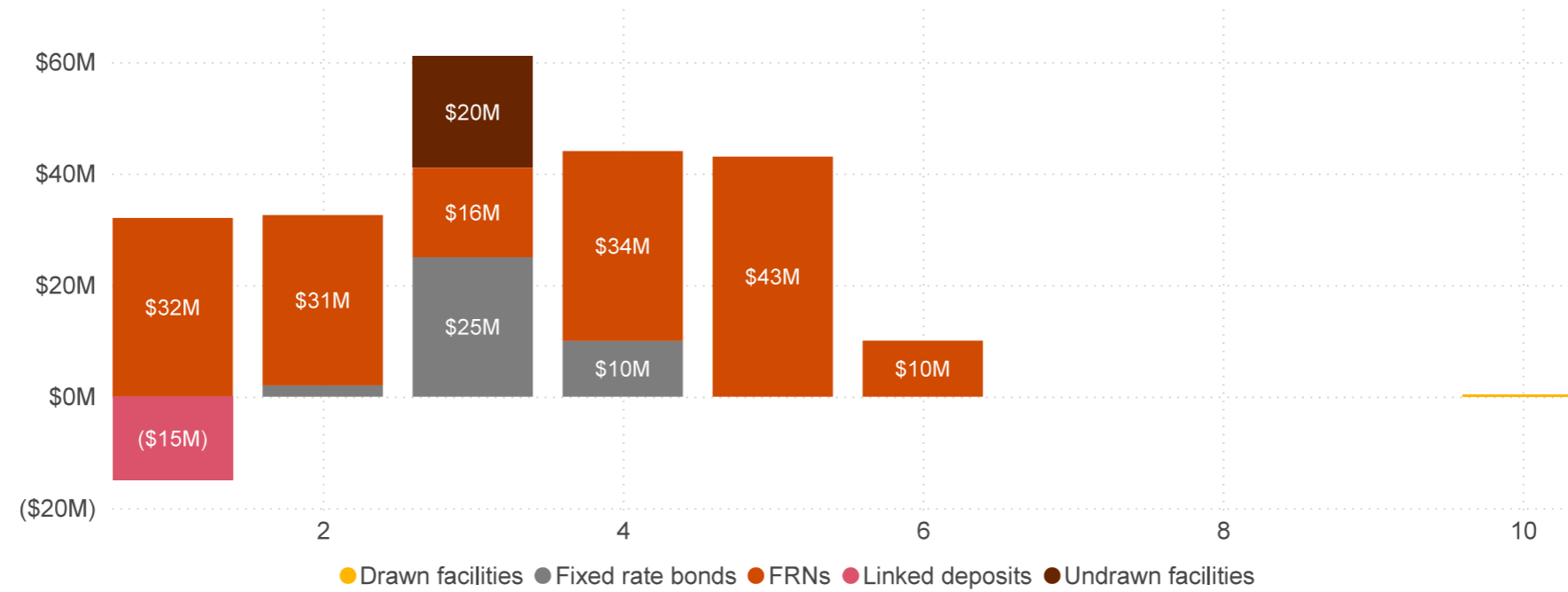
Linked deposits

2.64

WA term of debt (years)



Funding and liquidity risk timeline



Funding summary

Bucket (years)	Maturing in period (\$)	Policy	Actual
0 - 3	\$110,500,000	15% - 60%	53%
3 - 7	\$97,000,000	25% - 85%	47%
7 - 15	\$297,668	0% - 60%	0%
Total	\$207,797,668		100%

7.7.1 Appendix 1 - PWC Treasury Report as at 31 December 2025(Cont.)

List of interest rate swaps

Whakatane District Council

Instrument	Counterparty	Notional (\$)	Start date	Maturity date	Interest rate
Swap	BNZ	2,500,000	22 January 2021	22 July 2026	3.19%
Swap	BNZ	1,000,000	23 June 2021	23 September 2026	3.24%
Swap	ANZ	2,000,000	20 July 2023	20 April 2027	3.76%
Swap	ANZ	1,700,000	22 March 2023	22 June 2027	3.75%
Swap	ANZ	2,000,000	20 July 2023	20 July 2027	1.86%
Swap	ANZ	4,000,000	24 January 2023	25 January 2028	1.84%
Swap	ANZ	1,000,000	22 March 2024	22 March 2028	3.70%
Swap	ANZ	2,500,000	22 April 2024	20 April 2028	3.71%
Swap	ANZ	5,000,000	15 July 2025	15 July 2028	3.44%
Swap	BNZ	10,000,000	31 August 2024	31 August 2029	3.65%
Swap	BNZ	2,000,000	20 December 2024	20 December 2029	3.57%
Swap	ANZ	2,000,000	17 March 2025	15 March 2030	3.19%
Swap	ANZ	5,000,000	15 March 2024	15 March 2030	5.06%
Swap	BNZ	3,000,000	17 April 2024	15 April 2030	3.69%
Swap	BNZ	10,000,000	16 June 2025	15 June 2030	4.02%
Swap	ANZ	2,000,000	16 December 2024	16 September 2030	3.19%
Swap	BNZ	10,000,000	16 December 2024	15 December 2030	4.08%
Swap	ANZ	5,000,000	15 March 2024	15 March 2031	5.05%
Swap	ANZ	10,000,000	18 July 2024	17 April 2031	4.04%
Swap	ANZ	2,000,000	17 June 2024	16 June 2031	3.20%
Swap	ANZ	3,000,000	15 September 2025	15 September 2031	3.19%
Swap	ANZ	10,000,000	15 October 2025	15 October 2031	3.86%
Swap	ANZ	4,000,000	17 January 2028	15 January 2032	3.18%
Swap	ANZ	5,000,000	15 March 2024	15 March 2032	5.05%
Swap	ANZ	10,000,000	18 July 2024	17 April 2032	4.08%
Swap	BNZ	10,000,000	17 April 2028	17 July 2032	3.89%
Swap	ANZ	10,000,000	15 July 2026	15 October 2032	3.84%
Swap	BNZ	10,000,000	17 April 2028	17 October 2032	3.83%

7.7.1 Appendix 1 - PWC Treasury Report as at 31 December 2025(Cont.)

List of loans and deposits

Whakatane District Council

Instrument	Counterparty	Maturity	Drawn	Limit	Interest rate	Margin	Comm. fee
Call Account	ANZ	31 March 2026	10,000,000	10,000,000			
Linked Deposit (pre-funding)	BNZ	13 April 2026	15,000,000	15,000,000	3.63%		
Floating Rate Note	LGFA	15 April 2026	32,000,000	32,000,000		0.68%	
LGFA Borrower Note	LGFA	15 April 2026	-728,000	-728,000		0.32%	
Fixed Rate Bond	LGFA	15 April 2027	2,000,000	2,000,000	1.56%		
Floating Rate Note	LGFA	15 April 2027	30,500,000	30,500,000		0.75%	
LGFA Borrower Note	LGFA	15 April 2027	-731,500	-731,500	1.73%	0.39%	
Fixed Rate Bond	LGFA	15 April 2028	10,000,000	10,000,000	1.41%		
LGFA Borrower Note	LGFA	15 April 2028	-205,000	-205,000	1.30%		
Fixed Rate Bond	LGFA	15 May 2028	15,000,000	15,000,000	3.87%		
Floating Rate Note	LGFA	15 May 2028	16,000,000	16,000,000		0.83%	
LGFA Borrower Note	LGFA	15 May 2028	-775,000	-775,000	3.53%	0.44%	
Standby Facility	ANZ	31 July 2028	0	20,000,000		0.95%	0.20%
Fixed Rate Bond	LGFA	15 April 2029	10,000,000	10,000,000	5.58%		
LGFA Borrower Note	LGFA	15 April 2029	-75,000	-75,000		0.39%	
Floating Rate Note	LGFA	20 April 2029	34,000,000	34,000,000		0.81%	
LGFA Borrower Note	LGFA	20 April 2029	-1,430,000	-1,430,000	5.26%	0.52%	
Floating Rate Note	LGFA	15 May 2030	43,000,000	43,000,000		0.88%	
LGFA Borrower Note	LGFA	15 May 2030	-2,150,000	-2,150,000		0.70%	
Floating Rate Note	LGFA	15 May 2031	10,000,000	10,000,000		0.99%	
LGFA Borrower Note	LGFA	15 May 2031	-500,000	-500,000		0.69%	
Amortising Term Loan	Other	14 June 2035	297,668	297,668	3.50%		

7.7.1 Appendix 1 - PwC Treasury Report as at 31 December 2025(Cont.)



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7.8 Local Waters Done Well Update**7.8 Local Waters Done Well Update**

To: **Finance, Performance and Risk Committee**

Date: **Thursday, 26 February 2026**

Author: **N Johansson / Transition Director**

Reference: **A3066535**

1. Reason for the report - *Te Take mō tēnei rīpoata*

The purpose of this paper is to give the Finance, Performance and Risk Committee an update on the developments under the Local Waters Done Well (LWDW) initiative. It includes:

- An outline of developments in the transition to an Internal Business Unit.
- Recent development in investigations into a multi-council Water Services Council Controlled Organisation (WSCCO), and
- An outline of the requirements to develop a Water Services Strategy, as required by the Local Government Act 2025 (Water Services).

2. Recommendations - *Tohutohu akiaki*

1. THAT the Finance, Performance and Risk Committee **receive** the Local Waters Done Well Update report; and
2. THAT the Finance, Performance and Risk Committee **receive** the update on developments toward and Internal Business Unit (IBU) for water services commencing 1 July 2027; and
3. THAT the Finance, Performance and Risk Committee **receive** the update on developments in the investigation of a multi-council WSCCO between Kawerau District Council, Ōpōtiki District Council, Rotorua Lakes District Council and Whakatāne District Council; and
4. THAT the Finance, Performance and Risk Committee **note** the intent to develop a strategic and financial business case to support Council's decision making regarding a multi-council WSCCO, expected early 2027, with an earliest implementation date of 1 July 2028; and
5. THAT the Finance, Performance and Risk Committee **note** the requirement for public consultation of a multi-council WSCCO, if agreed as the preferred future delivery model, in September/October 2026, in order to obtain public feedback for consideration by the time a final decision needs to be made early 2027; and
6. THAT the Finance, Performance and Risk Committee **note** the requirement as per the Local Government Act 2025 (Water Services) for public consultation on a Water Services Strategy, including a summary of major issues prior to the implementation of an IBU on the 1 July 2027; and
7. THAT the Finance, Performance and Risk Committee **direct** staff to prepare a draft Water Services Strategy, based on the Water Services Delivery Plan, for Council consideration alongside the WDCs work on a Long Term Plan Strategy and Finance Strategy.

7.8 Local Waters Done Well Update(Cont.)**3. Background - *He tirohanga whakamuri***

The Local Water Done Well (LWDW) initiative aims to ensure that water services are financially sustainable, high-quality, and well managed for the future. It focuses on local ownership and decision-making, while meeting economic, environmental and water quality regulatory requirements. The initiative consists of three laws to establish the framework and arrangements for the new water services system, and the endurance settings for the water services system. The Local Government Act 2025 (Water Services) provides the legal framework for the LWDW programme.

On 26 June 2025 Whakatāne District Council (WDC) made the decision to establish an Internal Business Unit for its water services, while investigating potential benefits of a multi-council CCO together with Kawerau District Council, Ōpōtiki District Council and Rotorua Lakes District Council.

In September 2025 WDC submitted its Water Service Delivery Plan (WSDP) for when and how it will establish an Internal Business Unit (IBU), and what it will deliver for its communities over the next ten years. This plan was approved by DIA on 30 October 2025. The WSDP is now non-negotiable, unless a multi-council CCO is established. WDC are required, as are all councils, to report quarterly on how we are tracking to that plan. The first quarterly report is due to DIA in April 2026, for the period ending March 2026.

