



MEETING

of

Finance, Risk and Assurance Committee

AGENDA

Time: 1:30 pm
Date: Wednesday, 12 August 2026
Venue: Greater Wellington Regional Council,
34 Chapel Street, Masterton

MEMBERSHIP

Chair Graham Naylor (Chairperson)

Mayor Bex Johnson

Councillor Craig Bowyer

Councillor Gary Caffell

Councillor Waireka Collings

Councillor Brent Goodwin

Iwi Representative Mihirangi Hollings

Councillor David Holmes

Councillor Andrea Jackson

Councillor Stella Lennox

Councillor Tim Nelson

Iwi Representative Robin Potangaroa

Values

1. **Public interest:** members will serve the best interests of the people within the Masterton district and discharge their duties conscientiously, to the best of their ability.
2. **Public trust:** members, in order to foster community confidence and trust in their Council, will work together constructively and uphold the values of honesty, integrity, accountability and transparency.
3. **Ethical behaviour:** members will not place themselves in situations where their honesty and integrity may be questioned, will not behave improperly and will avoid the appearance of any such behaviour.
4. **Objectivity:** members will make decisions on merit; including appointments, awarding contracts, and recommending individuals for rewards or benefits.
5. **Respect for others:** will treat people, including other members, with respect and courtesy, regardless of their ethnicity, age, religion, gender, sexual orientation, or disability. Members will respect the impartiality and integrity of Council staff.
6. **Duty to uphold the law:** members will comply with all legislative requirements applying to their role, abide by this Code, and act in accordance with the trust placed in them by the public.
7. **Equitable contribution:** members will take all reasonable steps to ensure they fulfil the duties and responsibilities of office, including attending meetings and workshops, preparing for meetings, attending civic events, and participating in relevant training seminars.
8. **Leadership:** members will actively promote and support these principles and ensure they are reflected in the way in which MDC operates, including a regular review and assessment of MDC's collective performance.

These values complement, and work in conjunction with, the principles of section 14 of the LGA 2002; the governance principles of section 39 of the LGA 2002; and our MDC governance principles:

Whakamana Tangata	Respecting the mandate of each member, and ensuring the integrity of the committee as a whole by acknowledging the principle of collective responsibility and decision-making.
Manaakitanga	Recognising and embracing the mana of others.
Rangatiratanga	Demonstrating effective leadership with integrity, humility, honesty and transparency.
Whanaungatanga	Building and sustaining effective and efficient relationships.
Kotahitanga	Working collectively.

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1 CONFLICTS OF INTEREST

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

2 APOLOGIES

The Chair invites notice from members of apologies, including apologies for lateness and early departure from the meeting.

3 PUBLIC FORUM**4 ITEMS NOT ON THE AGENDA**

The Chairperson will give notice of items not on the agenda as follows:

Matters requiring urgent attention as determined by resolution of the Council

- The reason why the item is not on the agenda; and
- The reason why discussion of the item cannot be delayed until a subsequent meeting.

Minor matters relating to the general business of Council

No resolution, decision or recommendation may be made in respect of the item except to refer it to a subsequent meeting of Masterton District Council for further discussion.

5 REPORTS FOR DECISION

5.1 MASTERTON DISTRICT COUNCIL'S TREASURY MANAGEMENT POLICY

File Number:

Author: David Paris, Director Commercial

Authoriser: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to seek the Finance, Risk & Assurance Committee's endorsement of the revised *Treasury Management Policy*.

RECOMMENDATIONS

That the **Finance, Risk & Assurance Committee:**

1. **Endorses** the proposed revised *Treasury Management Policy* (Attachment 1).
2. **Notes** the revision is supported by independent review and commentary by PwC (Attachment 2).
3. **Notes** that, following endorsement by the Finance, Risk & Assurance Committee, the Treasury Management Policy will be presented to Council for approval at its meeting on 16 September 2026.

CONTEXT

Masterton District Council's (the Council's) Treasury Management Policy is due for its scheduled three-year review. The timing of this review aligns with the development of the Long-Term Plan.

The Treasury Management Policy (the Policy) is the framework that governs how Council borrows, invests and manages financial risk.

The Policy is an active document and should be reviewed regularly to ensure it remains fit for purpose. Currently, Council undertakes an internal review each year and a more formal review every three years.

A formal review has been undertaken by PwC, Council's Treasury advisors.

The Local Government Act 2002 requires Councils to develop a liability management policy and an investment policy (s102(2)).

The Policy brings together these two policy requirements consistent with previous editions.

The proposed amendments are largely administrative and housekeeping in nature. They improve clarity, update legislative and organisational references, incorporate current treasury best practice and reflect changes arising from Council's evolving operating environment. No material changes are proposed to Council's overall treasury risk appetite or borrowing and investment principles.

ANALYSIS AND ADVICE

Compliance with the Policy and whether the Policy needs adjustment is reviewed regularly during each financial year in conjunction with PwC, Council's Treasury advisors.

In parallel with the development of the Long-Term Plan and as part of their ongoing engagement, PwC has undertaken an independent review of the Treasury Management Policy and has provided recommendations. All suggested amendments are incorporated into the revised Policy.

The PwC review did not identify the need for any fundamental changes and considered the Policy to be fit for purpose. Amendments are intended to keep the Policy current, accessible, aligned with good practice and Council's evolving circumstances e.g., creation of Waitī, amalgamation.

Attachment 1 contains the final *Treasury Management Policy*.

Attachment 2 is the PwC Review report.

Officers seek endorsement by the Finance, Risk & Assurance Committee of the *Treasury Management Policy*.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

These are covered in the Context section, above.

Once approved, the Policy will underpin Council's management of liabilities and investments.

Significance, Engagement and Consultation

As an internal Council Governance document, the *Treasury Management Policy* is not required to be assessed against the Council's *Significance and Engagement Policy*.

Financial Considerations

There are no financial implications for the Finance, Risk and Assurance Committee arising from the *Treasury Management Policy*.

Implications for Māori

The approval of the *Treasury Management Policy* has no identified implications specific for Māori.

Communications/Engagement Plan

A Communications/Engagement Plan is not required in this instance.

Environmental/Climate Change Impact and Considerations

There are no environmental or climate change impacts or considerations arising from the *Treasury Management Policy*.

NEXT STEPS

Following endorsement of the *Treasury Management Policy* by the Finance, Risk & Assurance Committee, the policy will go to the 16th September 2026 Council meeting for approval.

ATTACHMENTS

1. Masterton District Council Treasury Management Policy [↓](#)
2. PwC Treasury Management Policy review [↓](#)



Treasury Management Policy

Including

Liability Management Policy

&

Investment Policy

August 2026

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Appendix 1: Approved Financial Instruments

Appendix 2: Investment Counterparty Limits

Adopted by:	Masterton District Council (as recommended by the Audit and Risk Committee)
Date of Approval:	16 September 2026
Policy Number:	MDC025
Review Date:	8 July 2026

1 PURPOSE

The purpose of the Treasury Management Policy is to ensure Masterton District Council (MDC) undertakes its borrowing and investment activities, prudently, efficiently and in accordance with the requirements of the:

- Local Government Act 2002 (LGA), in particular Part 6 including sections 101, 102, 104, 105, 112 and 116.
- Local Government (Financial Reporting and Prudence) Regulations 2014, in particular Schedule 4; and
- Liability Management Policy and Investment Policy as outlined within this document.

Also, as an investor of ratepayer's monies, Council must have consideration of the Trusts Act 2019. When acting as a trustee or investing money on behalf of others, trustees have a duty to invest prudently and that they shall exercise care, diligence, and skill that a prudent person of business would exercise in managing the affairs of others.

2 OBJECTIVE

The objective of this Policy is to control and manage borrowing costs, investment returns, liquidity and risks associated with managing the Council's financial assets and liabilities.

3 SCOPE

This policy applies to all MDC borrowing and investment activity (referred to as treasury activity).

This policy does not apply to other aspects of MDC's financial operations (e.g. transactional banking and systems of internal control)

4 PRINCIPLES OF TREASURY ACTIVITY

MDC will undertake all treasury activities in accordance with the LGA and the following principles:

- To prudently manage MDC's Treasury liability and investment policies, and all identified treasury risks within policy limits and parameters.
- Minimise costs and risks in the management of MDC's borrowing through flexibility and spread of debt maturities.
- Where debt is raised for a specific activity or project, the debt servicing and repayment is funded from the revenue mechanisms associated with that activity.
- Manage investments to optimise returns in the long term whilst balancing risk and return considerations.
- Safeguard MDC's financial assets and investment capital through restricting assets classes to low risk and accepting lower returns that will result.
- Maintain appropriate liquidity levels and manage MDC's cash flows to meet known and predictable funding requirements.
- To minimise exposure to credit risk by dealing with and investing in credit worthy counterparties.
- Ensure that financial planning will not impose an unequitable spread of costs/benefits over current and future ratepayers, this should include prudent and appropriate use of available reserves.
- To ensure adequate internal controls exist to protect MDC's financial assets and to prevent unauthorised transactions.
- Ensure compliance with all risk control limits, financial ratios, and external lender requirements.
- Develop and maintain relationships with financial institutions, LGFA, investors and investment counterparties.

MDC is risk averse and will avoid risk in its treasury management activities. MDC seeks to manage, not capitalise on, any risk associated with interest rates, liquidity, funding, default or credit, and operations. Any activity which may be construed as speculative in nature is not permitted under this policy.

5 DELEGATION OF AUTHORITY

MDC will ensure effective controls over treasury management and segregation of duties controls are in place. All treasury activities will be undertaken in accordance with the authority limits set out in the Governance Delegations Manual and the Chief Executive and Staff Delegations Manual.

6 LIABILITY MANAGEMENT POLICY

MDC may borrow in order to:

- raise specific debt associated with projects and capital expenditure.
- fund the balance sheet as a whole, including working capital requirements; or
- fund assets whose useful lives extend over several generations of ratepayers.

Borrowing provides a basis to achieve inter-generational equity by aligning long-term assets with long-term funding sources, ensuring that costs are met by those ratepayers benefiting from the investment.

6.1 Borrowing Limits

MDC will manage external borrowing within the limits detailed in the table below.

Item	Borrowing Limit	
Net External Debt/Total Revenue	<150%	<175%
Net Interest on External Debt/Total Revenue	<10%	<20%
Net Interest on External Debt/Annual Rates Income	<15%	<25%
Net Interest on Internal and External Debt/Annual Rates Income	<20%	n/a
Liquidity (External debt + committed loan and stand-by facilities + cash and cash equivalents / External debt)	>110%	>110%

Borrowing limit definitions are outlined within the Appendices.

Financial covenants are measured on MDC only; there is no consolidated group.

Disaster recovery requirements will be met through the liquidity ratio and special reserve funds held as term investments.

Net External Debt is defined as Total External Borrowing less all Financial Assets (as listed in the Statement of Financial Position) and is consistent with the LGFA's definition. See Section 13 of this policy for the LGFA's definition of Net Debt.

Approval of Borrowing

New debt and the debt repayment programme is approved at the time of adopting the Long Term Plan (LTP) or Annual Plan. MDC's Financial Strategy (as included in the LTP) depicts the impact of the changing levels of debt and investments over the future ten year period.

All projected external borrowing is approved in advance by the Council as part of the Annual Plan or LTP process, or by resolution of the Council.

6.2 Borrowing Mechanisms

MDC will use the most appropriate and cost effective borrowing method available. Approved borrowing mechanisms include:

- issuing stock/bonds;
- commercial paper (CP) and debentures;
- direct bank borrowing;
- commercial paper and bonds issued by New Zealand Local Government Funding Agency (LGFA);
- accessing the short and long-term wholesale/retail debt capital markets directly or indirectly (including LGFA bespoke and short-term lending);

- accessing stand-by and working capital facilities with the LGFA; and
- internal borrowing – offset by cash holdings of reserves and special funds.

6.3 Security

MDC's security is provided by a charge over rates revenue, offered through a Debenture Trust Deed.

Under the Debenture Trust Deed, MDC's borrowing is secured by a floating charge over all MDC rates levied under the Local Government (Rating) Act 2002. The security offered by MDC ranks equally with other lenders.

With Council approval, security may be offered by providing a charge over one or more of MDC's assets. Physical assets will be charged only where:

- there is a direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g. project finance); or
- Council considers a charge over physical assets to be appropriate.

Any pledging of physical assets must comply with the terms and conditions contained within the security arrangement.

6.4 Debt Repayment

All portions of debt will be progressively repaid or refinanced as it falls due, in accordance with the applicable borrowing mechanism.

Subject to the appropriate approval and debt limits, a loan may be rolled over or re-negotiated as and when appropriate.

6.5 Guarantees, Contingent Liabilities and Other Financial Arrangements

MDC may act as guarantor to financial institutions on loans or enter into incidental arrangements for organisations, clubs, Trusts, or business units, if the purposes of the loan are in line with MDC's strategic objectives.

MDC will not guarantee loans to Council-Controlled Trading Organisations (CCTO), in accordance with the LGA (s.62).

MDC will ensure that sufficient funds or borrowing capacity with the LGFA or lines of credit, exist to meet amounts guaranteed. Guarantees given will not exceed any amount agreed by Council or Council committee. The Chief Financial Officer or equivalent position will monitor guarantees and report annually to Council. Conditions to financial arrangements, such as loan advances, are detailed later in this document.