4. Discussion – *Kōrero***4.1. Transition to an Internal Business Unit****4.1.1. *What is an Internal Business Unit?***

An Internal Business Unit (IBU) is a delivery model where water services remain part of the Council but are managed as a separate, ring-fenced unit. This means:

- Water services revenue, costs, assets and liabilities are tracked separately from other Council activities.
- Dedicated financial statements and reporting are required.
- The Council retains full ownership, control of water assets and day-to-day operations.

4.1.2. *How is an IBU different from a Council Controlled Organisation (CCO)*

IBU: Operates within Council. Governance and decision-making remain with Councillors. Integration with other Council services (e.g. planning, reserves and transport) is consistent with current operations.

CCO: A separate legal entity jointly owned by one or multiple councils. It has its own Board and governance structure. Councils influence through shareholder agreements and Statements of Expectations, but day-to-day decisions are made by the CCO.

4.1.3. *Why are we setting up an IBU first?*

Council's preferred option for delivering water services is an IBU, and this was formally approved on 26 June 2025 following community consultation. This approach gives us time to meet legislative requirements while exploring whether a joint CCO could deliver better long-term outcomes. Legislation requires us to establish an IBU by 1 July 2027.

7.8 Local Waters Done Well Update(Cont.)**4.1.4. Will the IBU change how we work?**

Yes, in terms of financial and reporting processes. We'll introduce ring fenced budgets and annual reporting for water services. Operationally, our waters teams will continue their current work, but with greater transparency.

4.1.5. Does ring-fencing include staff resources?

Yes. While staff remain employed by Council, their time and costs for water services will be allocated to the Internal Business Unit. This ensures that the financial reporting for water services is accurate and separate from other Council activities. Ring-fencing is primarily about financial separation, but it includes tracking staff costs (including support service staff) as part of that process.

4.1.6. What happens if a CCO is formed later?

If all four councils agree, a joint CCO could start after 1 July 2028. At that point, water assets, staff and debt would transfer to the new entity. Customers would pay the CCO directly for water services, and the organisation would be governed by a professional Board.

4.1.7. Does this apply to all of the three water activities?

The establishment of an IBU applies to the three water activities – water supply, wastewater and stormwater. A decision on a future CCO structure would need a decision whether to include two waters, being water supply and wastewater, or to include all three waters including stormwater.

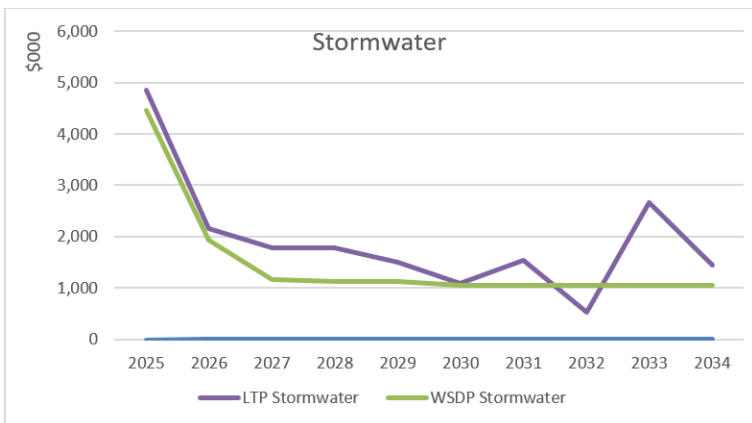
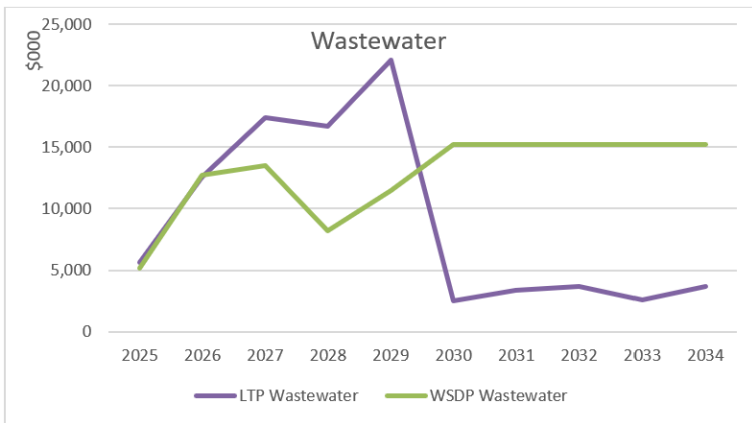
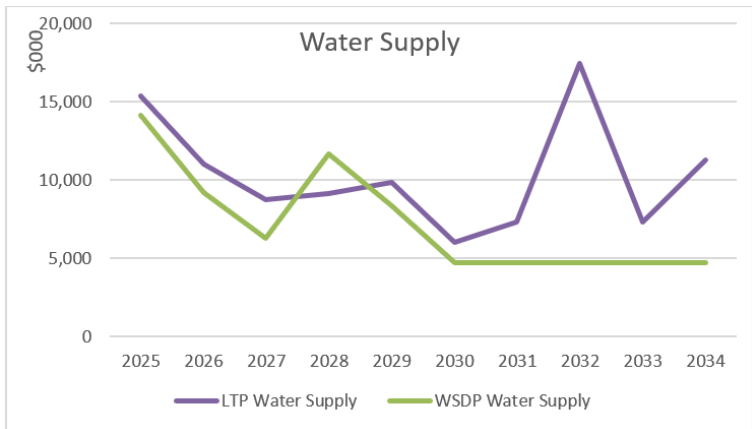
Work is well underway for planning and implementing an IBU by 1 July 2027. A Programme Management Plan is established for the purpose of clarifying all the component parts which need to come together for the transition to be smooth, and their respective deliverables to time and to quality. The work is divided into a number of workstreams across the organization:

- People and Change Management
- Finance
- Tangata Whenua Engagement
- Water Services Strategy
- Customer and Digital
- Policy and Planning
- Legal and Governance
- External Communication and Engagement

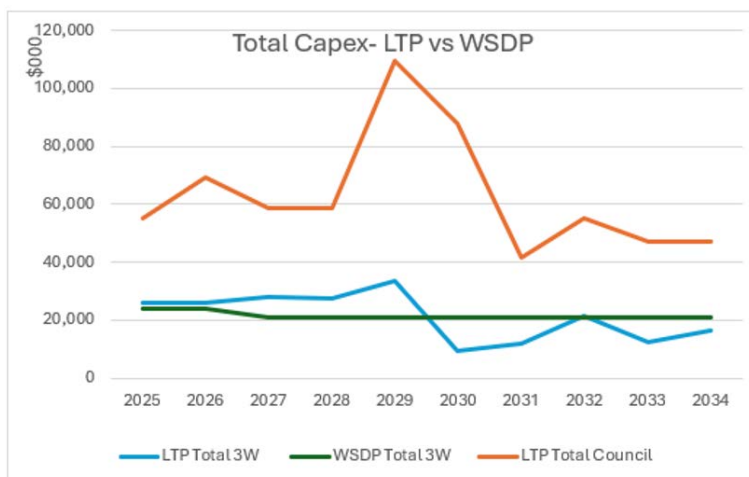
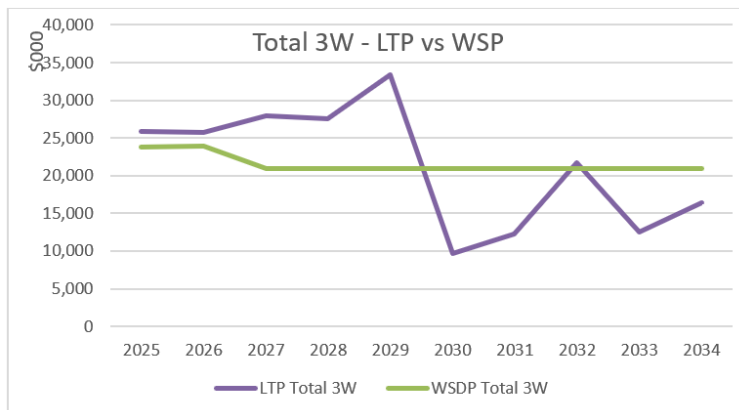
4.1.8. Scale of Council Services Transitioned

The following graphs are included to highlight the scale of the business being ring-fenced, transferred to an IBU and potentially transferred to a multi-council WSCCO in the future.

7.8 Local Waters Done Well Update(Cont.)



7.8 Local Waters Done Well Update(Cont.)



4.2. Investigation of a Multi-Council Water Services Council Controlled Organisation (WSCCO)

On 9 December 2025 the multi-council WSCCO Waters Working Group (WWG consisting of Mayor and two elected members from each council) signed an MoU (Attachment A) to investigate the potential of a WSCCO Kawerau District Council, Ōpōtiki District Council, Rotorua Lakes District Council and Whakatāne District Council. The MoU sets out the scope for the investigation, and how the parties are expected to work together. The WWG does not have mandate to make decisions on behalf of either Council but gives guidance only to the project team working on the investigation. All decisions about a WSCCO or retaining the IBUs sit with respective councils.

A second meeting of the WWG was held in Whakatāne on 2 February 2026. The agenda for the meeting, attachments, minutes and associated information are attached (Attachments B-E).

The following guidance was given:

- The WWG is an advisory group only and relevant information will be given to individual councils as part of a workshop in March 2026 (for WDC this is scheduled for 4 March 2026) to seek feedback on the proposed technical analysis approach and potential engagement options.
- The need to elevate the community conversations alongside the completion of any technical analysis was highlighted. A communications and engagement plan will be prepared for discussion at the Waters Working Group on 23 February 2026. This engagement will be confirmed with all councils through workshops in March 2026.

7.8 Local Waters Done Well Update(Cont.)

- The WWG chose Max Baxter as an Independent Advisor. Max is the ex-Mayor of Ōtorohanga District Council and brings insights into the development of the Waikato Water Done Well (WWDW) joint Water Service Organisation.
- Procurement for development of a Business Case (Strategic and Economic Case) was supported. The selection process is through a targeted approach due to the technical nature and limited number of companies with relevant capabilities to carry out this work. Procurement for this vendor will be completed before the 23 February 2026 meeting of the WWG.
- The proposed Strategic Objectives (which were drawn from Whakatāne DC, Kawerau DC and Ōpōtiki DC Water Service Delivery Plans) were endorsed in principle. Strategic Objectives clarify our aspirations and provide crucial direction, focus and a roadmap for our collaboration, translating a broad vision into measurable goals. They are:

**4.3. Development of a Water Services Strategy**

All Councils must have an approved Water Services Strategy (WSS) approved and in place by the time their respective delivery model as per LWDW is implemented. For WDC that means to have the WSS drafted, publicly consulted, and approved for implementation by 1 July 2027. The Local Government Act 2025 (Water Services) Schedule 3 prescribes what the WSS need to cover.

- Strategic context: legislative requirements, regulation, assumptions, growth plans
- Strategic objectives
- Current Asset state
- Future demand and Growth
- Levels of Service & Performance standards
- Significant issues: Renewals backlog, compliance gaps, resilience & climate change, workforce and supply chain etc
- Strategic approach: Renewals & Life cycle management, compliance, Asset Management etc
- Financial strategy: Forecasts, revenue sources & charging, Funding and Financing
- Risk Management: Critical asset failure, public health, affordability, climate change, growth, regulation and consenting changes etc
- Engagement approach: Who/how and ongoing customer feedback mechanisms
- Monitoring, reporting & review

7.8 Local Waters Done Well Update(Cont.)

WDC's Water Services Strategy for the Internal Business Unit must reflect its Water Service Delivery Plan (WSDP) as approved by DIA on 30 October 2025. This limits Council's ability to influence an alternative strategic direction at this point. The WSA seems to acknowledge the constraints by Councils WSDPs across the country done before the strategy development, hence it does not require councils to produce a full consultation document for communities to consider but stipulates that Councils must prepare a "summary of major matters" and consult on this summary only.

Given Council's limited ability to influence the strategic direction for the WSS, it is proposed that staff prepare a draft Water Services Strategy, based on the Water Services Delivery Plan, for Council consideration alongside the WDCs work on a Long-Term Plan Strategy and Finance Strategy being prepared for adoption on 1 July 2027.

4.4. Further Consideration

Should Council's preferred delivery model for its water services in the future be via a multi-council WSCCO, the change in a direction from an Internal Business Unit shall go to public consultation. This would occur in September/October 2026 following the completion of the business case referred to above, and prior to a final decision being required early 2027.

5. Options Analysis - *Ngā Kōwhiringa*

No options have been identified relating to the matters of this report.

6. Significance and Engagement Assessment - *Aromatawai Pāhekoheko***6.1. Assessment of Significance**

The decisions and matters of this specific report are assessed to be of low significance in accordance with the Council's Significance and Engagement Policy. However, this report is part of a broader process that will, in future be of high significance.

6.2. Engagement and Community Views

Engagement on this matter is planned for when a preferred delivery option is chosen, which is scheduled for September 2026.

Public consultation of the Water Services Strategy (IBU) will take place aligned with the LTP consultation early 2027.

7. Considerations - *Whai Whakaaro***7.1. Strategic Alignment**

No inconsistencies with any of the Council's policies or plans have been identified in relation to this report.

7.2. Legal

Legal advice will form part of future reports on the IBU Transition and any potential proposal around a WSCCO.

7.8.1 Attachment A - MoU WSCCO Investigation, Signed

7.3. Financial/Budget Considerations

There is no budget considerations associated with the recommendations of this report.

7.4. Climate Change Assessment

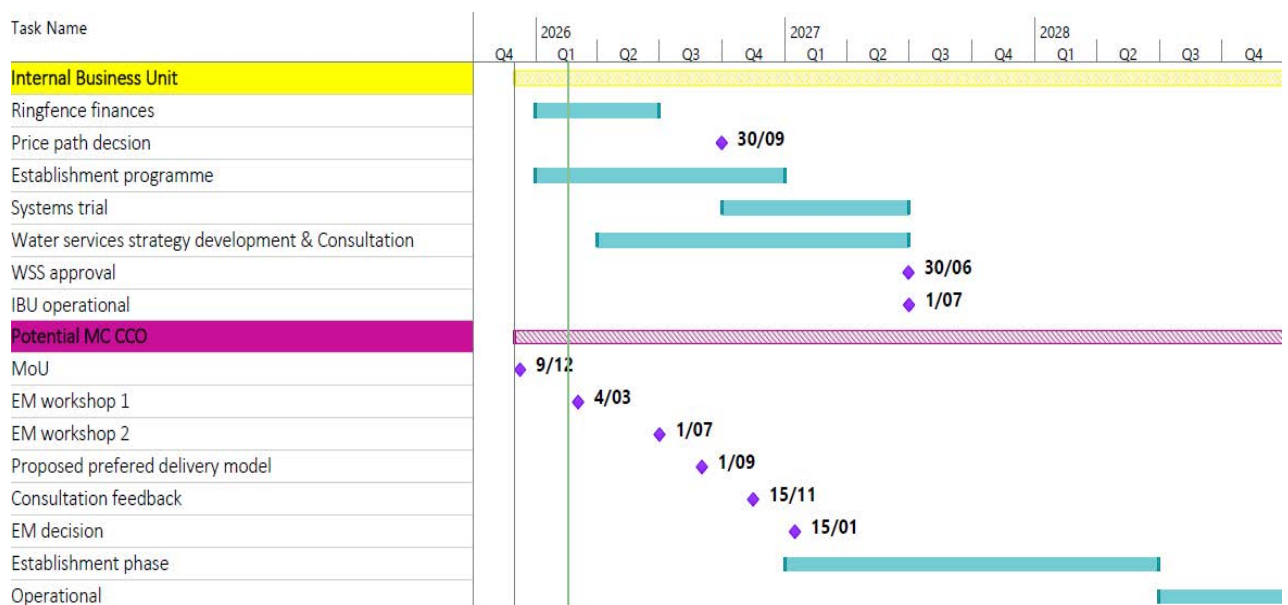
There are no significant or notable impacts associated with the matters of this report.

7.5. Risks

There are no significant or notable risks associated with the matters of this report.

8. Next Steps – E whai ake nei

Below is a schedule outlining the work programme for the IBU and the multi-council WSCCO, highlighting some but not all, key decisions required by Council in the future:



Attached to this Report:

- Attachment A - MoU WSCCO Investigation, Signed
- Attachment B - Waters Working Group Agenda Feb-26
- Attachment C - National Infrastructure Term Sheet Water Organisations
- Attachment D - LWDW Guidance Shareholding options
- Attachment E - Shareholding Options, examples

7.8.1 Attachment A - MoU WSCCO Investigation, Signed

7.8.1 Attachment A - MoU WSCCO Investigation, Signed(Cont.)



7.8.1 Attachment A - MoU WSCCO Investigation, Signed(Cont.)

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7.8.1 Attachment A - MoU WSCCO Investigation, Signed(Cont.)

INTRODUCTION

PARTIES

Kawerau District Council

Ōpōtiki District Council

Rotorua Lakes Council

Whakatāne District Council

(known collectively as "the Councils")

INTRODUCTION

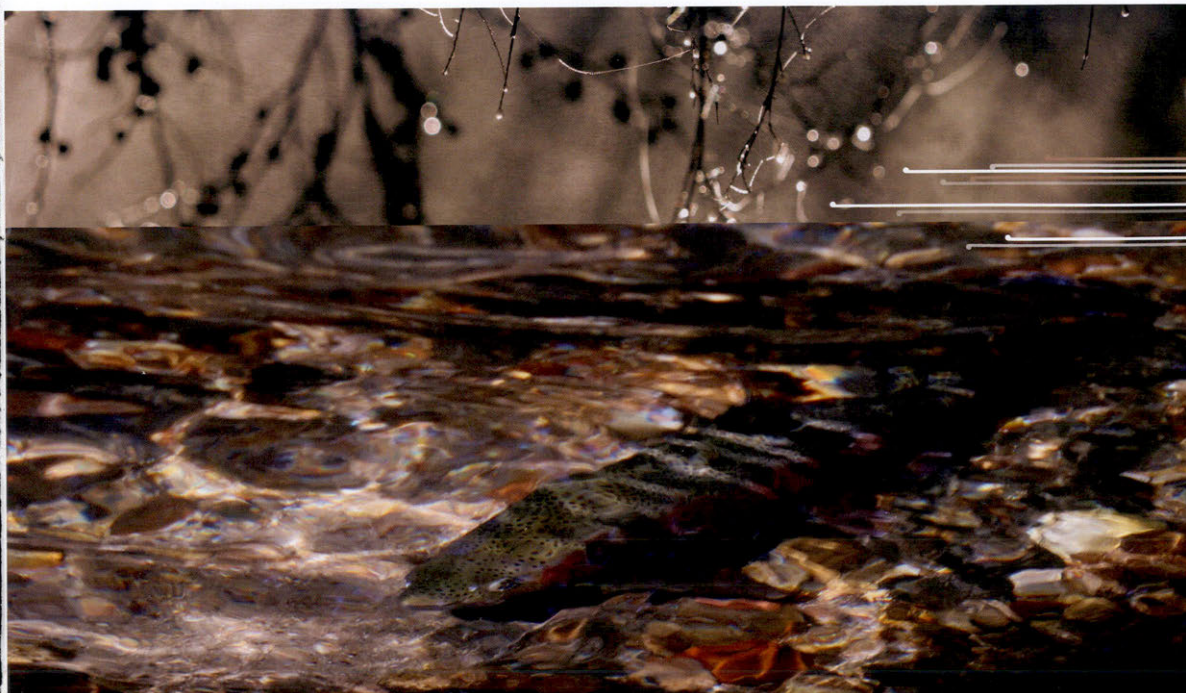
The Councils decided during 2025 to pursue the investigation of a joint multi-council Water Service Delivery entity which complies with their respective Water Service Delivery Plans that have been submitted and approved by the Secretary for Local Government (Department of Internal Affairs) under the Local Governance (Water Services Preliminary Arrangements) Act 2024.

These plans outline how water services will be delivered within each Council's district and outline a multi-staged delivery model. Under this model, water services will continue to be delivered in-house until 1 July 2028, while a regional Waters Working Group investigates the potential establishment of a multi-council water services council-controlled organisation (WSCCO) for future delivery.

This agreement sets out the Councils' shared commitment to work together and collaboratively explore an optimum joint operating model for the delivery of water services to their respective communities.

Each Council agrees to undertake the activities and responsibilities assigned to it under this agreement to support the achievement of the collective stated objectives.

The Councils have entered into this agreement to record the terms of their collaboration and commitment to achieving the shared Objectives.



7.8.1 Attachment A - MoU WSCCO Investigation, Signed(Cont.)

SIGNATURES

Signed for and on behalf of

KAWERAU DISTRICT COUNCIL

Faylene Tunui
Mayor

[Redacted Signature]

Signature of Authorised Signatory

Date 09/12/25

Morgan Godfery
Chief Executive

[Redacted Signature]

Signature of Authorised Signatory

Date 9/12/25

ŌPŌTIKI DISTRICT COUNCIL

David Moore
Mayor

[Redacted Signature]

Signature of Authorised Signatory

Date

Stace Lewer
Chief Executive

[Redacted Signature]

Signature of Authorised Signatory

Date 9/12/25

ROTORUA LAKES COUNCIL

Tania Tapsell
Mayor

[Redacted Signature]

Signature of Authorised Signatory

Date 9/12/25

Andrew Moraes
Chief Executive

[Redacted Signature]

Signature of Authorised Signatory

Date 9/12/25

WHAKATĀNE DISTRICT COUNCIL

Nándor Tánczos
Mayor

[Redacted Signature]

Signature of Authorised Signatory

Date 9/12/25

Steven Perdia
Chief Executive

[Redacted Signature]

Signature of Authorised Signatory

Date 9/12/25



7.8.1 Attachment A - MoU WSCCO Investigation, Signed(Cont.)

SCHEDULE 1: AGREEMENT DETAILS

1. COMMENCEMENT DATE

This agreement commences on the date it is last signed by all Councils.

2. EXPIRY DATE

This agreement expires on acceptance of the joint Report. If the Councils resolve to set up a multi-Council Water Services CCO, new agreements will be entered into.

3. COUNCILS WATERS WORKING GROUP

Members: The members of the Councils Waters Working Group are:

Kawerau District Council member: Sela Kingi, Justin Ross

Ōpōtiki District Council member: Dean Petersen, Steve Nelson

Rotorua Lakes Council member: Karen Barker, Ben Sandford

Whakatāne District Council member: Wilson James, Tu O'Brien

Meetings: The Councils Governance Group is an appointed elected members forum and will meet as required but no less than quarterly.

4. PROJECT TEAM

Members: The Councils' Chief Executives will be members of the Project Team while the following officers will be each council's programme representative:

Kawerau District Council member: Riaan Nel

Ōpōtiki District Council member: Ian Morton

Rotorua Lakes Council member: Craig Tiriana

Whakatāne District Council member: Nic Johansson

Meetings: Project Team will meet weekly online and as required in person.

5. PROJECT FUNDING

Each Council will be responsible for its own project budget and agree in principle that where costs should be shared an appropriate distribution model will be agreed

7.8.1 Attachment A - MoU WSCCO Investigation, Signed(Cont.)

SCHEDULE 2: AGREEMENT TERMS AND CONDITIONS

6. PROJECT OVERVIEW

6.1. Objectives

The key objectives of this agreement ("Objectives") are:

- a) or the Councils to continue to work closely, collaboratively and successfully to investigate a joint WSCCO that meets each Council's long-term needs and objectives for their respective communities.
- b) to facilitate the Councils making timely decisions that can be incorporated into each Council's 2027-2037 Long Term Plan and to meet the commitments made through the Water Services Delivery Plans.
- c) to enable the Councils to consider how they would operate together in a way that facilitates an effective and efficient use of Councils' resources, providing long term optimum benefit to the parties' ratepayers; and
- d) to provide a strong evidence base to enable the Councils to make decisions on whether to establish a joint water organisation by 1 July 2028.