Refer to section 7.4 for borrowing mechanisms for council-controlled organisations and council-controlled trading organisations.

6.6 Internal Borrowing

Internal loans are sourced from MDC's cash investments and are recognised as a valid means of funding projects, minimising the cost of borrowing while providing a market return on investment funds.

6.7 New Zealand Local Government Funding Agency (LGFA) Limited

Regardless of any other provision in this policy, MDC may borrow from the LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers appropriate:

- contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA e.g. borrower notes;
- provide a guarantee over the indebtedness of the LGFA and to the extent of the MDC's shareholding percentage in the LGFA itself;
- commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over MDC's rates and rates revenue (using a Debenture Trust Deed), or
- subscribe for shares and uncalled capital in the LGFA.

7 INVESTMENT POLICY

MDC's primary objective is to protect its investment capital and ensure that a prudent approach to risk/return is applied, in accordance with this policy.

MDC may hold financial, property, forestry, and equity investments if there is strategic, commercial, regulatory, economic or other valid reason (e.g. where it is the most appropriate way to deliver or administer a Council function).

Generating a commercial return on strategic investments is a secondary objective.

MDC will act effectively and appropriately to:

- protect MDC's capital;
- ensure investments are available to benefit MDC's current and future ratepayers;
- ensure ethical investing principles are followed, where they may be applicable to an investment decision;
- maintain a prudent level of liquidity and flexibility to meet both planned and unforeseen cash requirements; and
- use investment funds to repay debt.

MDC is a net borrower, meaning external debt is more than financial assets. There are strategic reasons to hold investments while also holding debt. However, MDC recognises that holding too much in financial assets, which generally earn less than the cost of the debt, is not prudent.

A prudent maximum level of financial assets is regarded as between \$14m and \$16m and a medium term target level is reducing it to \$12m. These totals exclude short term cash and deposits held for working cashflow purposes and any funds held and invested on behalf of related entities.

Investment funds can be used to repay debt early and that debt/investment will be tracked using internal loans/investments.

MDC will regularly review its approach to all major investments and the credit rating of approved financial institutions.

7.1 Acquisition of New Investments

With the exception of financial investments, new investments are acquired if an opportunity arises and approval is given by the Council, based on advice and recommendations from MDC staff. Before approving any new investments, due consideration will be given to the contribution the investment will make in fulfilling MDC's strategic objectives, and the financial risks of owning the investment.

7.2 The authority to acquire financial investments is delegated to the Chief Executive, Chief Financial Officer and Director – Commercial . Financial investments are reported to Council annually. Equity Investments

Equity investments include investments held in CCO/CCTO and other shareholdings.

Equity investments may be held where MDC considers there to be strategic community value. MDC may also acquire shares that are gifted or are a result of a Qualifying Change as defined in section 14 (Definitions).

MDC seeks to achieve an acceptable rate of return on all its equity investments consistent with the nature of the investment.

Any purchase or disposal of equity investments requires Council approval.

Unless otherwise directed by the Council, the proceeds from the disposal of equity investments will be used firstly to repay any debt relating to the investment and then utilised to reduce other MDC debt.

MDC recognises that there are risks associated with holding equity investments and to minimise these risks Council, through the relevant committee, monitors the performance of its equity investments on a yearly basis to ensure that the stated objectives are being achieved. MDC seeks professional advice regarding its equity investments when appropriate.

New Zealand Local Government Funding Agency Limited

Despite any other clause in this policy, MDC may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA) and may borrow to fund that investment.

MDC's objective in making any such investment will be to:

- obtain a return on the investment; and
- ensure that the LGFA has sufficient capital to remain viable, meaning that it continues as a source of debt funding for MDC.

MDC may invest in LGFA bonds and commercial paper as part of its financial investment portfolio.

As a borrower, MDC's investment is recognised through shares and borrower notes. As an investor in LGFA shares and as a Guarantor, MDC subscribes for uncalled capital in the LGFA.

7.3 Property Investment

Property disposals are managed to ensure compliance with statutory requirements and, where appropriate, consultation with local communities.

MDC's property holdings for the provision of services such as parks and reserves, sports fields, senior housing, the district building, rural halls and housing of community groups are not considered property investments under this policy.

MDC may acquire property related to the provision or expansion of a service i.e. water treatment land or land adjoining an MDC facility (e.g. airport). Again, these will not be considered as property investments.

Council may undertake property development initiatives and hold strategic property assets as it thinks appropriate within the local economy.

7.4 Financial Investments

MDC may only invest in approved creditworthy counterparties. Credit ratings are monitored and reported quarterly to Council.

MDC may invest in approved financial instruments as set out in Appendix 1. These investments are aligned with MDC's objective of investing in high credit quality and highly liquid assets.

MDC's investment portfolio will be arranged to provide sufficient funds for planned expenditure and allow for the payment of obligations as they fall due. MDC prudently manages liquid financial investments as follows:

- Any liquid investments must be restricted to a term that meets future cash flow and capital expenditure projections.
- MDC may choose to hold specific reserves in cash and direct what happens to that investment income.
- Internal investments/borrowing can be used as an alternative to external borrowing.
- Financial investments do not include shares.

Special Funds and Reserve Funds

Liquid assets are not required to be held against all special funds and reserve funds. MDC may internally borrow or utilise these funds where possible.

Trust Funds

Where MDC holds funds as a trustee, or manages funds in-trust, then such funds must be invested on the terms provided by the other party. If the other party's Investment Policy is not specified, then this policy will apply.

Loan Advances

MDC may provide advances to CCOs, CCTOs, charitable trusts, community organisations and Carterton District Council (CDC) for strategic and commercial purposes. New loan advances are by Council resolution only. Loans to CDC are in relation to the Waingawa industrial area, to further both Councils strategic objectives. New loan advances are by Council resolution only.

MDC may allow time for ratepayers to pay rates via postponement arrangements or other agreements to pay off debts over time. Those arrangements are governed by separate policies and are not regarded as Loan Advances.

MDC does not lend money, or provide any other financial accommodation, to a CCO or CCTO on terms and conditions that are more favourable than those that would apply if MDC were borrowing the money or obtaining the financial accommodation.

MDC does not lend to CCTOs on more favourable terms than what it can achieve itself, without charging any rate or rate revenue as security. MDC will not guarantee loans to CCTOs in accordance with the LGA (s.62).

MDC reviews performance of its loan advances on a regular basis to ensure strategic and economic objectives are being achieved. The Manager Finance monitors loan advances and reports to Council annually.

Borrowing mechanisms for council controlled organisations and council controlled trading organisations

To better achieve its strategic and commercial objectives, Council may provide financial support in the form of debt funding directly or indirectly to CCO/CCTOs.

Guarantees of financial indebtedness to CCTOs are prohibited, but financial support may be provided by subscribing for shares as called or uncalled capital.

Guarantees to entities that MDC are a shareholder of as a result a Qualifying Change, where that entity is a CCO, are allowed. Financial support for a CCTO would be through providing an uncalled capital facility.

Any lending arrangement to a CCO or CCTO must be approved by Council. In recommending an arrangement for approval the Chief Financial Officer considers the following:

- Credit risk profile of the borrowing entity, and the ability to repay interest and principal amount outstanding on due date.
- Impact on Council's credit standing, debt cap amount (where applied), lending covenants with the LGFA and other lenders and Council's future borrowing capacity.
- The form and quality of security arrangements provided.
- The lending rate given factors such as, CCO or CCTO credit profile, external Council borrowing rates, borrower note and liquidity buffer requirements, term etc.
- Lending arrangements to CCTO must be documented on a commercial arm's length basis. A term sheet, including matters such as borrowing costs, interest payment dates, principal payment dates, security and expiry date is agreed between the parties.
- Accounting and taxation impact of on-lending arrangement.

All lending arrangements must be executed under legal documentation (e.g. loan, guarantee) reviewed and approved by Council's independent legal counsel.

External Funds Management

Investments made through external fund managers will be to a maximum of \$12 million. Investments must be limited to fixed income and cash/cash equivalent securities only.

The current mandate is as follows:

Asset	Allocation	Credit Range
ANZ Wholesale Sovereign Bond Fund	45% - 55%	AA to AAA
ANZ Wholesale High Grade Bond Fund	45% - 55%	A- to AAA

The credit restrictions for funds placed with any one institution (per Appendix 2) do not apply to externally managed funds as the portfolio is held in wholesale bond fund products via a trustee.

This policy allows the addition of other investment management products and fund managers to complement or replace the ANZ bond funds.

Monthly and Quarterly Investment Reports provide a performance summary to ensure the investment guidelines are being adhered to.

Interest Rate Risk Management

This section refers to the externally managed investment portfolio which has a direct exposure to a change in interest rates, impacting the return and capital value of its fixed rate investments.

Management of the bond fund products by the external fund managers assumes the use of interest rate risk management strategies as part of the day-to-day management of the bond fund portfolios.

7.5 Internal Loans/Investments

Investment funds held by MDC may be invested in Council capital projects, subject to Council's selection of debt funding for those projects, via the annual planning or LTP cycle.

As a principle, no more than half of the value of special funds and reserves balances is available for internal borrowing/investment. Generally, smaller projects will be funded by way of internal loans.

7.6 Investment Management and Reporting Procedures

Investments and associated risks are monitored and managed and regularly reported to Council.

Investments that are managed directly by MDC are a mix of term and current fixed interest investments, with sufficient minimum immediate cash reserves and a cash buffer maintained.

The performance of investments is regularly reviewed to ensure MDC's strategic objectives are being met. Both performance and policy compliance are reviewed through regular reporting.

8 RISK RECOGNITION/IDENTIFICATION MANAGEMENT

The definition and recognition of liquidity, funding, interest rate, counterparty credit, operational and legal risk of Council is detailed below and applies to both the Liability Management Policy and Investment Policy.

The following section excludes investment funds under external management outlined in section 6.5

8.1 Liquidity and Funding Risk

Risk Recognition

Liquidity risk management focuses on the ability to access committed funding at that future time to fund the gaps. Funding risk management centres on the ability to re-finance or raise new debt at a future time at acceptable pricing (fees and borrowing margins) and maturity terms of existing loans and facilities.

Liquidity/Funding Risk Control Limits

To ensure funds are available when needed MDC ensures that:

- There is sufficient available operating cash flow, liquid investments and committed bank facilities to meet cash flow requirements between rates instalments as determined by the Manager Finance.
- External debt and committed loan and stand-by facilities together with available cash/cash equivalent investments must be maintained at an amount greater than 110% over existing external debt. The liquidity ratio excludes externally managed funds.
- MDC has the ability to pre-fund up to 18 months forecast debt requirements including re-financings. Re-financings that have been pre-funded, will remain included within the funding maturity profile until their maturity date.
- The maturity profile of the total committed funding in respect to all external debt/loans and committed debt facilities, is to be controlled by the following system:

Period	Minimum %	Maximum %
0 to 3 years	15%	60%
3 to 7 years	25%	85%
7 years plus	0%	60%

- A funding maturity profile that is outside the above limits, but self corrects within 90-days is not in breach of this policy. However, maintaining a maturity profile beyond 90-days, requires specific approval by Council. Where the deviation arises as a consequence of a Qualifying Change, it is dealt with in accordance with section 11 (Exceptions).
- Once debt has been refinanced with a contracted term deposit (pre-funded), the term deposit amount will net off the maturing debt instrument from the funding maturity profile percentage calculation.
-

8.2 Interest Rate Risk on External Borrowing

Risk Recognition

Interest rate risk is the risk that funding costs will materially impact projections included in the LTP or Annual Plan. This would adversely impact revenue projections, cost control, and capital investment decisions, returns and feasibilities.

The primary objective of interest rate risk management is to reduce uncertainty relating to interest rate movements through fixing/hedging of interest costs. Certainty around interest costs will be achieved through active management of underlying interest rate exposures.

Interest Rate Risk Control Limits

Exposure to interest rate risk is managed and mitigated through the risk control limits defined in the table below.

Council's forecast gross external debt should be within the following fixed/floating interest rate risk control limits.

Forecast gross external debt is the amount of total external debt for a given period. Forecasting gross external debt allows for pre-hedging in advance of projected physical drawdown or raising of new debt.

The CFO (or equivalent) can consider and approve alternative debt forecast scenarios that make assumptions around such matters as, the delivery and timing of the capital expenditure programme when designing the interest rate strategy. However, the interest rate risk position is measured and reported to a CFO-agreed and approved base case debt forecast.

When approved forecasts are changed (signed off by the CFO or equivalent), the amount of interest rate fixing in place may have to be adjusted to ensure compliance with the Policy minimum and maximum limits.

Debt Interest Rate Policy Parameters (calculated on rolling monthly basis)					
Debt Period Ending	Debt Amount	Minimum Fixed	Maximum Fixed	Actual Fixed	Compliant (Y/N)
Current		40%	90%		
Year 1		40%	90%		
Year 2		35%	85%		
Year 3		30%	80%		
Year 4		25%	75%		
Year 5		20%	70%		
Year 6		0%	65%		
Year 7		0%	60%		
Year 8		0%	50%		
Year 9		0%	50%		
Year 10		0%	50%		
Year 11 plus		0%	25%		

- A fixed-rate maturity profile that is outside the above limits, but self corrects within 90-days is not considered to be a breach of this policy. Maintaining a maturity profile beyond 90-days requires specific approval by Council. Where the deviation arises as a consequence of a Qualifying Change, it is dealt with in accordance with section 11 (Exceptions).