6.2. Relationship principles:

The Councils will:

- a) work together collaboratively and in good faith.
- b) ensure communication between them is open, proactive, transparent and inclusive, to avoid any surprises.
- c) make every effort to understand the other Councils' needs and objectives for the investigation and make all reasonable endeavours to ensure the investigation meets such needs and objectives.
- d) raise any issues that arise in connection with this agreement at the earliest opportunity, for joint resolution.
- e) resolve disagreements promptly and amicably; and
- f) as a courtesy and in the interests of clear and consistent communication, consult with the other Councils before commenting publicly on the investigation or this agreement.

7. KEY ACTIVITIES

7.1. Council responsibilities:

Each Council will:

- a) work with the other Councils to:
 - i) develop and document the Councils' technical, operational, legal and other requirements for the joint operating model ("Requirements") and agree reasonable and realistic timeframes for delivery of the joint operating model; and
 - ii) plan and design the joint operating model to meet the requirements, including at such time(s) required by the other Councils.
- b) make decisions in relation to matters for the project, within the indicative timeframes listed in the Scope and Project Plan.
- c) provide subject matter experts where relevant to assist with the investigation of a joint operating model.
- d) provide a dedicated single point of contact for that Council for the management of the project delivery (ideally a project manager, who will also be the person authorised to make decisions, for example, approvals of proposed public comments on the project) on behalf of that Council).
- e) provide a dedicated and senior level 'sponsor' for the project.
- f) attend meetings agreed by the Councils as appropriate or necessary for the effective governance and/or the delivery of the investigation.
- g) fund and provide resources to undertake the project under this Agreement; and
- h) be responsible for complying with any requirements to undertake consultation or reporting in respect of its own council and local government processes.

7.8.1 Attachment A - MoU WSCCO Investigation, Signed(Cont.)**7.2. Council individual responsibilities not affected**

Each Council acknowledges that the Councils' commitment to the obligations under this agreement does not limit or pre-empt each Council's own obligations as local government authorities at law, including in respect of decision-making responsibility and public consultation obligations.

7.3. Shared council responsibilities

a) The Councils agree that Ian Morton (DIA) will coordinate the project with support from Council programme managers who will share the following responsibilities:

- i) managing project expenditure and tracking against any project spends;
- ii) preparing agendas and scheduling governance meetings for the project; and
- iii) preparing reporting for governance meetings for the project.

7.4. Development expectations and timelines

a) Each Council acknowledges that the other Council(s) will be providing funding and resources to investigate the joint operating model and have an interest in ensuring a consistency of approach in the investigation of the joint operating model.

b) Accordingly, any Council may submit a request to the other Council(s), for consideration and agreement by all the Councils, to:

- i) adjust expected timelines and/or reprioritise resources allocated to the investigation of the joint operating model as necessary to manage resource and funding constraints, subject to not compromising the achievement of the Objectives; and/or
- ii) change the requirements that are not reasonably viable for a Council to meet its own needs, and the Councils will work together to agree and implement any agreed change.

7.5. Project communications

The Working Group will advise on shared messaging and spokesperson/s for any shared communication on the programme. Councils will have their own local relationship and communication commitments but agree that media releases, public announcements and public disclosures by any Council relating to this agreement or its subject matter (including informational or promotional, but not including any announcement intended solely for internal distribution or any disclosure required by legal, accounting or regulatory requirements beyond the reasonable control of such Council) shall be co-ordinated with, and approved by, all Councils, provided that this does not apply to any media release, public announcement or public disclosure made by a Council (the "Announcing Council"):

- a) which does not identify any other Council to this agreement; or
- b) about the Announcing Council's business and operations or the Announcing Council's Confidential Information, excluding anything about or in connection with this agreement.

8. PROJECT GOVERNANCE**8.1. Governance structure**

The governance model for the project comprises the following:

- a) Councils Waters Working Group ("WWG").
- b) Project Team.

8.2. Decisions made by the governance groups

- a) Each Council will be responsible for its own decision-making using the Project Team's advice and assistance and Working Group recommendations.
- b) The Project Team will make decisions on a consensus basis.
- c) Where consensus is not possible, Project Team decisions will be made by the majority or alternatively escalated to the Working Group.

7.8.1 Attachment A - MoU WSCCO Investigation, Signed(Cont.)**8.3. Meeting administration**

Working Group meetings will be shared between each Council, with that Council being the Host Council. They will undertake the administrative functions for that meeting, including circulating an agenda of items to be discussed ahead of the meeting date.

8.4. Councils Waters Working Group

The WWG shall be responsible for:

- a) overseeing and providing the direction of the project.
- b) addressing issues that have been escalated to it by the Project Team.
- c) keeping informed on the project by information provided from the Project Team.
- d) making any recommendations to the Councils.

8.5. Project Team

The Project Team shall be responsible for:

- a) preparing a detailed scope of work and project plan (including project milestones) to deliver on the Objectives ("Scope and Project Plan"). The Scope and Project Plan may take the form set out in Schedule 3. The project plan and progress against the Scope and Project Plan will be reported to monthly.
- b) developing and maintaining any Project Budget.
- c) engaging external expertise as required.
- d) preparing stakeholder/engagement framework ensuring all appropriate parties are included on an ongoing basis.
- e) preparing and attending workshops with the Councils' elected members as required to achieve the project and Objectives.
- f) preparing consultation packs in collaboration with individual Councils to support each Council's required consultation processes.
- g) running and/or supporting consultation processes as required.
- h) developing a joint WSDP in accordance with legislative requirements and each Council's requirements, if required.
- i) approving any Project Budget as per council delegation.
- j) any other matters required under a term of reference agreed for the Project Team.

9. COST SHARING**9.1. Cost sharing principles**

Each Council is responsible for its own project budget and agree in principle where costs should be shared an appropriate distribution model will be agreed.

7.8.1 Attachment A - MoU WSCCO Investigation, Signed(Cont.)**9.2. Project Team delegation**

9.3. The Project Team will have delegated authority to commission any required work on behalf of the agreed programme.

9.4. Council Exit

If a Council exits this agreement, that Council remains responsible for its share of all costs incurred up to that date, including any committed costs that cannot be mitigated by the remaining participating Councils.

10. TERM**10.1. Term**

This agreement commences on the Commencement Date and continues until the Expiry Date, unless terminated earlier by all Councils in accordance with clause 10.2.

10.2. Termination by agreement

This agreement may be terminated at any time by agreement in writing of all current Councils to this agreement.

- a) Subject to clause 9.3, any Council may withdraw its participation in this agreement at any time by giving written notice to the other Councils.
- b) Before a Council exercises its withdrawal right under subclause a), that Council must:
 - i) provide as early as possible notification to the other Councils that the Council is considering, or intending to withdraw from the Project, including to provide the other Council(s) with sufficient time to respond to and agree on any public releases in accordance with clause 7.5;
- c) provide the other Council(s) with its reasons for the withdrawal;
- d) Any withdrawing Council will do so while carrying its risk entirely.

10.3. LGOIMA

Each Council acknowledges that the other Council(s) are subject to the Local Government Official Information and Meetings Act 1987 (LGOIMA). Accordingly, notwithstanding anything else in this agreement, each Council agrees to cooperate fully in providing the other Council(s) with any documents or other information that the other Council is required to provide pursuant to a request made under the LGOIMA.

7.8.1 Attachment A - MoU WSCCO Investigation, Signed(Cont.)

SCHEDULE 3: SCOPE

SCOPE

The purpose of this workstream is to explore and define the practical, governance, financial, and engagement dimensions of a joint multi-Council Water Services Council Controlled Organisation (WSCCO). The scope includes the following key areas:

1. UNDERSTANDING A WSCCO IN PRACTICE

- Investigate what a WSCCO means operationally and strategically.
 - Review lessons learned from existing or proposed models, including Watercare, Wellington Water, Waikato Water and including the work presented by the Bay of Plenty CEs to the Mayoral Forum in 2024.

2. OWNERSHIP AND SHAREHOLDING MODELS

- Assess potential ownership structures based on:
 - Number of connections
 - Population served
 - Net asset value (assets minus debt)
 - Net asset value adjusted for compliance costs
 - Other relevant models

3. DETERMINATION OF VOTING RIGHTS

- Explore options for how voting rights could be allocated among shareholders.

4. ENGAGEMENT AND COMMUNICATIONS

- Develop a communications and engagement plan to ensure frequency, transparency and alignment with councils and the public, including:
 - Regular reporting back to councils
 - Public Q&A mechanisms (via Council consultation platform)

5. WSCCO MODEL OPTIONS

- Evaluate structural options for the WSCCO, including:
 - Asset-owning models
 - Service-only models
 - Potential for broader service delivery beyond water

6. IWI AND HAPŪ RELATIONSHIPS

- Identify mechanisms to maintain and strengthen relationships with iwi and hapū, considering:
 - Legislative obligations
 - Historical agreements
 - Private agreements
 - Future aspirations and partnership models

7.8.1 Attachment A - MoU WSCCO Investigation, Signed(Cont.)

7. PRICING MODELS

- Explore pricing and funding approaches, including:
 - Current commonalities between pricing and funding approaches
 - District-based ringfencing
 - Growth-related cost recovery
 - Harmonised pricing models

8. MEETING AND GOVERNANCE ARRANGEMENTS

- Recommend governance and meeting protocols, including:
 - Representation (Mayor and two appointed representatives per Council)
 - Rotating chairpersonship (e.g., among mayors)
 - Rotating meeting locations
 - Online attendance options
 - Public accessibility of meetings



7.8.2 Attachment B - Waters Working Group Agenda Feb-26

7.8.2 Attachment B - Waters Working Group Agenda Feb-26

Joint Waters Working Group

Whakatāne

Monday, 2 February 2026



7.8.2 Attachment B - Waters Working Group Agenda Feb-26(Cont.)

Agenda

- Karakia
- Scope reminder
- Actions from last meeting reported back later
 - Other presenters (Taumata Arawai/ComCom/DIA)
 - Financial Information/Modelling
 - Other councils having progressed joint arrangements
- Actions from last meeting reported back today
 - Future programme
 - Independent Advisor
 - Shareholding and Voting options
 - Potential approaches for iwi involvement per phase (what can be shared)
 - Key messages
- Strategic Objectives
 - Why
 - Draft for consideration
- Closing Karakia

HoA Scope
reminder:
*To explore and
define the
dimensions of a
multi council
WSSCO*

1. **Understanding a WSSCO in Practice**
Investigate what a WSSCO means operationally and strategically.
2. **Ownership and Shareholding Models**
Assess potential ownership structures based on:
3. **Determination of Voting Rights**
Explore options for how voting rights could be allocated among shareholders.
4. **Engagement and Communications**
Develop a communications and engagement plan to ensure frequency, transparency and alignment with councils and the public, including:
5. **WSSCO Model Options**
Evaluate structural options for the WSSCO, including:
6. **Iwi and Hapū Relationships**
Identify mechanisms to maintain and strengthen relationships with iwi and hapū, considering:
7. **Pricing Models**
Explore pricing and funding approaches, including:
8. **Meeting and Governance Arrangements**
Recommend governance and meeting protocols, including:

Key Milestones for each Individual Council

As Per Water Service Delivery Plans

DATE		OBJECTIVE
Feb / Mar 2026	Workshop 01	To orientate them on study purpose, community and iwi engagement, and their upcoming decision on WSO. Councillors provide direction on the overall process for the detailed study and engagement to be undertaken.
Aug 2026	Workshop 02	Each participating council gives direction on preferred option (based on study outcomes)
Early 2027	Workshop 03	Each participating council provides direction on future of water services delivery after consultation.

Pathway to Enable Final Decision Making

We propose to develop an Indicative Business Case to guide us through the investigation phase:

It shall consider both water service delivery and the impact on other council services for the four councils, including elements relating to:

- Use of alternative structures to deliver water services for the proposed WSCCO, including costs, community benefits and disbenefits, affordability, governance, and accountability.
- Impacts and implications for council services, the business, and the community for each alternative delivery structure considered.
- High level trade-offs identified between water services and the residual organisation.

Two parts to the Indicative Business Case

- The **Strategic Case** describes the strategic context and the case for change for the future of water service delivery. It provides an overview of the legislative framework; Outlines how the programme aligns with Council, subregional, and Government priorities; Outlines the current problems and opportunities that LWDW may address; Summarises the benefits for the preferred way forward; Presents the opportunity, potential risks, constraints, and dependencies.
- The **Economic Case** identifies the service delivery option that optimises value for our community. Having determined the strategic context for the investment proposal and the opportunity presented through LWDW, it: Identifies options for alternative service delivery models; Undertakes option assessments using both qualitative and quantitative data. It identifies the proposed best way forward for future water service delivery and recommends an overall preferred way forward under LWDW for the four councils.

Pathway to Enable Final Decision Making contd.

- a) Develop an Indicative Business Case (IBC) scope aligned with the MoU document and agreed strategic objectives.
- b) Endorses procurement of services to develop the IBC, by canvassing experienced service providers in the field and make a transparent selection considering value for money and quality of product.
- c) Share the cost for the development of the IBC. Proportion to be decided by CEs
- d) Project Team generates regular council reports on the development that WG can bring back for endorsement or otherwise from each partner's full council

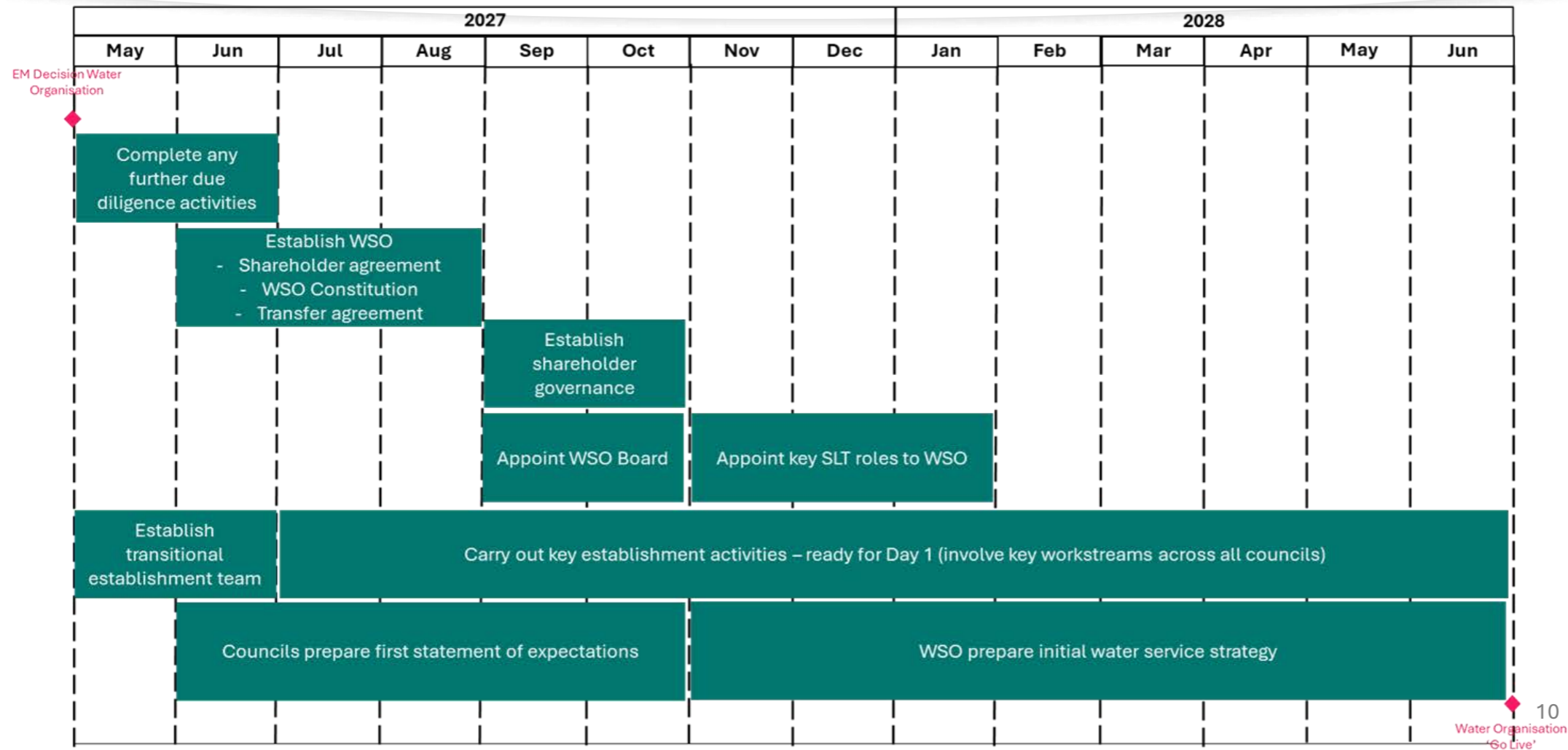
7.8.2 Attachment B - Waters Working Group Agenda Feb-26(Cont.)

Future Programme

	Investigation Phase	Establishment Phase	Operations Phase
Timing	<ul style="list-style-type: none"> Dec 2024 – Feb 2027 	<ul style="list-style-type: none"> May 2027 – Jun 2028 	<ul style="list-style-type: none"> From Jul 2028 onwards
Input	<ul style="list-style-type: none"> BOP DIA Modelling (2024) Existing analysis (four councils) Water Service Delivery plans 	<ul style="list-style-type: none"> Council resolution to progress with multi council Water Service Organisation (WSO) 	<ul style="list-style-type: none"> Assets & staff transfer to Water Service Organisation (WSO) Day 1 of operations
Focus for Phase	<ul style="list-style-type: none"> Conduct study to understand other WSCCO models formation/challenges/opportunities as per scope Identify concerns councilors have related to a WSO & prepare relevant information to address concerns (Analysis / principles etc) Assess the benefits of a WSO & re-analyse & re-test this against a stand alone option 	<ul style="list-style-type: none"> Complete due diligence activities <ul style="list-style-type: none"> Independent asset valuation / verification) Outstanding concern areas that require assessment Set up WSO <ul style="list-style-type: none"> Complete all relevant legal documentation to stand up a WSO Define councils expectations through a SoE (Statement of expectations) Appoint a board for WSO (and perhaps transitional exec leadership team) Carry out establishment activities required for WSO to be ready for Day 1 	<ul style="list-style-type: none"> WSO is delivering against councils statement of expectations Shareholder council governance in place & operating as agreed WSO reporting is being delivered as agreed Shareholder councils update their SoE (Statement of Expectations) annually
Output	<ul style="list-style-type: none"> Council resolution – progress with a multi council WSO OR continue as an in house business unit 	<ul style="list-style-type: none"> WSO set up complete & ready to accept assets / staff transfers from councils 	<ul style="list-style-type: none"> Ongoing – Track performance of WSO through reporting & governance mechanisms

** Establishment and Operations phases subject to council decisions*

Indicative Establishment Phase (May 2027 – Jun 2028)



Independent Advisor

The purpose of this role is to (discussed on the day):

- 1
- 2
- 3
- 4
- 5

- Proposed: [REDACTED]
- Alternative for consideration: [REDACTED]

CVs attached

Shareholding and Voting Options:
Deep dive and decision making will be part of the IBC. This is for information only

- A multi-council water CCO will need to agree how to allocate the number of shares between the shareholder councils.
- Relevant at the establishment of the water CCO, but also when a new council joins the water CCO or an existing council exits the water CCO.
- Note: Shareholding and Voting Rights are different:
 - Shareholding gives you legal ownership rights of the WSO
 - Voting rights enable shareholders to collectively make decisions on “reserved matters” for instance SoE, pricing principles, appointment and removal of directors, adopting and amending constitution (i.e. not board decisions).
 - Voting is often equalised among councils rather than by relative shareholding.

Shareholding Options

When selecting a share allocation method, consider:

- rights and obligations of each council that are determined by the level of shareholding, and whether each council is able to discharge those obligations
- ease of implementing the allocation method, including the availability of the information required, ensuring transparency of the methodology; and
- whether the allocation can be made transparently and able to be explained simply to key stakeholders (including ratepayers)
- That legislation makes iwi unable to participate as shareholders; shareholders can involve iwi in decision making process, for instance vote in a representative forum on board appointments.

Shareholding Options, cont.

- 1. Population allocation:** Shares are to be allocated to each council based on the proportionate population of its service area against the population of all service areas of all councils.
- 2. Connection allocation:** Shares are allocated to each council based on the number of water connections (residential and commercial) in the council's service area
- 3. Net asset value allocation:** Shares are based on the total net value of the council's assets minus agreed liabilities
- 4. Equal proportion allocation:** Shares are allocated to each council equally. For example, each of four participating councils is issued 10 shares each.
- 5. Combination (plus base on revenue or free cash flow):** Allocation through a combination of the methods above, plus others. For example, 50% of the shares could be allocated based on number of water connections and 50% based on net asset value, and/or a combination of revenue free cash flow (FCF)

Shareholding Options, cont.

Reference Documents

- NIFF Co Water Term Sheet Guidance (attached)
- DIA “Share allocation options for multi-council owned water council-controlled organisations” (attached)

Strategic Objectives

Why do we need strategic objectives?

- They clarify our aspirations and provide crucial direction, focus and a roadmap for our collaboration, translating a broad vision into measurable goals:
 - align efforts
 - guide decisions
 - create unity of purpose around common goals
 - allow us to track progress
 - prevents scope creep
 - bridge the gap between political aspirations and day-to-day actions
- They will guide the development of the IBC
- They'll be key criteria to measure our success.

Examples of Strategic Objectives, as a conversations starter:

(these were identified by Ōpōtiki, Kawerau and Whakatāne respectively during the development of the WSDP)

Effective and financially sustainable delivery of water services for the communities of the District, now and into the future

Protects and promotes public health and the environment
- meeting regulatory requirements

Water services are resilient to natural hazards, seismic risk and climate change

Integrated water services and infrastructure planning that promotes efficient, equitable, and integrated delivery

Affordable fit for purpose service to consumers and communities that meets the needs, and expectations of the District

Responsibilities to hapū and iwi are met

Remaining council operations are viable and continue to deliver on communities' expectations

Examples of Strategic Objectives, cont.

Strategic objective	Key Elements
Efficient and financially sustainable delivery of water services for the community, now and into the future	<ul style="list-style-type: none"> Financial sustainability, a requirement under the new legislation incorporates:—revenue sufficiency – water charges generate sufficient revenue to meet the full costs of service delivery including opex, interest and depreciation <ul style="list-style-type: none"> financing sufficiency – Council must be able raise the borrowing required to finance investment and generate the cash surpluses required to repay debt as it falls due, and resource sufficiency – the future model will have sufficient resource to operate water services sustainably, and the management of those resources is effectively and efficiently undertaken. Ring-fencing: Councils will be required to prepare separate financial statements for each water activity group, and for water services as a whole. Operate in accordance with best commercial and business practices.
Protects and promotes public health and the environment – meeting regulatory requirements	<ul style="list-style-type: none"> Investment sufficiency: Councils undertake the investment they need to maintain existing assets, meet regulatory requirements, and provide for seasonal demands, consistent with current asset management plans including:—maintaining compliance with drinking water standards <ul style="list-style-type: none"> maintaining good standards of environmental protection, and anticipating and planning for meeting national standards and resource consent requirements.
Water services are resilient to natural hazards and climate change	<ul style="list-style-type: none"> Investment sufficiency to meet current and future resilience needs and enable effective response to emergencies from natural hazards. Appropriate level of financial capacity to respond to unexpected shocks.