"Fixed Rate" is defined as all known interest rate obligations on forecast gross external debt, including where hedging instruments have fixed movements in the applicable reset rate.

- "Floating Rate" is defined as any interest rate obligation subject to movements in the applicable reset rate.

- Fixed interest rate percentages are calculated based on the average amount of fixed interest rate obligations relative to the average forecast gross external debt amounts for the given period (as defined in the table above).
- Interest rate swap maturities beyond the maximum LGFA bond maturity must be approved by Council through a specific approval.
- Hedging outside the above risk parameters must be approved by Council.
- Interest rate options must not be sold outright. However, one for one collar option structures are allowable, whereby the sold option is matched precisely by amount and maturity to the simultaneously purchased option. During the term of the option, only the sold side of the collar can be closed out (i.e. repurchased) otherwise, both sides must be closed simultaneously. The sold option leg of the collar structure must not have a strike rate "in-the-money".
- Purchased borrower swaptions mature within 18 months.
- Interest rate options with a maturity date beyond 12 months that have a strike rate (exercise rate) higher than 2.00% above the appropriate swap rate, cannot be counted as part of the fixed rate hedge percentage calculation. (i.e. an ineffective hedge).
- Forward start period on swaps and collar strategies to be no more than 36 months unless the forward start swap/collar starts on the expiry date of an existing swap/collar and has a notional amount which is no more than that of the existing swap/collar.

Hedging outside the above risk parameters must be approved by Council.

8.3 Financial Investment Interest Rate/Maturity limits

The following control limits are designed to manage interest rate and maturity risk on the financial investment portfolio managed internally by MDC (i.e. excludes externally managed funds). The portfolio comprises treasury financial investments (as defined in Appendix 1) and excludes cash and cash equivalent instruments used for liquidity management purposes as defined in section 14.

An important objective of the financial investment portfolio is to match the portfolio's maturity term to planned expenditure thereby ensuring that investments are available when required. Financial investments should be restricted to a term that meets future cash flow projections and be mindful of forecast debt associated with future capital expenditure programmes as outlined within the LTP.

Period	Minimum %	Maximum %
0 to 6 months	30%	80%
6 to 12 months	20%	70%
1 to 3 years	0%	50%
3 years plus	0%	20%

The repricing/maturity mix can be changed, within the above limits through sale/purchase of financial investments.

8.4 Counterparty Credit Risk

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where MDC is a party. The credit risk to MDC in a default event will be weighted differently depending on the type of instrument entered into. MDC will only borrow from strongly rated banks with a minimum long-term credit rating of at least "A" (S&P, or equivalent Fitch or Moody's rating).

Treasury related transactions will only be entered into with organisations specifically approved by the Council. Entities and financial instruments are outlined within the Appendices.

Counterparties and limits are only approved on the basis of Standard & Poor's (S&P, or equivalent Fitch or Moody's rating) long and short-term credit ratings matrix provided within the Appendices.

8.5 Financial Instruments

Approved financial instruments for cash management and borrowing, investments, interest rate and foreign exchange risk management are outlined in Appendix 1.

9 OTHER

9.1 Foreign Currency

MDC has minor foreign exchange exposure through the occasional purchase of foreign exchange denominated services, plant and equipment.

Generally, all individual commitments over NZ\$100,000 equivalent are hedged using forward foreign exchange contracts, once expenditure is approved, legal commitment occurs and the purchase order is placed, exact timing, currency type and amount are known.

Per the LGA, MDC will not borrow or enter into incidental arrangements, within or outside New Zealand, in currency other than New Zealand currency.

MDC does not hold investments denominated in foreign currency.

9.2 Operational Risk

Operational risk is the risk of loss as a result of human error (or fraud), system failures and inadequate procedures and controls.

9.3 Legal Risk

Legal risks relate to the unenforceability of a transaction due to an organisation not having the legal capacity or power to enter into the transaction usually because of prohibitions contained in legislation. While legal risks are more relevant for banks, MDC may be exposed to such risks.

MDC will seek to minimise this risk by the:

- use of standing dealing and settlement instructions (including bank accounts, authorised persons, standard deal confirmations, contacts for disputed transactions) to be sent to counterparties;
- matching of third party confirmations and the immediate follow-up of anomalies; and
- use of expert advice.

Agreements

Financial instruments can only be entered into with banks that have in place an executed ISDA Master Agreement with MDC. All ISDA Master Agreements for financial instruments must be signed under seal by the Council.

MDC's CE and/or internal/appointed legal counsel must sign under seal all documentation for new loan borrowings, re-financings and investment structures.

Financial Covenants and Other Obligations

MDC will not enter into any transactions where it would cause a breach of financial covenants under existing contractual arrangements.

MDC must comply with all obligations and reporting requirements under existing funding facilities and legislative requirements.

10 MEASURING TREASURY PERFORMANCE

Measuring the effectiveness of MDC's treasury activities is achieved through a mixture of subjective and objective measures. The predominant subjective measure is the overall quality of treasury management information. The Chief Executive has primary responsibility for determining this overall quality.

11 EXCEPTIONS

Exceptions to this policy are permitted if it would advance MDC's broader social or other policy objectives.

Any resolution authorising an investment under this provision shall note that it departs from MDC's ordinary policy and the reasons justifying that departure.

Where a deviation from the limits or parameters in this Policy arises as a consequence of a Qualifying Change, rather than as a result of an act or omission of management, it is not treated as a breach of this Policy by management. In

such cases, the Finance, Risk and Assurance Committee is to be advised at the earliest time it is known that the deviation will occur, and the deviation is retrospectively reported to, and approved by, Council.

12 REVIEW OF POLICY

The policy is to be formally reviewed every three years, and annually for internal purposes.

The Chief Financial Officer or equivalent position has the responsibility to prepare the annual review report (following the preparation of annual financial statements) that is presented to the Chief Executive. The report will include:

- a recommendation as to changes, deletions and additions to the policy.
- an overview of the treasury function in achieving the stated treasury objectives and performance benchmarks; and
- a summary of breaches of policy and one-off approvals outside policy.

The Council receives the report, approves policy changes and/or rejects recommendations for policy changes. The policy review should be completed and presented to the Council within five months of the financial year-end.

13 REPORTING

Council and management reporting on treasury activities is based on comprehensive and regular communication of the following areas to ensure high standards of governance and control:

- Policy compliance
- Risk/exposure position
- Performance

Council ensures reporting of the Liability and Investment Management Policies is consistent with the requirements of the LGA.

14 DEFINITIONS

Net External Debt: Net debt is defined as total debt less liquid investments/cash equivalents. When calculating net debt, the LGFA allows the deduction of:

- Cash, term deposits and any investments held within investment portfolios (whether these are ring fenced or not). Investment portfolios might include listed equities, fixed interest securities, listed property securities or units in managed funds.
- LGFA borrower notes can be deducted.
- Any council lending to a CCO or CCTO can also be deducted but only where the CCO or CCTO is a going concern and not dependent upon council financial support.

Annual Rates Income: The amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 (including volumetric water charges levied) together with any revenue received from other local authorities for services provided (and for which the other local authorities rate).

Cash/cash equivalents: Assets defined as being:

- overnight cash deposits;
- wholesale/retail bank term deposits no greater than 30-days; or
- RCDs less than 181 days.

Core External Gross Debt: The total external debt maturing beyond 12 months.

Floating Rate: any interest rate obligation subject to movements in the applicable reset rate.

Investment Property: Properties owned by MDC which MDC is actively seeking to sell/dispose or properties held for strategic purposes but are not part of MDC's current service delivery needs.

Liquidity Ratio: External debt plus committed loan and stand-by facilities, plus cash/cash equivalents, divided by current external debt.

Net Debt: Total consolidated debt less cash/cash equivalents and financial investments.

Net Interest on External Debt: The amount equal to all interest and financing costs (on external debt) less interest income for the relevant period (and includes interest from MDC's externally managed investment funds).

Total Revenue: Cash earnings from rates, government capital grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets).

Qualifying Change: any restructuring, regulatory or legislative change affecting MDC or its activities, including the establishment of a water services entity or a Council amalgamation.

15 RELATED DOCUMENTS

Governance Delegations Manual
 CE and Staff Delegations Manuals
 Corporate Risk Management Policy
 Treasury Procedures and Process Manual

16 VERSION CONTROL

Date	Summary of Amendments	Approved By
24/06/2020	As per Amendments approved by A&R Cmte (see marked up version)	Audit & Risk (May 2020) Council (24 June 2020)

24/05/2023	As per Amendments approved by A&R Cmte (see marked up version)	Audit & Risk (May 2023) Council (28 June 2023)
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Date	Summary of Amendments	Approved By
12 August 2026/06	As per Amendments approved by A&R Cmte (see marked up version)	Audit & Risk (12 August 2026?) Council (16 September 2026?)

Appendix 1: Approved Financial Instruments

Approved financial instruments (which do not include shares or equities) are as follows:

Category	Instrument
Cash management and borrowing	- Bank overdraft - Committed cash advance and funding facilities (short term and long-term loan facilities) - Loan stock /bond issuance - Floating Rate Note (FRN) - Fixed Rate Note (Medium Term Note/Bond) - Commercial paper (CP)/Promissory notes - Committed stand-by and working capital facilities from the LGFA - Forward starting committed debt with the LGFA
Treasury Financial Investments	- Bank call/term deposits - Bank registered certificates of deposit (RCDs)

	• Treasury bills • LGFA FRNs/bonds/CP/borrower notes • Local Authority/State Owned Enterprise (SOE) Medium Term Notes (MTNs)/CP/bonds and FRNs (senior) • Corporate CP/MTNs/FRNs bonds (senior) • Wairarapa Building Society short term deposits (up to three months)
Interest rate risk management	• Forward rate agreements (FRAs) on bank bills • Interest rate swaps including: - Forward start swaps/collars. Start date <24 months, unless linked to existing maturing swaps/collars - Swap extensions and shortenings • Interest rate options on: - Bank bills (purchased caps and one for one collars) - Interest rate swaptions (purchased swaptions and one for one collars only)
Foreign exchange management	• Spot foreign exchange • Forward exchange contracts (including par forwards) • Purchased options and collars (1:1 only)

Any other financial instrument must be specifically approved by the Council on a case-by-case basis.

All unsecured investment securities must be senior in ranking. The following types of investment instruments are expressly excluded;

- Structured debt where issuing entities are not a primary borrower/ issuer.
- Subordinated debt (other than Borrower Notes subscribed from the LGFA), junior debt, perpetual notes and debt/equity hybrid notes such as convertibles.

Appendix 2: Investment Counterparty Limits

Counterparty /Issuer	Minimum S&P (or equivalent) long term/short term credit rating			Total maximum per counterparty (\$m)	Maximum investment portfolio percentage
NZ Government	N/A			Unlimited	Unlimited
Local Government Funding Agency (LGFA)	AA-/A-1			10.0	< 35%
NZ Registered Bank (minimum rating) (1)	A /A-1			20.0	100%
Local authorities	A /A-1			1.5	< 35%
SOEs and Corporates	BBB /A-2			1.5	<35% exposed to SOEs/ corporates < 10% exposed to BBB credit ratings.
Building Societies, incl Wairarapa Building Society ²	BB+ (long term)			2.5	< 20%

(1) With the exception of Council's transactional bank which may exceed the limit for up to 5 working days and when funds are held as pre-funding to match loan maturities.

Note 1: Limit for Council's principal bankers (Westpac & ANZ) excludes balances in current and call accounts designated as working funds required for operational cash management purposes and deposits held as pre-funding of an up-coming loan maturity.

Note 2: Limit excludes funds held and invested on behalf of other entities.

In determining the usage of the above gross limits, the following product weightings will be used:

- Investments (e.g. Bank Deposits) – Transaction Principal Weighting 100% (unless a legal right of set-off exists).
- Interest Rate Risk Management (e.g. swaps, FRAs) – Transaction Notional Maturity (years) 3%.
- Foreign Exchange - Transactional face value amount x (the square root of the Maturity (years) x 15%).



Treasury Management Policy Review

Masterton District Council
July 2026

Strictly private and confidential

Disclaimer

This document has been prepared for and only for Masterton District Council in accordance with the terms of the Letter of Engagement dated 5 November 2012 and for no other purpose. We do not accept or assume any liability or duty of care for other purpose or to any other person to whom this document is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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Important message to any person not authorised to have access to this memo.

Any person who is not an addressee of this memo or who has not signed and returned to PwC a Release Letter or Hold Harmless Letter is not authorised to have access to this memo. Should any unauthorised person obtain access to and read this memo, by reading this memo such person accepts and agrees to the following terms:

1. The reader of this memo understands that the work performed by PwC was performed in accordance with instructions provided by our addressee client and was performed exclusively for our addressee client's sole benefit and use.
2. The reader of this memo acknowledges that this memo was prepared at the direction of our addressee client and may not include all advice and / or procedures deemed necessary for the purposes of the reader.
3. The reader agrees that PwC, its partners, principals, employees and agents neither owe nor accept any duty or responsibility to it, whether in contract or in tort (including without limitation, negligence and breach of statutory duty), and shall not be liable in respect of any loss, damage or expense of whatsoever nature which is caused by any use the reader may choose to make of this memo, or which is otherwise consequent upon the gaining of access to the memo by the reader.
4. Further, the reader agrees that this memo is not to be referred to or quoted, in whole or in part, in any prospectus, registration statement, offering circular, public filing, loan, other agreement or document and not to distribute the memo without PwC's prior written consent.