Examples of Strategic Objectives, cont.

Strategic objective	Key Elements
Integrated water services and infrastructure planning that promotes efficient, equitable, and integrated delivery	<ul style="list-style-type: none"> • Support integrated planning and decision-making around rural and urban water network planning, including addressing low growth, changing demographics and peak (seasonal) demand. • Coordination with wider district and infrastructure planning to align water services planning effectively and efficiently. • Appropriate levels of service, including how these are reflected in differential charges, ensuring equitable access.
Affordable fit for purpose service to consumers and communities that meets the needs, and expectations of the Whakatāne District community	<ul style="list-style-type: none"> • Affordability – the projected increase in water charges is affordable for the community. • Strength of mechanisms for local voice and influence provided for in the model, for example customer engagement regarding service levels, investment and prices. • Act in best interests of present and future consumers and communities. • Fit for purpose – delivering only what is necessary to meet the specific needs of the community, without excess (that is, value-for-money).
Responsibilities to hapū and iwi are met	<ul style="list-style-type: none"> • Giving effect to Council’s responsibilities arising from Treaty settlements. • Strength of processes and mechanisms for engaging with hapū and iwi to ensure meaningful participation in water services decision-making and delivery.
Remaining council operations are viable and continue to deliver on communities’ expectations	<ul style="list-style-type: none"> • The Council needs to be able to sustainably deliver its core services and meet communities’ expectations.

Next Meeting:

Purpose:

Closing Karakia

7.8.3 Attachment C - National Infrastructure Term Sheet Water Organisations

7.8.3 Attachment C - National Infrastructure Term Sheet Water Organisations

7.8.3 Attachment C - National Infrastructure Term Sheet Water Organisations(Cont.)



Water organisation term sheet
Generalised guidance for councils
March 2025

7.8.3 Attachment C - National Infrastructure Term Sheet Water Organisations(Cont.)

Purpose and overview



- DIA has provided a [toolkit of templates and guidance materials](#) to support councils that are considering the establishment of a new water organisation to delivery water services (such as a single or multi-council owned council-controlled organisation or consumer trust).
- NIFF Co has been requested to provide guidance on material commercial matters for consideration in the formation of (mainly multi) council owned water organisations.
- NIFF Co encourages councils to resolve matters collaboratively on a best for region or sub-region basis. The following guidance is intended to support this process but has been drafted generically and is not intended to supersede locally negotiated outcomes.
- We have selected the ten key terms on the following page as these have come up in various engagements nationwide. If councils would appreciate similar guidance for other matters this can be provided – please get in contact with NIFF Co.

7.8.3 Attachment C - National Infrastructure Term Sheet Water Organisations(Cont.)

Terms covered in this document



We have provided options and recommendations for the following key terms. Further terms can be incorporated as requested by councils

- **A:** Shareholding allocation – page 3
- **B:** Shareholding voting mechanism – page 4
- **C:** Shareholder decisions – page 5
- **D:** Dividends – page 6
- **E:** Asset valuation – page 7
- **F:** Opening debt methodology – page 8
- **G:** Source of debt capital – page 9
- **H:** Debt transfer – page 10
- **I:** Harmonisation – page 11
- **J:** LGFA guarantee / uncalled capital – page 12



A: Shareholding allocation

Shareholding largely drives public perception (and dividends if payable) as we recommend voting mechanism provisions which ensure no single council has positive or negative control

Options	Description	Pros	Cons	NIFF
Split based on connections	Updated periodically to reflect connections by council jurisdiction	<ul style="list-style-type: none"> ✓ Simple measure to apply ✓ Impartial ✓ Broadly consistent with two waters 	<ul style="list-style-type: none"> ✗ Not reflective of asset condition or historical investment ✗ Penalises under-connected councils 	
Split based on population	Updated periodically to reflect population by council jurisdiction	<ul style="list-style-type: none"> ✓ Simple measure to apply ✓ Impartial 	<ul style="list-style-type: none"> ✗ Not reflective of asset condition or historical investment ✗ Less reflective of business 	
Split based on recurring revenues	Updated periodically to reflect recurring revenue by council jurisdiction	<ul style="list-style-type: none"> ✓ Directly reflects revenue derived ✓ Relatively simple (need to track revenues by council jurisdiction) ✓ Reliable information 	<ul style="list-style-type: none"> ✗ Not reflective of asset condition or historical investment ✗ Pricing differentials / decisions impact allocation 	
Split based on free cash flow (FCF)	Updated periodically to reflect free cashflow by council jurisdiction	<ul style="list-style-type: none"> ✓ Cashflow based and broadly consistent with M&A practice ✓ Broadly consistent with fair share of dividends 	<ul style="list-style-type: none"> ✗ Dependent on tracking FCF by council jurisdiction (complex and not regional) ✗ Could change significantly over time ✗ Complex and opaque 	
Split based on asset value	Updated periodically to reflect asset value (or net asset value) by council jurisdiction	<ul style="list-style-type: none"> ✓ Valuation based and broadly consistent with M&A practice ✓ May be considered equitable / fair ✓ Consistent methodology can be agreed 	<ul style="list-style-type: none"> ✗ Dependent on tracking assets by council jurisdiction (complex and not regional) ✗ Complex and opaque – different asset valuation practices 	
Split equally	If there are four councils, each receives 25%	<ul style="list-style-type: none"> ✓ Simple with no periodic update required ✓ Smaller council's maintain voice 	<ul style="list-style-type: none"> ✗ Perceived to be unfair and not proportional ✗ Any dividends would be disproportionately shared 	



B: Shareholding voting mechanism

Shareholder decisions should be roughly proportional while not being captive to a single council (through positive or negative control) to ensure decision making is in the best interest of the region

Options	Description	Pros	Cons	NIFF
Vote in accordance with shareholding	Shareholders have one vote per share, with majority decision making	<ul style="list-style-type: none"> ✓ Simple ✓ Relatively representative of community interests 	<ul style="list-style-type: none"> ✗ Large councils may have outright control ✗ Small councils have less voice ✗ Negative/positive control issues 	
One vote per council	Updated periodically to reflect recurring revenue by council jurisdiction, with majority decision making	<ul style="list-style-type: none"> ✓ Simple ✓ Promotes collective decision making 	<ul style="list-style-type: none"> ✗ Under representation of large council may create perverse incentives 	
Vote in accordance with shareholding but no positive control	Shareholders have one vote per share, subject to no single council having outright control ¹	<ul style="list-style-type: none"> ✓ Avoids single council controlling decisions ✓ Ensures small councils are somewhat relevant in decision making 	<ul style="list-style-type: none"> ✗ Large council could still block decisions ("negative control") ✗ Greater risk of impasse / deadlock 	
Vote in accordance with shareholding but no negative control	Shareholders have one vote per share, subject to no single council having negative control ¹ (ie resolutions can be made if all councils other than the largest agree)	<ul style="list-style-type: none"> ✓ Promotes collective decision making ✓ Avoids single council having positive or negative control ✓ Ensures small councils are relevant in decision making 	<ul style="list-style-type: none"> ✗ Where a single council warrants a super majority, under representation may create perverse incentives 	

Notes: 1. Can be achieved by a combination of voting thresholds and voting right reductions for councils with large shareholding



C: Shareholder decisions

Legislation permits shareholders to approve the Water Services Strategy and Annual Budgets. We believe councils should prohibit this in the constitution to limit shareholder decisions to strategic issues with operational / financial decision making left to the Board (with economic regulation oversight)

Options	Description	Pros	Cons	NIFF
Strategic	Shareholder decisions should be strategic ¹ leaving operational and financial decisions to the Board (with economic regulation oversight)	<ul style="list-style-type: none"> ✓ Councils can continue to influence strategic direction (albeit collectively) ✓ Board has clear accountability ✓ Typical structure for economically regulated utilities with diverse shareholders ✓ May have improved credit rating implications (and more consistent with LGFA guidance) 	<ul style="list-style-type: none"> ✗ Dependent on Board (not directly democratically elected) to make decisions in best interest of customers and community 	●
Operational or financial	Shareholder decisions include strategic but also enable operational and/or financial decision making. For example approval or ability to require changes to Water Services Strategy and/or Water Services Annual Budget	<ul style="list-style-type: none"> ✓ Councils can continue to control (albeit collectively) operational and/or financial decisions ✓ Councils being democratically elected may better represent customer and community perspectives 	<ul style="list-style-type: none"> ✗ Reduces line of accountability and could lead to Board and shareholders blaming each other for outcomes ✗ Reduces impact of expert Board making decisions ✗ Complicates relationship with economic regulation (and priority of decision making) ✗ May have S&P credit rating if shareholders exert significant control 	◐

Notes: 1. This would include appointing and removing directors, issuing the statement of expectations, major transactions and other decisions of a similar nature (ie winding up the water organisation). This would not include approving the Water Services Strategy and Water Services Annual Budget



D: Dividends

Water organisations should either be prohibited from paying dividends or only be permitted to pay dividends once any infrastructure deficit is resolved

Options	Description	Pros	Cons	NIFF
No dividend model	No dividends payable, with any surplus either reinvested or returned to lower water charges	<ul style="list-style-type: none"> ✓ Incentivises reversing infrastructure deficit as fast as possible with efficient prices ✓ Alleviates customer / community concerns regarding price gouging ✓ Consistent with council current practice 	<ul style="list-style-type: none"> ✗ International evidence less clear regarding incentives for effective economic regulation and efficiencies 	🟡
Dividends payable	Surpluses (permitted by economic regulator) distributed as dividends with shareholding	<ul style="list-style-type: none"> ✓ Creates additional incentives for effective governance and efficiencies ✓ May improve effectiveness of economic regulation ✓ Councils can reinvest dividends into other services or community needs 	<ul style="list-style-type: none"> ✗ Worsens water affordability ✗ Delays necessary investment ultimately meaning worse health, environmental or growth impacts ✗ May have tax ramifications ✗ Can lead to high debt levels 	🟠
Dividends payable after infrastructure deficit resolved	Same as dividends payable above, however dividends are not permitted while there is an infrastructure deficit ¹	<ul style="list-style-type: none"> ✓ Creates additional incentives for effective governance and efficiencies ✓ May improve effectiveness of economic regulation ✓ Councils can reinvest dividends into other services or community needs ✓ May incentivise council's joining multi-council organisations over time 	<ul style="list-style-type: none"> ✗ Customers may be concerned about monopoly pricing gouging (despite economic regulation) ✗ Communities may be concerned that this incentivises deferring investment (even if infrastructure deficit is defined appropriately) ✗ May have tax ramifications 	🟡

Notes: 1. Infrastructure deficit would need to be defined but could be tied to "investment sufficiency" (ie water infrastructure consistent with regulatory requirements, growth, economic regulation and expected level of service).