Policy purpose and context

Masterton District Council's (Council's) Treasury Management Policy (Policy) is the framework that governs how Council borrows, invests and manages financial risks.

The Policy brings together two policies that councils are required to adopt under the Local Government Act 2002:

- a liability management policy, which covers borrowing and debt management
- an investment policy, which covers how Council invests funds.

Bringing these together in one Treasury Management Policy provides a single framework for Council's treasury activity.

In practical terms, the Policy sets the objectives, limits, delegations and controls for Council's treasury activities. It is designed to help Council manage the key financial risks that arise from borrowing and investing, including:

- **liquidity and funding risk** - the risk that Council does not have sufficient funds or borrowing capacity available when needed
- **interest rate risk** - the risk that changes in interest rates affect Council's borrowing costs.
- **counterparty credit risk** - the risk that a bank or other financial counterparty does not meet its obligations to Council.
- **investment risk** - the risk that Council's investments do not perform as expected or are not managed in line with Council's objectives.

The Policy is a living document - it reviewed regularly to ensure it remains fit for purpose as Council's operating environment evolves. Council undertakes an internal review each year, with a more detailed formal review at least once every three years.

This approach is consistent with good practice and helps ensure the Policy continues to reflect Council's operations, financial strategy and risk profile, together with any relevant legislative, regulatory or market developments.that should be reviewed regularly to ensure it remains fit for purpose.

Review context

We have reviewed Council's Policy in the context of current treasury management practice, developments across the local government sector, and Council's own operating environment.

A key driver for this review is Council's preparation for the establishment of Waiti Waters, the Wairarapa Tararua water services council-controlled organisation to which Council's three waters services are expected to transfer. The broader programme of water reform and local government change has implications for Council's future treasury activity, including how debt, liquidity, funding and related financial risks are managed.

This report is provided alongside our marked-up version of the Policy. It explains the rationale for the more material amendments we have recommended.

This review has not identified the need for any fundamental changes. In our view, the Policy remains fit for purpose. The recommended amendments are intended to keep it current, accessible and aligned with good practice and Council's evolving circumstances.

The following sections summarise the key areas of change and the thinking that sits behind our recommendations.

Borrowing limits (section 6.1): inclusion of LGFA covenant limits

We have expanded the borrowing limits table to show the New Zealand Local Government Funding Agency's (LGFA) covenant limits alongside Council's own internal borrowing limits.

This change does not introduce new borrowing limits into the Policy. Rather, it improves the presentation of the existing framework by making the relationship between Council's internal limits and the LGFA covenant limits clearer for readers who may not be familiar with how the two sets of limits interact. It also shows the level of headroom Council seeks to maintain beneath the LGFA covenants.

Maintaining a buffer beneath the LGFA covenants is consistent with good practice. Council's internal limits should continue to be set and reviewed with reference to Council's long-term financial strategy, risk appetite and borrowing requirements..

Liquidity ratio (sections 6.1 and 8.1): clarification of definition

We have refined the definition of the liquidity ratio to remove wording that could be interpreted inconsistently. The intent of the ratio is to measure Council's available liquidity against its external debt obligations.

As amended, the liquidity ratio is calculated as:

External debt + committed loan facilities + committed stand-by facilities + cash and cash equivalents

External debt

Two clarifications sit behind this modification:

1. References to "term" debt have been removed.

All external debt is relevant to the ratio, whether raised through the LGFA or bank facilities. Removing the word "term" avoids potential ambiguity about which debt should be included.

2. References to "unutilised" committed facilities have been removed.

The ratio is intended to capture the full amount of committed facilities available to Council, alongside external debt and cash. Referring only to the "unutilised" portion could create confusion where part of a facility has been drawn.

These changes do not alter the intended operation of the liquidity ratio. Rather, they ensure the definition is clearer, more robust and aligned with how the ratio is applied in practice.

Approved borrowing mechanisms (section 6.2 and Appendix 1)

We have refined the approved borrowing mechanisms and instruments to refer more explicitly to the LGFA funding products available to Council, including commercial paper, stand-by facilities and working capital facilities.

These changes do not represent a material change in Council's borrowing powers or funding approach. The existing Policy did not preclude the use of these instruments. However, given these facilities are now established features of the LGFA funding toolkit and may form part of Council's day-to-day treasury management, we consider it appropriate for the Policy to refer to them directly.

Appendix 1 has been updated consistently with this change. This improves clarity and ensures the Policy more clearly reflects the funding mechanisms available to Council.

Financial support for CCOs and CCTOs (section 7.4)

Council may, from time to time, choose to provide financial support to an entity it owns or participates in as a result of restructuring, regulatory or legislative change. This includes the establishment of Waiti Waters, where Council is expected to provide a joint and several guarantee in support of borrowing.

Council has proposed helpful amendments to section 7.4 of the Policy to accommodate this type of support. We suggest a small refinement so that the ability to provide a guarantee applies only to council-controlled organisations (CCOs), and not to council-controlled trading organisations (CCTOs). This distinction is important because the Local Government Act 2002 does not permit a council to guarantee the financial indebtedness of a CCTO. The proposed refinement keeps the Policy aligned with the Act.

Where Council becomes a shareholder in a CCTO as a result of a Qualifying Change, financial support can still be provided through an uncalled capital facility rather than a guarantee..

Counterparty credit risk (section 8.4 and Appendix 2): move to total limits

We have simplified the counterparty credit risk limits by replacing the separate limits for investments and risk management instruments with a single total limit for each approved counterparty.

The existing approach is not inappropriate. Separating investment and derivative exposures can be a useful way to manage counterparty credit risk, particularly where a council has a more active treasury profile. However, in practice, the current structure can create tension. For example, Council may have capacity available within the derivative limit for a bank, while being restricted from placing further deposits with that same bank because the investment limit has been reached.

For Council, the more relevant risk measure is total exposure to a single counterparty. Whether the exposure arises from a term deposit, cash investment or risk management instrument, Council's credit risk is ultimately linked to the aggregate amount owed by, or exposed to, that counterparty.

Moving to a single total limit affords greater flexibility to manage treasury activities within the same overall risk envelope. It allows Council to allocate capacity between investments and risk management instruments as needed, without increasing the maximum exposure permitted to a single counterparty.

The total exposure limit for each counterparty is unchanged.

We have also removed the \$0.5 million single-issuer sub-limit that previously applied to BBB-rated SOEs and corporates. That exposure is already managed through the investment portfolio percentage limits for SOEs and corporates, including the specific limit for BBB-rated counterparties.

Treatment of externally-driven deviations (section 11): Exceptions

We have added a clause to the Exceptions section to deal clearly with deviations from the Policy that arise as a consequence of external change rather than any act or omission of management. Where a deviation from the Policy's limits or parameters arises as a consequence of a Qualifying Change:

- it is not treated as a breach of the Policy by management.
- the Finance, Risk and Assurance Committee is to be advised at the earliest time it is known that the deviation will occur.
- the deviation is retrospectively reported to, and approved by, Council.

This recognises that a restructuring, regulatory or legislative change may temporarily move Council outside a Policy setting even where management has acted appropriately. At the same time, the revised wording preserves appropriate governance oversight by requiring timely escalation and reporting.

To support these amendments, we have introduced a defined term, "Qualifying Change", to refer to restructuring, regulatory or legislative change affecting Council or its activities. This avoids repeating lengthy wording throughout the Policy and helps ensure the relevant provisions are applied consistently.

The funding maturity and interest rate maturity provisions now cross-refer to this section, so externally-driven deviations are treated consistently across the Policy.

Other refinements

We have also made a small number of more minor refinements to improve clarity and keep the Policy aligned with current settings:

- In the guarantees provisions, we have added LGFA borrowing capacity, alongside the existing references to sufficient funds or lines of credit, as a means by which guarantees can be met.
- In the Investment Policy, we have included "regulatory" as one of the valid reasons for which Council may hold financial, property, forestry and equity investments.
- In the funding maturity profile, we have removed the previous restriction on LGFA borrowings maturing within a 12-month period, as this is no longer an LGFA requirement.

We are otherwise comfortable that the remainder of the Policy remains appropriate, and no other material changes are recommended.



Effective risk management is achieved through clear frameworks, disciplined execution, and the right tools to respond when conditions change.

5.2 MASTERTON DISTRICT COUNCIL'S TAX GOVERNANCE FRAMEWORK

File Number:**Author:** David Paris, Director Commercial**Authoriser:** Kym Fell, Chief Executive**PURPOSE**

The purpose of this report is to seek endorsement from the Masterton District Council Finance, Risk & Assurance Committee of the *Tax Governance Framework*.

RECOMMENDATIONS

That the **Finance, Risk & Assurance Committee**:

1. **Endorses** the Tax Governance Framework (Attachment 1) and Tax Risk Management Strategy (Attachment 2), collectively called the *Tax Governance Framework*.
2. **Notes** the Framework has been developed by PwC, Council's Taxation advisor.
3. **Notes** on recommendation / endorsement by the Finance, Risk & Assurance Committee the Framework will require approval by Council at its 16th September meeting.

CONTEXT

Council is a large public organisation providing services to the public and should maintain exemplary governance and tax compliance standards.

Inland Revenue has been explicit in their expectations that larger organisations have tax risk management incorporated within their governance framework.

The Tax Governance Framework (Attachment 1), and the Tax Risk Management Strategy (Attachment 2), together "the Framework" recognise one of the risks Council has to manage is taxation risk, that responsibility has been delegated to Management for day to day tax risk, with annual briefing and, if necessary, ad hoc briefings.

The Framework sets how Management will manage day to day tax risk, and a potential approach to reviewing tax risk. The Framework is intended to be dynamic so that possible approaches can change based on developments in tax law, changes in systems or personnel.

The Framework will be reviewed internally on an annual basis, and a more formal review will be undertaken every three years.

The Framework has been developed by PwC, Council's Taxation advisor.

ANALYSIS AND ADVICE

The Framework adopts a "low" risk approach rather than a "no" risk approach, reflecting that in taxation there are issues that are not always "black or white" but can be "grey" where there needs to be interpretation or view taken on a position. This also reflects that there is a materiality question, it can cost more to be completely compliant on a particular transaction than the tax that is in question and Council could spend an inordinate amount getting everything correct to the nearest cent. Hence, "low" reflects taking a reasonable and balanced approach, but not at any cost.

The Framework also establishes a suggested \$ amount for “material: errors or significant” outstanding tax, in this context the Framework has interpreted “material” to be situations that may result in:

- Penalties and interest potentially being imposed in excess of \$10,000
- An ‘unexpected’ tax calculation adjustment is required where the tax effect/ tax payable is in excess of \$20,000
- There is a risk of prosecution
- An accusation of tax avoidance could be levied
- There is a risk of negative publicity.

PwC does not recommend “material” being defined by any lower \$ threshold and have informed Management that the suggested \$ amounts are similar levels to what other Councils have adopted. Management consider the suggested definition to be reasonable.

The Framework proposes an annual report to the Finance, Risk & Assurance Committee to confirm compliance and as part of the adoption of the Framework, PwC recommend which Council officers have access to myIR record for Council.

Attachment 1 contains the *Tax Governance Framework*.

Attachment 2 proves the *Tax Risk Management Strategy*

Officers seek endorsement by the Finance, Risk & Assurance Committee of the *Tax Governance Framework*, and the *Tax Risk Management Strategy*.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

These are covered in the Context section above.

Once approved, the Framework will underpin Council's management of liabilities and investments.

Significance, Engagement and Consultation

As an internal Council Governance document, the *Tax Governance Framework* is not required to be assessed against the Council's *Significance and Engagement Policy*.

Financial Considerations

There are no financial implications for the Finance, Risk & Assurance Committee arising from the *Tax Governance Framework*.

Implications for Māori

The approval of the *Tax Governance Framework* has no identified implications specific for Māori.

Communications/Engagement Plan

A Communications/Engagement Plan is not required in this instance.

Environmental/Climate Change Impact and Considerations

There are no environmental or climate change impacts or considerations arising from the *Tax Governance Framework*.

NEXT STEPS

Following endorsement of the *Tax Governance Framework* by the Finance, Risk & Assurance Committee, the policy will go to the 16th September 2026 Council meeting for approval.

ATTACHMENTS

1. **Masterton District Council Tax Governance Framework - 2026** [↓](#)
2. **Masterton District Council Tax Governance Framework - Tax Risk Management Strategy - 2026** [↓](#)



Masterton District Council

Tax Risk Governance Framework

For endorsement by the Finance Risk & Assurance Committee

August 2026

1. Purpose

This document outlines Masterton District Council's (Council) approach to the management of tax risk and constitutes the tax governance framework endorsed by the Finance Risk & Assurance Committee of Council.

2. Background

Council is a large, high profile, organisation that is responsible for providing services to the New Zealand public. As such, Council must maintain exemplary governance and tax compliance standards.

3. Tax Governance Expectations

Inland Revenue has been explicit in their expectation that all large organisations have tax risk management incorporated within their governance framework. This expectation has been apparent from:

- The use by Inland Revenue of a "Tax Governance Questionnaire" to assess individual organisations approach to tax risk management, which is now also being used in Inland Revenue audits;
- Applying a different lens to the application of penalties for organisations that are found to be non-compliant and that do not have a formalised tax governance strategy and risk management plan;
- Commentary in the "Multinational Enterprise Compliance Focus 2024" document, that can be equally taken to apply to any New Zealand Significant Enterprise, which notes that:

"Not only is a robust tax governance framework fundamental to tax compliance, but MNEs today are expected to demonstrate tax responsibility as part of their broader environmental, social and governance (ESG) commitments, aligning with global trends towards sustainability and ethical business practices."

- The publication of guidance on their website¹ regarding their expectations for significant enterprises, which Council would fall within the definition of.

4. Council's Commitment

Council is committed to meeting all tax compliance obligations, and the expectations of the tax authorities in New Zealand, in any overseas jurisdiction that it has employees working from, or where there are obligations arising from transacting with overseas suppliers. This includes, but is not limited to, correctly accounting for Income Tax, Goods and Services Tax, Fringe Benefit Tax, PAYE (including KiwiSaver compliance), and a range of other withholding taxes.

The Finance, Risk & Assurance Committee has determined that:

- Council should operate applying a low tax risk approach.
- Management has delegated responsibility to devise an appropriate tax risk management plan, ratified by the Finance, Risk & Assurance Committee, to ensure that Council meets its commitment.
- Management will report and communicate on an open and transparent basis to the Finance, Risk & Assurance Committee:
 - On an annual basis with a summary of the tax compliance obligations met, risk management

¹ <https://www.ird.govt.nz/managing-my-tax/audits-tax-governance/tax-governance>

mitigation undertaken for the preceding year and the plan for the forthcoming year.

- On an as required basis, in relation to, but not limited to:
 - Actual material errors in the tax positions taken
 - Notification of an Inland Revenue audit or other correspondence from tax authorities of matters of significance
 - Significant developments in tax law or practice that could impact Council
 - The tax consequences of any material transaction being contemplated by Council as part of the business case / decision paper; or any other material matter.
- The Framework will be evaluated annually and reviewed in detail once every three years.



Tax Governance Framework Masterton District Council

Tax Risk Management Strategy

For endorsement by the Finance, Risk & Assurance Committee
August 2026

1. Tax risk profile

Masterton District Council (Council) recognises that it has an obligation to fulfil its tax compliance obligations in any tax jurisdiction that it undertakes transactions within. In New Zealand, the core tax legislation that Council is required to comply with is the Income Tax Act 2007, Goods and Services Tax Act 1985 and Tax Administration Act 1994.

The Finance, Risk & Assurance Committee of Council has determined that a low tax risk profile is appropriate for Council. It will aim to:

- Ensure all compliance obligations are met, including filing of the various tax returns and payment of tax liabilities, on time.
- Adopt tax positions that are most likely to be correct based on current law
- Adopt practices to mitigate material tax risks.
- Have an open and transparent working relationship with Inland Revenue.
- Proactively engage with Inland Revenue regarding uncertain tax positions where appropriate and make a voluntary disclosure where a material error occurs.
- Use recognised tax advisors on an as appropriate basis, to provide technical support and provide independent evaluations of compliance.
- Have regular interactions between Management and the Audit & Risk Committee regarding material tax matters in a manner that is open, transparent and timely.

The Finance, Risk & Assurance Committee has empowered Management to devise an appropriate approach to tax risk management, and this is now established below.

2. Tax risk management strategy

2.1 Responsibility for tax issues

The Chief Financial Officer, or equivalent position, has overall responsibility for the management of the tax issues of Council. As appropriate, the Chief Financial Officer may delegate responsibility for tax issues to the Financial Accountant, or equivalent position.

Inland Revenue requires a designated individual to be Executive Office Holder (EOH) who is responsible for ensuring that appropriate staff are authorised to access requisite sections with "myIR." The EOH for Council is the Chief Executive Officer who has overall responsibility as the myIR account owner for Council.

The Chief Executive Officer, as EOH for Council, is ultimately responsible for ensuring the administration and management of staff delegations and permissions of myIR login accounts, and for ensuring delegations are updated as and when staff leave the organisation.

2.2 Reporting tax risks to the Audit & Risk Committee

The Tax Governance Framework adopted by the Finance, Risk & Assurance Committee requires reporting on tax matters by the Chief Financial Officer as follows:

- On an annual basis with a summary of:
 - Key financial information including, tax paid, any outstanding taxes due or late filing penalties, and any material interest or other penalties imposed during the year

- Particulars of any proposed legislative tax changes which could impact Council
- Details of any significant outstanding taxes in dispute with Inland Revenue
- Details of significant advice sought and future matters to consider
- A table of tax tools and services used and whether each aligns with Council 's low risk tax profile i.e. Strategy vs Achievement.
- On an as required basis, in relation to, but not limited to:
 - Actual material errors in the tax positions taken
 - Notification of an Inland Revenue audit or other correspondence from tax authorities of matters of significance
 - Significant developments in tax law or practice that could impact Council
 - The tax consequences of any material transaction being contemplated by Council as part of the business case / decision paper; or any other material matter.

Reference to "material" for these purposes is to be interpreted as when there may be a situation that results in:

- Penalties and interest potentially being imposed in excess of \$10,000
- An 'unexpected' tax calculation adjustment is required where the tax effect/ tax payable is in excess of \$20,000
- There is a risk of prosecution
- An accusation of tax avoidance could be levied
- There is a risk of negative publicity.

2.3 Tax awareness and training

Council will ensure that all relevant staff are provided with adequate training and resources to effectively identify and manage its tax obligations and risks. Where appropriate, this may involve sending selective staff on external courses or engaging an external speaker to conduct in-house training.

2.4 Meetings and correspondence with Inland Revenue

Council will endeavour to maintain strong working relationships with all relevant stakeholders, including but not limited to Inland Revenue, other government bodies, and related third parties. All dealings with external parties will be undertaken in a professional and timely manner.

Apart from routine PAYE, FBT and GST returns and payments, all other correspondence, meeting requests or queries from Inland Revenue must be immediately referred to the Chief Financial Officer. The Chief Financial Officer is the only person authorised to correspond or meet with Inland Revenue, to discuss tax matters of Council – although they may delegate this responsibility to others where appropriate.

2.5 Tax advice and rulings

Council will maintain detailed information and computations supporting all tax return filing positions. If there is any uncertainty in respect of a filing position where the amount of tax exceeds \$20,000, Council will consider whether written advice from external tax advisors is required.

Council will be transparent and fully disclose all relevant information when forming a tax position or seeking tax advice.

Council will endeavour to maintain strong working relationships with Inland Revenue, other government bodies, and related third parties. All dealings with external parties will be undertaken in a professional and timely manner.

Council will endeavour to ensure that the most tax efficient position is always adopted, applying tax law and Council's low risk tax approach. Advice from an external tax advisor should be obtained in relation to uncertain material tax matters before a tax position is taken, as appropriate.

In some instances, the degree of uncertainty over a particular tax issue may warrant seeking a Binding Ruling from Inland Revenue (or some other Inland Revenue agreement). No approach should be made to Inland Revenue/ for a Binding Ruling without the prior approval of the Chief Financial Officer.

Council will not subscribe to any tax minimisation schemes without first obtaining approval from the Finance Risk & Assurance Committee, having been fully informed of the associated risks and overall tax effect of the arrangement.

2.6 Tax returns and payments

Council will file all returns and pay any resulting tax liability on, or before, the stipulated due dates. When preparing and filing tax returns, Council will be transparent and fully disclose all relevant information supporting a tax position in a tax return. Council will only adopt tax positions that are likely to be correct based on current law.

Any tax payments for Council must be authorised by the Chief Financial Officer, although they may delegate this in accordance with the delegated financial authority.

Tax payments must be supported by detailed tax computations and explanations which are initialled by the preparer and then countersigned by that person's superior prior to payment.

The Financial Accountant will review the Inland Revenue myIR accounts on a monthly basis to ensure that all returns have been assessed by Inland Revenue and payments have been allocated appropriately. Any unreconciled items will be reported to the Chief Financial Officer who will determine the steps required to achieve a reconciled myIR account.

2.7 Filing and record keeping

In terms of the Tax Administration Act 1994, Council is required to retain tax records for several years. To assist in archiving and the subsequent retrieval of relevant tax records, Council will separately file each tax return and supporting computation and advisory correspondence based on the year of assessment and tax type.

In addition, Council will maintain a detailed index of the relevant tax files to enable their efficient retrieval should they be requested by Inland Revenue in later years. Specifically, the index should contain details relating to the file reference, relevant tax period, tax type, subject of the document on file and location of the file, and evidence of review by the Chief Financial Officer. This index should be maintained irrespective of whether the information is in electronic or hard copy format.

2.8 Regular reviews

The tax risks of Council potentially increase over time through a combination of personnel and legislative changes. To ensure the tax compliance procedures of Council are kept up to date and accurate, an independent external review of GST, PAYE/Withholding Taxes and FBT should be undertaken every

three years. This review will tend to be undertaken in a 'rolling' format, with a different tax type being reviewed each year.

Refer to the Appendix for a draft illustration of the 2026 Tax Risk Management Strategy. A similar plan will be prepared annually, with the content and timing of the work to be undertaken determined as part of the Annual Tax Update and after considering specific risks and issues emerging at the time.

2.9 Penalties and voluntary disclosures

Wherever possible Council should endeavour to minimise any penalties and Use Of Money Interest. Accordingly, any tax discrepancies identified should be addressed and disclosed to Inland Revenue as soon as possible. Unless the discrepancy has been identified pursuant to a (current) tax investigation, the Council (in consultation with the Finance, Risk & Assurance Committee) should always consider making a Voluntary Disclosure as a means of minimising any potential penalties.

2.10 Tax policies

To assist staff with the day-to-day tax treatment of issues specific to Council and to ensure a consistent tax treatment of items across the organisation, a set of tax policies will be maintained. These tax policies will provide an outline of common tax issues arising and how they should be treated in the various tax returns of Council.

To assist staff with the day-to-day tax treatment of issues specific to Council and to ensure a consistent tax treatment of items across the organisation, Council subscribes to PwC's Online Tax Policies. PwC maintains PAYE, GST, FBT, and KiwiSaver tax policies, and are regularly updated for legislative changes. These tax policies will provide an outline of common tax issues arising and how they should be treated in the various tax returns of Council.

3. Tax Risk Management Strategy – review

The Tax Risk Management Strategy should be reviewed annually to confirm it is still appropriate

A detailed review should be undertaken every three years)

4. Tax Risk Management Strategy - To Be Reviewed and Updated Annually

Council's tax strategy - proposed future

Financial Year to 30 June:	2027	2028	2029	2030	2031
External tax helpdesk facility	✓	✓	✓	✓	✓
Online tax policies & guides	✓	✓	✓	✓	✓
GST compliance property guide					
Independent tax evaluations:					
GST standard review	✓				✓
GST data analytics (optional add-on)					
PAYE - Standard		✓		✓	
Payroll analytics (optional add-on)					
FBT			✓		
Tax Control Framework Effectiveness Assessment					✓
Report to Audit & Risk Committee on tax risk management	✓	✓	✓	✓	✓
External advice sought on major issues	As required	As required	As required	As required	As required
Tax training provided to staff	✓	✓	✓	✓	✓

5.3 MASTERTON DISTRICT COUNCIL RISK MANAGEMENT POLICY

File Number:

Author: David Paris, Director Commercial

Authoriser: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to seek endorsement from the Masterton District Council's Finance, Risk & Assurance Committee for the revised *Risk Management Policy*.

RECOMMENDATIONS

That the **Finance, Risk and Assurance Committee:**

1. **Endorses** the revised *Risk Management Policy* (Attachment 1).
2. **Notes** the case studies in Attachment 2 demonstrate how the Policy could be applied.
3. **Notes** that, following endorsement by the Finance, Risk & Assurance Committee, the Policy will be presented to Council for approval at its 16 September 2026 meeting.

CONTEXT

Masterton District Council's (the Council's) current *Risk Management Policy* has reached its end of life with respect to both its review date and its substance.

In the Auditor-General's 2021 report, *Our Observations on Local Government Risk Management Practices*, he explains why effective risk management is important for local government across all key categories of risk.

The key messages from the Auditor-General's report have been used to inform the revised *Risk Management Policy*.

A draft of the revised policy was presented to the Finance, Risk & Assurance Committee at the 6th May 2026 meeting.

Risk is the language that helps staff and elected members make better decisions ...

The Office of the Auditor General wrote, with respect to local government risk management practices, that:

- Understanding risk in the context of delivering complex programmes of work allows for a better understanding of how to reduce exposure to it. Examples might include the making of bylaws, investment in assets and projects, or decisions around insurance levels.
- It is important to have a risk management framework in place that is applied consistently and effectively – and for it to be integrated into all decision making.

... including decisions relating to 'sweating the assets' ...

The term 'sweating the assets' refers to achieving the greatest utilisation of or profit from existing infrastructure, as well as skills and resources, with the least additional investment. Such decisions are couched in the context of risk.