E: Asset valuation

Asset values and revaluations do not impact LGFA position or credit ratings. We understand legislative prohibitions on privatisation combined with a no dividend model being pursued may mean council’s equity in water organisations is equal to zero

Options	Description	Pros	Cons	NIFF
Latest annual report	Valuation from financial statements immediately preceding transfer	<ul style="list-style-type: none"> ✓ Low cost ✓ No additional work ✓ Appropriate given the lack of importance of asset valuations ✓ Can wait for economic regulation guidance regarding their required asset valuation 	<ul style="list-style-type: none"> ✗ Inconsistent starting approach until consistent valuations undertaken ✗ May be considered inappropriate if drives initial shareholdings ✗ May not reflect all assets which are transferred ✗ Revaluations may not reflect asset condition 	
Consistent revaluation	Revaluation undertaken using consistent methodology for all councils in entity	<ul style="list-style-type: none"> ✓ Consistent methodology and valuation date ✓ Ensures valuations are up to date 	<ul style="list-style-type: none"> ✗ Additional cost and work for no benefit ✗ May focus public on asset valuation which is not relevant to transfer ✗ May not reflect all assets which are transferred 	
Consistent revaluation plus investigation	Same as “consistent revaluation” however further investigations undertaken to identify any additional assets that will transfer that are not captured by valuation	<ul style="list-style-type: none"> ✓ Consistent methodology and valuation date ✓ Ensures valuations are up to date ✓ Most accurate network information ✓ May discover unknown assets / improve asset registers for transfer 	<ul style="list-style-type: none"> ✗ Significant additional cost and work ✗ Distraction to transfer ✗ May focus public on asset valuation which is not relevant to transfer ✗ Despite best efforts, there are likely to be unknown assets that need to be transferred 	
Historical Cost	Assets and liabilities are recorded at their original purchase price – and values remains unchanged regardless of subsequent market fluctuations	<ul style="list-style-type: none"> ✓ Reflects true cost of assets ✓ Removes distortions through inconsistent revaluation approaches ✓ Will reflect asset age ✓ Consistent with LGFA & credit rating agencies approaches 	<ul style="list-style-type: none"> ✗ May require further work to validate ✗ Implications for council reserves 	

7.8.3 Attachment C - National Infrastructure Term Sheet Water Organisations(Cont.)



F: Opening debt methodology

Financial information limitations mean identifying opening debt requires substantiation. We consider two methods as most appropriate in different situations

Options	Description	Pros	Cons	NIFF
Activity statements	Utilise historical actual two/three water activity statements / ringfencing to determine debt outstanding	<ul style="list-style-type: none"> ✓ Appropriate where council has treated as distinct business units and there is a logical and appropriate approach to setting rates revenue by activity ✓ Council may have ring fenced information accurately recorded 	<ul style="list-style-type: none"> ✗ Activity statements have known issues ✗ For some council's revenue allocation is notional rather than scientific 	
Simple cashflow	Utilise historical whole of council debt funding approach and apply to three waters capital expenditure	<ul style="list-style-type: none"> ✓ Appropriate where council has managed its affairs at a whole of council level rather than by activity ✓ Simple calculation using whole of council audited financial statements 	<ul style="list-style-type: none"> ✗ May not correctly reflect water revenues (operating or capital) ✗ May differ to council expectations of water debt quantum 	
Detailed cashflow	Undertake the following calculation using historical actuals for waters: Capex less capital revenues less funded depreciation ¹	<ul style="list-style-type: none"> ✓ Appropriate where council has managed its affairs at a whole of council level rather than by activity ✓ More accurate if water activity capital revenues are readily identifiable 	<ul style="list-style-type: none"> ✗ May not correctly reflect operating water revenues (where they have been ringfenced historically) ✗ May differ to council expectations of water debt quantum 	
Detailed methodology	Undertake independent financial diligence with consistent methodology to identify water debt	<ul style="list-style-type: none"> ✓ Provides all council's confidence in the starting debt levels being appropriate ✓ Consistent methodology 	<ul style="list-style-type: none"> ✗ Significant cost ✗ Time and resource intensive ✗ Information limitations will mean this only improves accuracy somewhat 	

Notes: 1, Funded depreciation would be calculated by multiplying actual waters depreciation by the percentage represented by whole of council funded depreciation divided by whole of council depreciation.

7.8.3 Attachment C - National Infrastructure Term Sheet Water Organisations(Cont.)



G: Source of debt capital

LGFA debt will be cost effective and should be maximised. IFF and subordinated council debt should be considered where LGFA covenants (and affordability) constrain necessary investment

Options	Description	Pros	Cons	NIFF
LGFA	Water organisations borrows from LGFA	<ul style="list-style-type: none"> ✓ Cost effective benefiting from council and Crown support and LGFA diversification ✓ Simple 	<ul style="list-style-type: none"> ✗ LGFA covenants may still constrain necessary water investment at affordable water charges 	●
IFF	Water organisation utilises IFF transaction for off balance sheet debt spread over 30+ years with water levies	<ul style="list-style-type: none"> ✓ IFF enables investment to be spread over a longer time horizon than is enabled by LGFA covenants ✓ IFF could progress economically positive unfunded investment and replace uncertain DC revenue on water organisation balance sheets ✓ This should enable accelerated investment for lower water charges ✓ The cost of IFF is only slightly higher than LGFA while providing the above benefits 	<ul style="list-style-type: none"> ✗ Slightly higher cost of capital than LGFA ✗ Additional costs to implement IFF transaction ✗ Legislation change required to enable IFF to be included on water organisation invoice – but this is currently under consideration ✗ Some focus on additional interest costs rather than understanding intergenerational equity / the benefits of spreading the cost of infrastructure over its useful life (with interest being the necessary cost of doing so) 	◐
Subordinated council debt	Council on-lends subordinated debt to the water organisation. The debt terms would mean until repaid, debt would be included in council financial metrics but excluded from water organisation covenants	<ul style="list-style-type: none"> ✓ Where councils non-water activities have debt headroom can support additional investment for lower water charges ✓ Subordinated council debt would still be ringfenced and consistent with LWDW 	<ul style="list-style-type: none"> ✗ Reduces council debt headroom for non-water activities ✗ Complexity ✗ Some may be unfamiliar with subordinated debt ✗ Subject to LGFA agreement 	◑
Private capital markets (including banks)	Water organisation borrows directly from private capital markets (bank or bond)	<ul style="list-style-type: none"> ✓ Could remove the need for council support and thereby the water organisation becomes fully off balance sheet for councils 	<ul style="list-style-type: none"> ✗ Higher cost of capital (doesn't benefit from council/Crown support or LGFA diversification) ✗ Private markets are still expected to require similar covenants to LGFA 	○

7.8.3 Attachment C - National Infrastructure Term Sheet Water Organisations(Cont.)



H: Debt transfer

Ideally shortly following entity establishment, contemporaneously councils repay LGFA and LGFA lend to water organisations such that break costs are minimised. This is subject to LGFA agreement

Options	Description	Pros	Cons	NIFF
Novation	Novate LGFA loans from council to water organisation	<ul style="list-style-type: none"> ✓ Simple 	<ul style="list-style-type: none"> ✗ LGFA cannot novate existing loans from a council to a water organisation 	○
Quasi novation	Council repays LGFA and contemporaneously water organisation borrows from LGFA on same terms. Any council water-related hedging is not broken and water organisation pay fixed rate to council in return for floating for hedging duration	<ul style="list-style-type: none"> ✓ Reflects actual debt position for council and water organisation ✓ Limited ongoing administration cost ✓ Water organisation pays fair share of fixed cost of debt ✓ Avoids break costs on hedge or fixed rate LGFA debt 	<ul style="list-style-type: none"> ✗ Subject to LGFA agreement 	●
Debt transfer agreement	Water organisation commits to repay council debt over up to 5 year period (obligations will be met through LGFA borrowing over time). During 5 year period, LGFA and credit rating agencies 'look through' council debt that will be ultimately repaid by the water organisation. Council lending to water organisation on same effective terms	<ul style="list-style-type: none"> ✓ Water organisation pays fair share of fixed cost of debt ✓ Avoids break costs ✓ May be a necessary work around if there are LGFA or other constraints that rule out quasi novation 	<ul style="list-style-type: none"> ✗ Complexity ✗ Doesn't reflect actual debt position for council (unless 'asset' of water organisation obligations considered at same time) ✗ Similar credit rating treatment applied in case of Auckland Council/Watercare however this could be different depending on council and water organisation specifics ✗ LGFA to confirm treatment of water debt in 5 year period 	◐



I: Price Harmonisation

The benefits of scaled multi-council CCOs can be delivered irrespective of where the organisation sits on the spectrum from full cost to serve pricing to full price harmonisation. We consider commencing with local council pricing and establishing a review point is the most pragmatic starting point

Options	Description	Pros	Cons	NIFF
Ring fencing by council jurisdiction	Water organisation established with requirement for ring fencing by council jurisdiction and principles for sharing costs and balance sheet capacity	<ul style="list-style-type: none"> ✓ Avoids cross subsidisation concerns of communities and councils ✓ All customers will benefit from efficiencies and debt headroom ✓ Local decisions regarding growth funding, allocation by water activity and differentials between residential, rural and commercial can easily be accommodated ✓ Consistent with some EDB's practice 	<ul style="list-style-type: none"> ✗ More complexity / administration for the water organisation to manage ✗ Lack of flexibility for entity to evolve ✗ May lose some benefits of regional approach 	
Ring fencing with review point	Water organisation established with temporary ring fencing (as per above) but with clear 'review point' (for example [5] years post 'go live') and associated process documented	<ul style="list-style-type: none"> ✓ Benefits from above for establishment and initial operating period of Water organisation ✓ Enables entity to focus on operations and delivery of efficiencies and capex ✓ Framework for moving away from full ring fencing and local pricing is clearly agreed with decision point for councils ✓ May enable potential net benefits of harmonisation to become clear 	<ul style="list-style-type: none"> ✗ Councils, customers and communities do not have certainty on future regime ✗ Clear milestones will be needed prior to 'review point' to ensure effective decisions (including developing proposed harmonisation and transition plan) 	
Harmonisation	Water organisation established without any requirement for ring fencing or restrictions on harmonisation ¹	<ul style="list-style-type: none"> ✓ Harmonisation and transition decisions benefit from Board experience ✓ Less complexity / administration for the water organisation to manage ✓ Potentially greater regional benefits ✓ Greater flexibility for the entity to evolve 	<ul style="list-style-type: none"> ✗ Potential for significant cross subsidisation may be a deal breaker for some councils ✗ Significant work for water organisation to develop harmonisation and transition strategy alongside a seamless 'go live' ✗ More likely to incentivise regional pricing differentials not reflective of local circumstance 	

Notes: 1. The extent of harmonisation and the transition to harmonisation are Board decisions (within constraints of any shareholder statement of expectations and economic regulation).

7.8.3 Attachment C - National Infrastructure Term Sheet Water Organisations(Cont.)



J: LGFA guarantee / uncalled capital

We consider that each councils share of any guarantee or uncalled capital should reflect ringfenced debt while this is tracked by council jurisdiction - level to accommodate projected debt growth. The harmonisation 'review point' would also trigger determining the most appropriate allocation basis moving forward

Options	Description	Pros	Cons	NIFF
Shareholding	Council's share of support is based on shareholding	<ul style="list-style-type: none"> ✓ Readily available ✓ Broadly consistent with private market practice 	<ul style="list-style-type: none"> ✗ Does not relate to actual debt / investment ✗ May not reflect council ability to meet potential liability 	
Ringfenced debt	Council's share of support is based on actual debt outstanding for their council jurisdiction. Requires water organisation to ringfence by council jurisdiction	<ul style="list-style-type: none"> ✓ Councils are each supporting fair share of water organisation's debt ✓ Avoids cross subsidisation concerns ✓ Encourages appropriate trade-offs between investment, debt and revenue at both water organisation and council level 	<ul style="list-style-type: none"> ✗ Complexity for water organisation to track financials by council jurisdiction ✗ May not reflect council ability to meet potential liability 	
Connections	Council's share of support is based on their relative share of connections within the entity	<ul style="list-style-type: none"> ✓ Simple measure to apply ✓ Broadly consistent with two waters business 	<ul style="list-style-type: none"> ✗ Does not relate to actual debt / investment ✗ Additional administration ✗ May not reflect council ability to meet potential liability 	
Water revenues	Council's share of support is based on their relative share of water operating revenues	<ul style="list-style-type: none"> ✓ Relatively simple (need to track revenues by council jurisdiction) ✓ Reliable information ✓ Broadly reflects debt if consistent financial strategy applied across entity 	<ul style="list-style-type: none"> ✗ Does not relate to actual debt / investment ✗ Additional administration ✗ May not reflect council ability to meet potential liability 	
Council revenues	Council's share of support is based on their relative share of council operating revenues	<ul style="list-style-type: none"> ✓ Somewhat reflects ability for council to meet potential liability ✓ Readily available information 	<ul style="list-style-type: none"> ✗ Reflects non-water council activities and therefore may be considered unfair and unreasonable 	

7.8.4 Attachment D - LWDW Guidance Shareholding options

7.8.4 Attachment D - LWDW Guidance Shareholding options

7.8.4 Attachment D - LWDW Guidance Shareholding options(Cont.)

LOCAL WATER DONE WELL



January 2025

Te Tari Taiwhenua
Internal Affairs

Share allocation options for multi-council owned water council-controlled organisations

Councils establishing a multi-council owned water council-controlled organisation (water CCO) will need to agree how to allocate the number of shares in the water CCO between the shareholder councils. This is relevant at the establishment of the water CCO, but also when a new council joins the water CCO or an existing council exits the water CCO. When selecting a share allocation method, the following should be considered:

- the rights and obligations of each council that are determined by the level of shareholding, and whether each council is able to discharge those obligations;
- the ease of implementing the allocation method (which can avoid disagreements), including the availability of the information required, ensuring transparency of the methodology and updating the share allocation (where applicable – see above); and
- whether the allocation can be made transparently and able to be explained simply to key stakeholders (including ratepayers).