The aim is for the Council's *Risk Management Policy* to be a tool that can support decision-making by elected members.

... in the knowledge that better decisions will enhance the community's trust and confidence in the Council.

Reduced exposure to risk (potentially achieved through acknowledgement and mitigation) can help unite communities behind their councils.

AUTHORISING ENVIRONMENT

The Local Government Act 2002 provides councils with regulatory obligations regarding risk and assurance, including:

- a. Management of risks relating to natural hazards and the financial provision for those risks (section 101B (3)(e) refers).
- b. Recording how risks associated with investments are assessed and managed (section 105 (e) refers).
- c. Satisfying itself that the expected returns are likely to outweigh the risks inherent in any investment or activity (section 14 (1) (fa)(ii) refers).

The *AS/NZS ISO 31000:2018 Risk Management Standard* (the Standard) is an international standard that provides principles and guidelines for risk management. It outlines a comprehensive approach to identifying, analysing, evaluating, treating, monitoring, and communicating risks across an organisation.

It is designed to be customised to any organisation and its context, and provides a common set of principles to underpin the management of any type of risk. It is not industry or sector specific. It can be applied to any activity and to decision-making at all levels.

ANALYSIS AND ADVICE

The Council has previously expressed a desire for a Policy that makes it easier for:

- a. elected members to make decisions based on evidence about levels of risk, their likelihood, and potential consequences.
- b. officers to monitor and report on risks and support elected members with the best evidence on which to make decisions.

Attachment 1 contains the final *Risk Management Policy* that has been developed based on the Standard, approaches used by other councils, and good practice. It covers:

- a. Types of risk: corporate; operational; specific; and emerging.
- b. The likelihood of a risk.
- c. The potential consequences of a risk.
- d. The level of risk (which brings together the likelihood of a risk happening and its potential consequences).
- e. Potential implications of a risk happening.
- f. The Council's appetite for tolerating the risk identified.
- g. Existing or required controls, designed to mitigate the risk.

- h. Re-assessment of the risk following the introduction of controls/mitigations.

Officers seek endorsement of the Risk Management Policy to ensure elected members are well informed and equipped to assess their risk appetite when making investment and other significant decisions.

Attachment 2 contains case studies of risk appetite being determined through applying the Policy contained in Attachment 1.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

The *Risk Management Policy* aims to align with the legislative and risk management requirements for and expectations of territorial authorities. These are covered in the Context section, above.

Once approved, the Policy will underpin Council's Long-Term Plan, Annual Plan, and other decision-making exercises.

Significance, Engagement and Consultation

As an internal Council Governance document, the *Risk Management Policy* is not required to be assessed against the Council's *Significance and Engagement Policy*.

Financial Considerations

There are no financial implications for the Finance, Risk & Assurance Committee arising from the *Risk Management Policy*.

Implications for Māori

The *Risk Management Policy* provides for consideration of Māori perspectives where these are relevant to Council's assessment of risk and risk appetite.

Communications/Engagement Plan

A Communications/Engagement Plan is not required in this instance.

Environmental/Climate Change Impact and Considerations

There are no environmental or climate change impacts or considerations arising from the drafting of the *Risk Management Policy*.

NEXT STEPS

Following endorsement of the *Risk Management Policy* by the Finance, Risk & Assurance Committee, the policy will go to the 16th September 2026 Council meeting for approval.

ATTACHMENTS

1. **Risk Management Policy** [↓](#)
2. **Risk Management Policy Case Studies** [↓](#)

Kaupapa Here Whakahaere Mōrearea

Masterton District Council

Risk Management Policy

August 2026

Purpose

This Policy supports Masterton District Council (the Council) to consistently determine its appetite for risk in the course of decision-making and its responses to risks. This includes corporate or enterprise risks, day-to-day operational risks, specific and project-based risks, and emerging risks.

The aim is to keep risk at the forefront of minds – those of both officers and elected members.

The Policy provides a framework to effectively manage risks inherent to the Council's operations which can affect the achievements of its goals and objectives.

Risk management is everyone's responsibility. While governance responsibility sits with the Council and oversight sits with the Finance, Risk & Assurance Committee, every employee has responsibility for identifying, managing and escalating risk.

Scope

This policy applies to all MDC employees and business activities. It defines the responsibilities of MDC employees to form and maintain the framework and use it to make sound decisions in alignment with business objectives.

Definitions

- **Risk:** the effect of uncertainty on objectives.
- **Risk appetite:** the Council's approach to assess and eventually pursue, retain, take, or turn away from risk: tolerance for risk.
- **Risk tolerance:** the maximum risk that Council is willing to take regarding each relevant risk.
- **Risk management:** coordinated activities to direct and control an organisation in relation to risk.
- **Risk management framework:** a structured approach that outlines the processes, guidelines and organisational structure necessary for identifying, assessing and mitigating risks.
- **Risk threshold:** The amount and type of risk that Council is willing to accept in pursuit of its objectives. At the Council level this sets the strategic risk decisions. At an executive level it translates into a set of procedures to ensure risk is adequately considered when making decisions.
- **Level of risk:** The magnitude of a risk or combination of risks expressed in terms of the combination of consequences and their likelihood.

Underpinning principles

Council's risk management is governed by a common set of principles aligned to the joint AS/NZS ISO 31000:2018 Risk Management Standard and Guidelines:

1. **Integration:** risk management is an integral part of all the Council's activities.
2. **Comprehensive:** consistency in the Council's risk appetite and approach to risk

management.

3. **Proportionality:** decisions about risk are proportionate to the external and internal contexts and Council's objectives.
4. **Inclusivity:** appropriate and timely involvement of the Council's stakeholders to inform decision-making, prioritise actions, and identify alternative courses of actions.
5. **Dynamism:** risk management that anticipates, detects, acknowledges, and responds to risk in an appropriate and timely way.
6. **Evidenced-based:** explicit and timely consideration of historical and current information, uncertainties, limitations, and expectations.
7. **Human and cultural factors:** can impact risk management by shaping how individuals and groups perceive, assess, and respond to risks. Understanding these influences is crucial for building a robust and effective risk management system.
8. **Continual improvement:** through learnings and experience.

Why consistent risk management is important

Understanding and responding to risk in a deliberate way can reinforce the Council's Long-Term and Annual Plans. Investment decisions will fall naturally out of the emerging risks in the context of the Council's strategic objectives.

The intention of deliberate risk management is that the Council will:

- a. Meet its financial and non-financial reporting and auditing requirements.
- b. Create a culture where all officers and elected members accept responsibility for managing risk.
- c. Enhance its ability to achieve business objectives.
- d. Maintain the integrity of its services.
- e. Safeguard assets, people, and finances.
- f. Adequately and proportionately deal with risks as they occur.
- g. Demonstrate transparent and responsible risk management processes which align with and demonstrate good governance.
- h. Identify opportunities and promote innovation and integration.

Risk management will also deliver on the Council's regulatory obligations regarding risk and assurance. The Local Government Act 2002, for example, requires councils to:

- a. Manage risks relating to natural hazards and make financial provision for those risks (section 101B (3)(e)).
- b. Record how risks associated with investments are assessed and managed (section 105 (e)).

- c. Satisfy itself that the expected returns are likely to outweigh the risks inherent in any investment or activity (section 14 (1) (fa)(ii).

Types of risk

1. **Corporate or enterprise risks** are strategic in nature.
They might be an aggregation of more discrete risks and can influence the Council's ability to plan, to meet service levels, manage and maintain assets adequately, or react to emergencies. They can also result from central government reforms or loss of trust and reputation.
2. **Operational risks** relate to events that impact operational efficiency and service delivery.
Some examples might be the Council's ability to meet standards, its capacity to promote innovation and improvement, or workforce challenges such as attracting and retaining the talent required.
3. **Specific risks** might relate to uncertainties due to new legislative requirements, a specific infrastructure project, or an office relocation.
Alternatively, risks can occur due to a high cost/high profile project (such as an IT project) critical to maintaining service levels or financial prudence.
4. **Emerging risks** are generally future and outwards-focused, relating to the wider geopolitical environment and emerging trends.
These might involve threats relating to cybersecurity, economic uncertainty, severe climate events, or the disruption of supply chains.

Assessment of level of risk

In relation to every Council decision about new and existing services, the Council must identify, analyse, respond, and report on risks considering their (a) likelihood, (b) possible consequences, and (c) the Council's appetite for risk:

a) Likelihood:

When considering the potential for risk, the following factors are taken into consideration:
Time horizon - i.e. how soon could it occur e.g. daily, weekly, monthly, annually or occasionally.
Volume –how much of the activity is undertaken.
Frequency - how frequently the activity is undertaken.
Volatility - how complex or difficult the activity is.

Considering these factors provides an overall assessment of the likelihood of a risk occurring which should be categorised into five (5) levels:

- **Almost certain:** is expected to occur in most circumstances and will occur numerous times during the life of the project/asset.
- **Likely:** will probably occur in most circumstances and will occur a few times during the life

of the project/asset.

- **Possible:** might occur at some time during the life of the project/asset.
- **Unlikely:** could occur at some time during the life of the project/asset.
- **Rare:** would occur only in exceptional circumstances during the life of the project/asset.

b) Consequences:

A range of criteria are used to evaluate the significance and consequence of a risk including primary and secondary impacts. These are attached at Appendix 1. Applying these criteria provides an overall assessment of the consequence.

- **Severe:** immediate action and intervention is required.
- **Major:** urgent action and intervention required.
- **Serious:** actions and intervention required relevant to the risk.
- **Moderate:** managed by periodic monitoring.
- **Minor:** managed by routine procedures.

Risk is to be assessed taking into consideration the likelihood of the risk and the consequence of the risk occurring.

The table shows that interface between the **likelihood** of a risk happening and the **consequences** of that risk in terms of overall risk assessment:

Likelihood	Consequences				
	Minor	Moderate	Serious	Major	Severe
Almost certain	H	H	VH	C	C
Likely	M	H	VH	VH	C
Possible	L	M	H	VH	VH
Unlikely	L	M	M	H	VH
Rare	L	L	L	M	H

Having had regard to the inherent/ residual risk and risk appetite an agreed approach to management of that risk is derived.

The table below provides the implications of the level of risk (comprised of the interface between the likelihood of a risk occurring and its potential consequences), when risks are either identified in advance (e.g., in a report to agree a new Bylaw or the LTP) or when they are actually happening:

Level of risk	Implications
Critical	Immediate action required. Executive Team/CE advised, with escalation to the Council. Close scrutiny is required.
Very high	Executive Team/CE must be advised. Action plans triggered. Scrutiny by Audit & Risk Committee required.
High	Executive Team/CE must be advised. Action plans triggered. Scrutiny by Audit & Risk Committee required.
Moderate	Management responsible, using agreed procedures. Monitoring required.
Low	Manage by routine procedures. Unlikely to require specific allocation of additional resources.

Corporate Risk Categories

Based on assessments of the level of risk, the Audit and Risk Committee and the Council must consider their appetite for tolerating that risk. There are four levels of risk appetite (tolerance):

1. **Averse (A)** – the Council will take all practical measures it can to prevent risks. In general, the Council will not tolerate these risks.
2. **Cautious (C)** – the Council can tolerate some manageable risks to achieve benefits or outcomes but are cautious in its approach.
3. **Flexible (F)** – the Council can tolerate some risks in balance with the opportunities. These risks are not likely to be the highest priority.
4. **Open (O)** – the Council is willing to tolerate higher levels of risk to take advantage of opportunities or reduce other risks.

Corporate Risk Categories

Corporate risks will be reported in the following categories with associated proposed risk appetite levels.

ID	Descriptor	Mitigation Statement	Appetite Level
CORP 1	Failure of Critical Infrastructure Assets	The Council will work to minimise unexpected failure of critical infrastructure assets identified in the AMPs and loss of associated levels of service.	A
CORP 2	Service Delivery	The Council will work to deliver Council strategic objectives, projects, or normal business as usual service levels in a way that delivers value for money and through consultation with our community. This includes ensuring the Council recruits and retains qualified and skilled staff to function efficiently and deliver our agreed levels of service to our community.	A
CORP 3	Finance	The Council will guide appropriate decision making to meet financial pressures through appropriate consultation with the community, in a way the community can afford. Council will ensure that auditable systems and processes are in place to protect the Council's financial integrity.	A

CORP 4	Information and System Security	The Council will ensure system and processes support best practice in relation to managing our systems, private or sensitive data, or privileged information.	A
CORP 5	Health, Safety, and Wellbeing - Workers	The health and safety of Council workers is critical. The Council will avoid all preventable risks to staff physical and mental health and safety unless they can be mitigated to minor risks. We will proactively monitor, manage and report health and safety risks and all workers will have access to appropriate health and safety training.	A
CORP 6	Health, Safety, and Wellbeing - Community	The Council will take all practicable and legally required steps to reduce the chance of harm and negative impacts on well-being to the community. This includes mitigating direct harm on council-managed sites, our readiness to respond to Civil Defence emergencies, and mitigating harm caused through planning decisions.	C
CORP 7	Legislative compliance	The Council will focus our efforts on monitoring compliance with key legislation, including legislative changes and new initiatives directed by central government. We will take a risk-based approach to non-compliance with all legislation that may apply to the Council.	C
CORP 8	Climate Impacts	The Council will consider the effects of increase in frequency & intensity of rainfall, higher temperatures & rising sea level impacting community wellbeing and property.	F
CORP 9	Trust and Reputation	The organisation will ensure the Council is in the best position to make informed decisions on behalf of the community. We will uphold transparency of decision-making by the Council and deliver what we say we will do. We will be known as an organisation with integrity.	F

Risk Treatment

With risk tolerances and risk approach identified, existing or required controls are to be identified/implemented with the aim of mitigating risk.

Risk treatments are activities to both reduce the likelihood and / or consequence of a risk event occurring. It can be useful to distinguish between controls (an action that reduces the likelihood of an event occurring – e.g., a car alarm) and a mitigant (an action that reduces the consequence of the event – e.g., car insurance).

Controls and mitigants for each risk should be recorded and a periodic assessment of their effectiveness performed.

A new level of risk can then be determined.

Recording, Reporting and Review

MDC will maintain a risk register to record risks, analysis, assessment, and actions. At a minimum this will enable all elements of the policy to be recorded and monitored.

Regular and periodic monitoring and review is required. It is expected that any material changes to the risk analysis will be updated as soon as that information is available. As a minimum the most significant and strategic risks will be formally reviewed by ELT quarterly.

In reviewing the risks, the following must be considered:

- changes to the operating environment / emerging risks
- changes to operating requirements / service levels (LTP / Annual plan processes)
- changes to stakeholder perceptions and expectations
- changes to strategy / outcomes
- financial constraints
- capability and capacity constraints

Regular updates and progress will be provided to the Finance, Risk & Assurance Committee in relation to Corporate risks on a quarterly basis.

In addition, operational risk reporting will be incorporated into ELT reporting, team meetings, and project updates as appropriate.

Implementation of the Risk Management Policy

The *Risk Management Policy* implemented in these ways:

1. Compliance with Terms of Reference for the Audit and Risk Committee – refer to Appendix 2
2. Officers to consider risks and risk appetite when assessing options in reports delivered to the Council:
 - Based on the parameters in this Policy.
 - To support elected members' decisions about risk appetite.
 - While considering that anything to do with Corporate-related risks would be discussed with the Council in a public-excluded session.
3. Quarterly reporting on Corporate risks to the Finance, Risk & Assurance Committee.

Review Period

This Policy will be reviewed and brought to the Council for approval every three years.

Related Documents

- AS/NZS ISO 31000:2018 Risk Management Standard and Guidelines.
- Controller and Auditor-General. 2021. *Our Observations on Local Government Risk Management Practices*.

References

Local Government Act 2002.

Version Control

Version	Date	Summary of Amendments	Approved By
2	August 2026	Refreshed Risk Management Policy.	Masterton District Council
1	2023	Risk Management Policy based on AS/NZS ISO 31000:2018.	Masterton District Council

Appendix 1 – Criteria for factors and consequence

Factor	Description	Catastrophic 5	Major 4	Moderate 3	Minor 2	Insignificant 1	Risk Appetite	Tolerance	Indicators / Threshold
Financial	Risks related to the financial management of MDC and the ability to fund Council activities and operations now, and into the future, including external factors.	Substantial loss resulting in the need to significantly increase rates or debt. Substantial fraud or misappropriation of funds	Major loss resulting in the need to increase rates or debt. Any fraud or misappropriation of funds	Significant loss requiring out of cycle funding. Non compliance with policies (e.g. sensitive expenditure)	Minor loss that can be managed within contingencies or offset by savings	Negligible loss	Risk Limiting	Minimise the potential for financial loss through close monitoring of financial information. Zero tolerance for fraud or unethical behaviour	Forecast of financial loss requiring out of cycle funding. Any breach of relevant policies
Health, Safety & Wellbeing	Risks related to keeping the community and MDC staff safe.	Loss of life or ongoing detrimental effects on health and wellbeing	Serious injury or long term detrimental effects on health and wellbeing	Significant injuries or deterioration in wellbeing (requiring time off work) Multiple near misses	Minor injuries or deterioration in wellbeing. Few near misses	Very small or infrequent near miss events	Risk Adverse	Zero tolerance for events that adversely impact the safety and wellbeing of staff, contractors or the public.	Increasing health and safety concerns. More frequent near misses. Deterioration in wellbeing
Reputation/ Image	Risks that affect the way Council and Council personnel are perceived.	Insurmountable loss in community confidence	Significant loss in community confidence that will take significant time to remedy	General loss in confidence across the community. Adverse and increasing media coverage	Loss in confidence elements of the community. Adverse media coverage	Limited amounts of negative feedback. Superficial media coverage	Risk Limiting	Minimise any loss in community confidence and manage media relationships	Persistent negative national media coverage which could continue to escalate.
Operations and Service Delivery	Risks associated with the operation of MDC facilities and the delivery of services to the community.	Substantial, sustained and widespread loss of service delivery ability impacting a large number of stakeholders	Serious loss of critical operational capability and / or major disruption to service levels	Irruption of service impacting a large number of stakeholders for a significant duration	Irruption of service impacting a number of stakeholders for a small duration	Very small irruption of service impacting a limited number of stakeholders for a very short duration	Risk Limiting	Services will be designed and operated to minimise the potential for disruption	Increased complaints, faults detected or deteriorating condition assessment
Environmental/ Statutory	Potential or actual negative environmental or ecological impacts, regardless of whether these are reversible or irreversible in nature	Critical event creating an environmental impact that may be irreversible or has long term adverse impacts	Serious event creating an environmental impact that requires substantial effort to remediate	An event creating an environmental impact that requires significant effort to remediate	Small or technical breach with limited damage than can be readily remediated	Very minor damage managed through planning and consent processes	Risk Adverse	Zero tolerance for events that adversely impact the environment	Monitoring indicates increasing level of risk or approaching limits
Strategic / Political	Risks aligned to political changes and confidence at a local or national level.	Insurmountable loss in confidence or governance failure resulting in the appointment of a commissioner	Serious loss in confidence or governance failure resulting in external intervention or oversight	Internal loss of confidence. Deteriorating governance relationships	Some but less significant adverse feedback or delays responding to geo political changes	Limited adverse feedback or slight delays responding to geo political changes	Risk Limiting	Minimise the potential for loss in confidence through robust governance controls and collaboration with relevant agencies	Deteriorating relationships between elected members and staff. Reduced engagement with sector and agencies
Regulatory / Compliance	Risks event that results in MDC unknowingly or knowingly breaching statutes and stipulations or exposed to liability.	Critical breach resulting in criminal charges or litigation against the organisation	Serious breach resulting in damage to reputation, fines or potential litigation	Significant breach that requires substantial effort to remediate	Minor or technical breaches that can be readily remediated	Very minor breaches of a purely technical nature	Risk Adverse	Zero tolerance for events that may result in criminal or legislative proceedings	Increasing numbers of minor breaches, increasing number of audit action items
Community Relationships	Risks relating to maintaining productive relationships with Iwi and the wider community	Substantial breakdown in community relationships that impact MDC ability to deliver services or achieve outcomes	Serious breakdown in community relationships that impact MDC ability to deliver specific outcomes	Significant tension in community relationships	Some contention with community relationships	Small localised tension that is being actively managed	Risk Limiting	Ongoing engagement will be undertaken to minimise the potential for contention with key stakeholders	Increasing negative feedback, reduction in contacts, adverse media
Technology	Risks relating to the technology necessary to operate and protection of data and information	Critical cyber event preventing access to or use of systems. Terrorism or ransom. Substantial data breach	Serious security event preventing access to or use of some systems. Significant data breach	Security event preventing access for a limited number of people. Any other data breach	Security events that are localised to specific user or device that pose no wider threat.	Insignificant issues impacting single users that can be responded to immediately	Risk Limiting	Acceptance that cyber security events will emerge but aim to minimise their impact and increase resilience	Increasing number of attacks. Improvements noted from specific testing and technical review
Disaster event, including hazards, exposure and vulnerability	Risks relating to the ability to respond to disaster events and recovery in a timely manner	Unable to respond to an emerging or impending threat of disaster, with the likelihood of loss of life, injury or destruction and damage	Unable to respond to an specific emerging or impending threat or serious delays to disaster response	Incomplete, untested or ineffective emergency management capabilities restricting the ability to effectively respond	Failure to identify minor hazards or vulnerabilities	Insignificant delays in reporting hazards	Risk Limiting	Ongoing development of processes will be undertaken to minimise the potential for failure of disaster response	New or emerging potential threats identified
Projects / Contracts	Risks relating to management and delivery of projects and management of key contracts	Project failure or substantial increase in costs. Breakdown in relationships with key contractors resulting in inability to operate effectively or legal disputes	Serious project delays or failure to deliver specific outcomes. Significant disputes in relationships with key contractors	Significant project delays or scope creep. Serious areas of contention with key contractors	Minor project delays. Small challenges in managing contractor relationships	Small changes in scope, cost or deliverables that do not materially impact the outcome	Risk Limiting	Minimise the potential for failure through close monitoring of project information and active management of key contract	Project reporting indicating problems. Contract performance indicators deteriorating
Capacity, Capability and Competency	Risks relating to the ability to secure, retain and train key staff	Lack of Capacity, Capability and Competency results in significant failure or seriously undermines the ability to deliver services or outcomes	Lack of Capacity, Capability and Competency results in compromised services or outcomes	Significant delays in recruitment or training delivery	Minor delays in recruitment or training delivery	Immaterial delays in recruitment or training schedules	Risk Limiting	Ongoing development of people will be undertaken to minimise the potential for failure through lack of capacity competency or capability	Gaps developing in competency framework, workforce planning and succession planning

Appendix 2 – Finance, Risk and Assurance Terms of Reference

Function	To enhance the governance framework, risk management practices, and the controls MDC uses to monitor achievements. To provide the Council with assurance of the integrity and reliability of MDC's internal control framework. Key responsibilities include: • Ensure MDC has a current and comprehensive risk management framework for effective identification and management of Council's significant risks. • Monitor key strategic/operational and people risks. • Review the effectiveness of MDC's internal control framework, including: - key corporate policies. - processes to report and manage sensitive expenditure, conflict of interest and fraud. • Oversight of MDC's legislative compliance. • Oversight of MDC's health, safety and wellbeing responsibilities. • Oversight of internal audit processes. • Oversight of MDC's business/continuous improvement work programme. • Oversight of Council's Section 17A review programme • Receive reports against Council set Key Performance Indicators (KPIs) from external bodies and monitoring performance against these. • Oversee all external audits, including: - confirming the terms of the engagement with the external auditor, including the nature and scope of the audit, timetable and fees. - receiving the external audit report, reviewing action to be taken by management on audit recommendations and monitoring staff progress in response to recommendations. • Financial oversight, including - Long-term planning, including financial strategy. - Ensuring that debt and investments are correctly managed within appropriate policy limits.
Membership and Composition	Committee of the whole (9 members), independent Chairperson, one representative from Ngāti Kahungunu ki Wairarapa and one representative from Rangitāne o Wairarapa.
Quorum	Six members.
Frequency	Meetings are held every quarter.

**Delegated
Authority****Power to Act**

- Approve risk management and internal audit programmes, audit engagement letters and letters of undertaking for audit functions and additional services provided by the external auditor.
- Monitoring management responses to audit reports and the extent to which external audit recommendations concerning internal accounting controls and other matters are implemented
- To receive: - Building Authority Audit Report - NZTA Audit Report - (Any) Internal Audit Report
- Approve debt write-offs (other than rates) that exceed the authority delegated to staff.
- Establish working groups, within committee scope.

Power to Recommend to Council

- Draft policies and strategies associated with MDC's risk management, compliance, and internal control functions.
- Any additional audit requirements, outside of the approved audit programme and budget, to seek assurance regarding the completeness and quality of financial and operational information that is provided to the Council e.g. can recommend Council conduct and A&R monitor special investigations in accordance with Council policy, including engaging expert assistance, legal advisors or external auditors, and, where appropriate, recommend action(s) to Council.
- Changes and/or improvements to the Financial Strategy.
- Submissions to external bodies, within the scope of the committee (e.g. changes in Local Government Act or Health and Safety legislation).

The Audit and Risk committee may not delegate any of its responsibilities, duties or powers.

Risk Management Case Studies

Case Studies 1 - Corporate / Enterprise Risks: strategic in nature



Case study: maintenance of roading, a key asset, when NZTA RUC subsidies do not adequately contribute to the repairs needed due to the impacts of heavy vehicles.

- **Likelihood:** almost certain.
- **Consequences:** serious.
- **Level of risk:** very high.
- **Potential implications:** revenue from rates used to pay for the consequences of commercial activity.
- **Appetite for risk:** **FLEXIBLE**
- **Controls** (existing/required): investigate rates' differentials.



Case study: earthquake that means all three routes connecting the region to the rest of the NI are impassable, particularly Ruamahanga Bridge.

[Might also fit under Emerging Risks category]

- **Likelihood:** likely.
- **Consequences:** severe.
- **Level of risk:** extreme.
- **Potential implications:** 90 days before a bailey bridge can be erected; emergency management operation hampered.
- **Appetite for risk:** **RISK AVERSE**
- **Controls** (existing/required): preparedness.



Case study: central government regulatory reforms intend to constrain what can be rated for and how much can be rated.