The table below outlines five options for how shares can be allocated across councils, with benefits and risks associated with each option.

This guidance has been prepared to provide information to councils considering options as to how shareholding allocations could be determined for multi-council owned water CCOs. It is important to note that:

- New Zealand Local Government Funding Agency Limited (LGFA) will require shareholder guarantees or uncalled capital to be in place for LGFA funding of water CCOs; and
- the structure or allocation of guarantees or uncalled capital does not necessarily need to be attributed to shareholding councils on the same basis as shareholding allocations.

This guidance is not legal advice; and is intended to support council decision-making under Local Water Done Well.

<p>Option 1 - Population allocation</p>	<p>The shares in the water CCO are to be allocated to each council shareholder based on the proportionate population of its service area (as determined by the most recent census data) against the population of all of the service areas of all of the council shareholders. Relative shareholding can be reviewed and updated at agreed frequency (e.g. five yearly) to reflect population changes, or earlier, when any council joins or exits as a shareholder.</p>	<p>Benefit</p> <ul style="list-style-type: none"> • Likely to more accurately reflect the relative level of effort and assets required by the water CCO to serve each community within a council's service area, without being masked by the number households (without reference to household size). • Provides a better proxy for the relative number of individuals entitled to vote in local government elections, and is simple to calculate. <p>Risk</p> <ul style="list-style-type: none"> • Census data is available only every five years, and may be out of date when used for share allocation, in particular where there is rapid change to the relative populations between the service areas of the councils. • The census may not provide accurate information if there is low participation. • The allocation will not reflect the value of the net assets (after deduction of liabilities) transferred by each council to the water CCO. 	<p>Implications of shareholding levels Shareholding levels affect:</p> <ul style="list-style-type: none"> • voting rights in respect of decisions made by the Shareholder Council of the water CCO or, if there is no Shareholder Council, shareholder decisions generally (e.g. ability to appoint directors, reserved shareholder matters such as major transactions, amendments to the constitution etc); • rights to approve dividends and the proportion of any dividends received by a shareholder (if any); • rights to approve the distribution of assets on dissolution of the water CCO, and potentially what assets/the proportion of assets each shareholder may receive on dissolution; • the amount of uncalled capital to be provided by each shareholder; • the ability to require the rights of a defaulting shareholder to be suspended until the defaulting issue is addressed; • the ability to comment and/or approve the water CCO's water services strategy, water services annual budget and other reporting; • rights to approve the issue of shares and the transfer of shares by other shareholders; and • rights to approve the remuneration of directors.
<p>Option 2 - Connections allocation</p>	<p>The shares in the water CCO are to be allocated to each council based on the number of water connections (residential and commercial) in the council's service area (as determined by the water CCO's records). The number of connections in a community would be a proxy for the number of water ratepayers in that area. Again, relative shareholding can be reviewed and updated at an agreed frequency (e.g. five yearly) to reflect changes to the number of connections or earlier, when any council joins or exits as a shareholder.</p>	<p>Benefit</p> <ul style="list-style-type: none"> • More reflective of the number of water users that will be required to pay water user charges. • The water CCO will hold accurate data on the number of connections. • Simple to calculate. • Allocation can be updated more frequently than option 1 as connections data will be readily available and up-to-date. <p>Risk</p> <ul style="list-style-type: none"> • The number of connections may not reflect the extent of water services provided by the water CCO (e.g. one large industrial user vs a one-person household will each be counted equally for the purposes of this option). However, water usage will be relevant to water charges paid by water users to the water CCO, and will be less relevant to the shareholding control of each council as the councils are not directly funding the activities of the water CCO. If desired, greater weighting can be applied to larger users. 	<p>Other considerations</p> <p><i>Initial capital water CCO contribution:</i> Councils establishing a multi-council owned water CCO may be required to contribute initial working capital to the water CCO, while the water CCO builds up its revenue base. The obligation to make such proportionate contribution may be determined by the relative shareholdings between the councils (whether or not such contributions are in the form of equity or repayable shareholder loan).</p> <p><i>Upside of early participation:</i> Should councils that join at the establishment of the water CCO be issued relatively more shares than those that join later? Given the expected long tenure of the water CCO, any decision to favour early shareholders over later joiners should be justified reasonably and transparently.</p> <p><i>Council guarantees:</i> Shareholders are likely to be required to guarantee any financial liabilities of the water CCO owed to LGFA, which may be by way of having uncalled capital payable in accordance with the water CCO's constitution and shareholders' agreement.</p>
<p>Option 3 - Net asset value allocation</p>	<p>The shares in the water CCO are to be allocated to each council based on the total net value of the council's assets (minus agreed liabilities) transferred to (or assumed by) the water CCO at the time the water CCO is established or when any council joins or exits as a shareholder. For example, one share will be issued for every \$500,000 (net value) of water assets (minus agreed liabilities) transferred to (or assumed by) the water CCO.</p>	<p>Benefit</p> <ul style="list-style-type: none"> • Recognises the extent of assets (less liabilities) each shareholding council is transferring to the water CCO. <p>Risk</p> <ul style="list-style-type: none"> • The allocation will need to address potential negative net asset value being transferred to the water CCO. • More complex to calculate, in particular when other councils join as shareholders later. Reallocation of shares may have to address how depreciation and asset value write-offs post establishment of the water CCO are treated, and the benefit that the water CCO has had of the assets transferred earlier, to ensure relative share proportions between councils continue to be fair. • Decisions as to how to allocate new assets built by the water CCO will also need to be made, which could be determined by location (i.e. based on which service area the asset is located in), or by use (i.e. which users benefit from the asset). 	
<p>Option 4 - Equal proportion allocation</p>	<p>The shares in the water CCO are to be allocated to each council equally. For example, each of four participating councils is issued 100 shares each.</p>	<p>Benefit</p> <ul style="list-style-type: none"> • Provides equal shareholder rights to all councils, which avoid risk of minority shareholder concerns, and facilitates equal participation by all councils. <p>Risk</p> <ul style="list-style-type: none"> • Does not reflect the relativities of each council's community size or the likely extent of the community's water needs, or the assets and liabilities being transferred by the councils into the water CCO. This means a smaller council will have equal rights despite the smaller population and lower demand for water services. • Smaller councils will have greater influence over the water CCO that is not proportionate to the factors identified in the above point. 	
<p>Option 5 - Combination</p>	<p>The shares in the water CCO are to be allocated through a combination of the methods above. For example, 50% of the shares could be allocated based on number of water connections and 50% based on net asset value.</p>	<p>Benefit</p> <ul style="list-style-type: none"> • This will be a combination of the benefits of the options selected, though each will have a reduced impact. <p>Risk</p> <ul style="list-style-type: none"> • This will be a combination of the risks of the options selected, though each will have a reduced impact. 	

7.8.5 Attachment E - Shareholding Options, examples

7.8.5 Attachment E - Shareholding Options, examples

7.8.5 Attachment E - Shareholding Options, examples(Cont.)

Share holder options for multi-council CCOs

WSCCO	Documented	Initial Share Issue (Stage 1)	Share Issue (Stage 2 – post establishment)	Voting Arrangements	Link (where available)
Waikato Waters Done Well	Signed Shareholders Agreements (SHA)	Equal share (including Taupo DC) 100 shares per council Total: 700 shares	To be issued based on the principle of allocation proportional to the number of total water connections within the service area of the relevant Council	Determined by number of shares held. Stage 1 – each Shareholding council will have equal voting rights Stage 2 – each share carries one vote <ul style="list-style-type: none"> Matters reserved for shareholder decisions are included in the SHA and Constitution. Shareholder decisions are limited to strategic issues. SRF is to operate on a consensus decision making basis as a default. The Chair may determine where a consensus is not reached and put the decision to vote. The most common SRF decisions, being Director appointment and SOE, are determined by number, ie one vote for each shareholder (not by % shareholding) 	WWL Shareholders' Agreement (Final 14 July) v.1.pdf
IAWAI – Flowing Waters	Draft Shareholders Agreement (SHA) – as adopted by each Council	Equal voting rights to the two shareholders: Hamilton CC and Waikato DC	Number of shares issued will be determined in accordance with the Asset Transfer Principles (or as otherwise agreed between the Shareholders and the Company). Interpreted: the shares will be allocated proportional to the value of water services assets transferred into the new WSCCO by each shareholder.	Each shareholder holds one vote – providing equal voting rights across shareholders. Note: a company forum is to be established. The Forum will be made up of representatives from each shareholder as well as representatives from Waikato-Tainui. Waikato-Tainui will only be eligible to vote on matters related to the appointment of Directors and the Chair of the Board.	Agenda of Ordinary Council Meeting - Thursday, 26 June 2025 See pp441 - 484
Tiaki Wai Metro Water	Constitution of Metro Water Limited - Partners Agreement (working title when considered by Councils) – considered 12 August 2025	At incorporation each shareholding council is allocated a single share.	Recommended option: that shares are allocated to each shareholding Council based on the total net value of the Council's assets at the time they are transferred to the WSCCO, or when any council joins or exits as a shareholder. <i>The number of shares held by each Shareholder on incorporation will be adjusted following the transfer of assets from each Shareholder to the Company to ensure that the shares held by each Shareholder are consistent with the net value of the assets transferred. The Shareholders further acknowledge that a subsequent adjustment of shares may be required to reflect any changes in the net value of assets transferred once final settlement has occurred.</i>	The Partners agreement (“Partner” = shareholder) outlines the following voting allocation: WCC – 3 votes HCC – 2 votes GWRC – 1 Vote PCC – 1 vote UHCC – 1 vote Ngati Toa – 1 vote Taranaki Whanui – 1 vote Resolutions for Partner Reserved Matters requires 66.66% of votes cast and a majority of partners (ie both a super majority by votes and a majority by entities). Other matters: simple majority of votes	Agenda of Kōrau Tōtōpū Long-term Plan, Finance, and Performance Committee - Wednesday, 20 August 2025 See pp418 - 483

8 Resolution to Exclude the Public - *Whakataunga kia awere te marea***8 Resolution to Exclude the Public - *Whakataunga kia awere te marea*****8.1 Resolution to Exclude the Public****RECOMMENDATION**

THAT the Finance, Performance and Risk Committee **agree** to exclude the public from the following part(s) of the proceedings of this meeting, namely:

1. Legal Proceedings Update Report – February 2026

This resolution is made in accordance with section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act (or sections 6, 7 or 9 of the Official Information Act 1982, as the case may be).

Item number and General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for excluding the public	Plain English reason for passing this resolution
Item 1: Legal Proceedings Update Report – February 2026	S7(2)(a) To protect the privacy of natural persons, including that of deceased natural persons s7(2)(g) Maintain legal professional privilege	s48(1)(a) The public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7	It is necessary to exclude the public to protect individuals referred to within the report. This report contains legal advice that should remain confidential between the Council and its legal advisors.

1 Public Excluded Business

1 Public Excluded Business

1.1 Legal Proceedings Update Report

1.1.1 Appendix 1 - Legal Spend Analysis

1.1.2 Appendix 2 - Legal Issues Register