- **Likelihood:** almost certain.
- **Consequences:** major.
- **Level of risk:** extreme.
- **Potential implications:** either increase revenue from non-rate sources to deliver current levels of service or shrink service delivery (and staff).
- **Appetite for risk:** **CAUTIOUS**.
- **Controls** (existing/required): early investigation of alternative revenue options to allow for evidence-based decision-making.

Case Studies 2 - Operational Risks: impacting operational efficiency



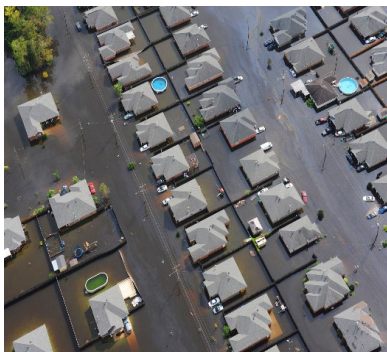
Case study: costs of roading materials increase at a rate higher than anticipated.

- **Likelihood:** possible.
- **Consequences:** moderate.
- **Level of risk:** moderate.
- **Potential implications:** high reconstruction costs; reduced programme of work/ level of service.
- **Appetite for risk:** **FLEXIBLE.**
- **Controls** (existing/~~required~~): good relationships with suppliers; transfer some work to future years; options for focusing on highest priority roads in the meantime.



Case study: unable to attract the right Council staff, especially in Finance.

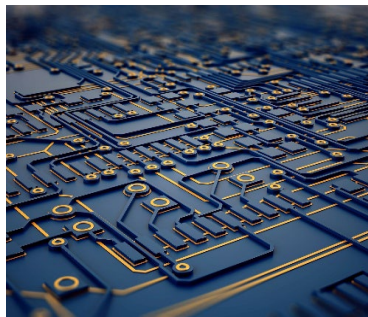
- **Likelihood:** possible.
- **Consequences:** serious.
- **Level of risk:** high.
- **Potential implications:** inability to meet audit and legislative requirements relating to LTP, annual reporting, annual audit etc.
- **Appetite for risk:** **RISK AVERSE.**
- **Controls** (existing/~~required~~): robust recruitment strategy; attractive remuneration packages; wraparound support once on staff.



Case study: resource consent sought for a new subdivision next to a river known for flooding.

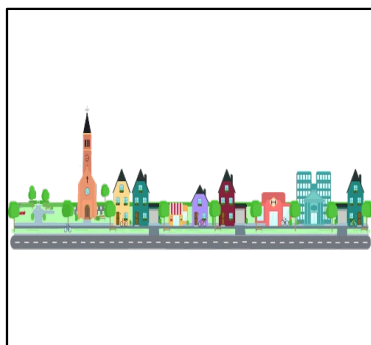
- **Likelihood:** almost certain to flood in next 20 years.
- **Consequences:** severe.
- **Level of risk:** extreme.
- **Potential implications:** significant emergency management action and costs to the Council; questions about Council liability; communities ruined.
- **Appetite for risk:** **RISK AVERSE.**
- **Controls** (existing/~~required~~): planning that prohibits building in flood-prone areas.

Case Studies 3 - Specific Risks: delivery focused



Case study: cost pressure on a major information project designed to future-proof the Council's systems.

- **Likelihood:** possible.
- **Consequences:** moderate.
- **Level of risk:** moderate.
- **Potential implications:** cost overruns and contract renegotiations.
- **Appetite for risk:** **FLEXIBLE**.
- **Controls** (existing/~~required~~): strong leadership; clarity about scope; close monitoring.



Case study: difficulty making progress with an infrastructure project that divides the community.

- **Likelihood:** almost certain.
- **Consequences:** moderate.
- **Level of risk:** high.
- **Potential implications:** opex associated with delays; inflationary pressures.
- **Appetite for risk:** **CAUTIOUS**.
- **Controls** (existing/~~required~~): perseverance, evidence-driven reporting, leadership.



Case study: new legislative requirements for councils to provide DIA with performance data for publication and comparison across councils.

- **Likelihood:** almost certain.
- **Consequences:** moderate to serious, depending on future use.
- **Level of risk:** High to VH depending on future use.
- **Potential implications:** DIA may decide to set targets for councils (by size/region), with implications for service levels, revenue sources, where funding is spent, etc.
- **Appetite for risk:** **FLEXIBLE**
- **Controls** (existing/~~required~~): keep a watching brief on how data is used, and what further regulatory requirements eventuate.

Case Studies - 4 Emerging Risks: generally future and outwards-focused, relating to the wider geopolitical environment and emerging trends



Case study: lack of stored water for periods of drought (page 66 LTP 2024-34 refers).

- **Likelihood:** likely.
- **Consequences:** major.
- **Level of risk:** very high.
- **Potential implications:** low regional GDP, outward migration, shrinking rate base.
- **Appetite for risk:** CAUTIOUS.
- **Controls** (existing/required): water storage options to be investigated; iwi involvement required given settlement terms with local iwi.



Case study: cybersecurity threats.

- **Likelihood:** high.
- **Consequences:** major.
- **Level of risk:** very high.
- **Potential implications:** exposure of personal information of clients, suppliers, staff, and community (Privacy Act 2020 breach); potential for operations to grind to a halt; cost.
- **Appetite for risk:** RISK AVERSE.
- **Controls** (existing/required): system upgrades; information project underway; staff training of interim measures.



Case study: climate change impacts – more events more often, increased severity.

- **Likelihood:** likely.
- **Consequences:** severe.
- **Level of risk:** extreme.
- **Potential implications:** emergency management functions will need to be further resourced.
- **Appetite for risk:** RISK AVERSE
- **Controls** (existing/required): % of rates revenue applied to emergency functions may need to be reassessed (given reduction of central govt support) or require community self-reliance.

6 REPORTS FOR INFORMATION

6.1 SERVICE PROVISION REPORT ARATOI REGIONAL TRUST

File Number:

Author: Matt Boulton, Group Manager Corporate & Community

Authoriser: Kym Fell, Chief Executive

PURPOSE

This report updates the Finance, Risk and Assurance Committee with the Aratoi Regional Trust Quarter 4 2025-26 Service Provision Report.

RECOMMENDATION

That the Finance, Risk and Assurance Committee receives the Aratoi Regional Trust Service Provision Report, covering the summary results of the key result areas for Quarter 4 (1 April – 30 June 2026).

CONTEXT

The Aratoi Regional Trust provides the Council with a report for the funding received, and agreements made through a Provision of Service Agreement/Memorandum of Understanding, which is in place for the six-year term through to 30 June 2027. Funding for Aratoi Regional Trust was confirmed via the 2024-34 Long-Term Plan.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

Aratoi Regional Trust contributes towards Council's community outcomes and key strategies: *He Hiringa Tangata*, *He Hiringa Whenua*, *the Arts, Culture and Heritage Strategy* and the *Wairarapa Economic Development Strategy*.

Significance, Engagement and Consultation

The information contained in this report does not require any decision that would impact or trigger any matters outlined in the Council's Significance and Engagement Policy.

Financial Considerations

Funding to this service provider was set in the 2024-34 Long-Term Plan and are as agreed in the Provision of Services Agreement/ Memorandum of Understanding.

Implications for Māori

Included in Aratoi Regional Trust's key result areas is a measure to ensure that Taonga Māori is displayed and an ongoing relationship between the Trust and iwi is maintained and fostered.

Communications/Engagement Plan

There is no requirement for communication or engagement on the report provided.

Environmental/Climate Change Impact and Considerations

There are no environmental/climate change impact considerations arising out of the report provided.

ATTACHMENTS

1. **Aratoi Regional Trust Quarter 4 Report 2025/26** [↓](#)

Aratoi Regional Trust Quarter 4 Report 2025/26

Key Result Areas	Result	Assurance (How Achieved)
A sustainable and thriving organisation: - Revenue from other sources (other than Masterton District Council and Masterton Trust Lands Trust) is greater than or equal to 25% of total revenue. - Resident and visitor satisfaction with Aratoi services. ➤ [Baseline for 2025-26; 80% (4 or 5 stars)]	Achieved Achieved	35% Satisfaction with Aratoi services are on track as per online ratings: ➤ 4.6 on Google ➤ 90% on Facebook ➤ 4.3 on TripAdvisor. The Museum Services Visitor survey in April 2026 resulted in 73.4% of respondents giving Aratoi satisfaction rating of 8 or 9 out of 10 during their last visit, 82.2% were very likely to recommend Aratoi to others (5 out of 5), and 93.3% responding that the arts, heritage and culture are extremely essential to the Wairarapa.
Provider of arts, culture and heritage services that reflect the history and heritage of the Masterton district and wider Wairarapa region: - Number of programmes, events, activities undertaken annually that include local artists (or artists that whakapapa to the Wairarapa region). ➤ [Baseline: established in 2019/20, then no decreases based on the previous year] - Taonga Māori display held annually. ➤ [Baseline: two or more per annum] - Exhibition held that tells the stories of our local history and heritage. ➤ [Baseline: two or more per annum]	Achieved Achieved Achieved	Artists in exhibitions and programmes including: ▪ Breadcraft Wairarapa School's Art ▪ Sandra Schmid ▪ Robin White ▪ Rosalie Jurczenko ▪ Lisa Nelson 25+ local artists represented in the retail space. ▪ Keteparaha – A toolkit ▪ Kete – From the Collection ▪ Maumahara Raranga ▪ Tino Rangitānetanga ▪ Let's have a Tea Party ▪ Tranzit: Drive to Success ▪ Miss Golden Shears and Maroulis Gowns ▪ Tino Rangitānetanga

To professionally manage and maintain all Aratoi assets, including the permanent collection: ▪ Collections housed in best practice conditions – adherence to professional museum standards. ▪ Taonga, artworks and heritage objects are managed in line with the Aratoi Collection Policy. ▪ Collections are documented in line with professional museum standards.	Achieved Achieved Achieved (Vernon database)	Housed in best practice conditions with adherence to professional museum standards. Managed in accordance with the Aratoi Collection Policy. Documented in line with professional museum standards.
Genuine partnerships and effective relationships: ▪ Iwi and Māori are offered opportunities to contribute towards key projects/initiatives led by Aratoi. ➤ [Baseline: annual reporting] ▪ Key partnerships are offered to contribute towards key projects/initiatives led by Aratoi. ➤ [Baseline: annual reporting]	Achieved	Two representatives from each of the following iwi are on the Trust Board: ▪ Ngāti Kahungunu ki Wairarapa ▪ Rangitāne o Wairarapa. Exhibitions developed with iwi and Māori input: ▪ Keteparaha – A toolkit ▪ Kete – From the Collection ▪ Tino Rangitānetanga ▪ Partnership with Rangitāne to deliver their major exhibition <i>Tino Rangitānetanga</i>. ▪ Partnership with Massey University to publish <i>Caroline McQuarrie: The land, again</i>

6.2 DESTINATION WAIRARAPA QUARTERLY REPORT (1 APRIL 2026 TO 30 JUNE 2026)

File Number:

Author: Matt Steele, Economic Development Lead

Authoriser: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to provide the Finance, Risk and Assurance Committee with the fourth quarter (1 April 2026 – 30 June 2026) progress report on key deliverables for Destination Wairarapa.

RECOMMENDATION

That the Finance, Risk and Assurance Committee receive the fourth quarter report (1 April 2026 – 30 June 2026) from Destination Wairarapa.

CONTEXT

Destination Wairarapa is a regional tourism organisation (RTO) servicing the Wairarapa region. Their role is to attract visitors to the region, to help grow tourism revenue, and to support local tourism operators.

The three Wairarapa District Councils and Destination Wairarapa have a Memorandum of Understanding (MOU) that sets out key deliverables to be met by Destination Wairarapa in alignment with council funding and investment. The MOU was due to expire in September 2025 but was extended by all three Wairarapa District Councils in July/August 2025, with South Wairarapa and Masterton extending for a year, and Carterton extending through to June 2026. The extension of the MOU was to allow the incoming Council's to consider economic development arrangements across the region.

All three district councils will be discussing a further extension to the MOU in upcoming meetings.

The [Wairarapa Destination Management Plan](#), endorsed by the three Wairarapa District Councils in 2022, further details tourism priorities for the region. This plan is reflected in the [Wairarapa Economic Development Strategy \(WEDS\)](#).

The following table outlines the results against each of the key deliverables of Destination Wairarapa:

Key Deliverables	Result	Assurance (How Achieved)
To increase the number of visitors to the Wairarapa, the length of time they stay in the region and the	Partially Achieved	Accommodation Data ¹ , May 26: Total guest nights: 15,400 (February 25 – 14,900)
	Accommodation	Average nights stayed: 1.9 (February 25 –

¹ The Accommodation Data Programme replaced Commercial Accommodation Monitor in 2019. This data captures 33 registered accommodation establishments in Wairarapa. This methodology does not capture unregistered establishments.

Key Deliverables	Result	Assurance (How Achieved)
amount they spend. Specifically, Destination Wairarapa are tasked with delivering growth in domestic and in international visitor spend per annum and in line with the Tourism Industry Aotearoa's Tourism Beyond 2025 framework. In particular this growth needs to be seen across the winter period. This information will be reported as Wairarapa-wide and by TLA where available.	Data for this period reflects growth. Data spending does not reflect growth.	1.9) Wairarapa saw a 3.4% increase in total guest nights (domestic and international) stayed in May 2026 vs 2025. International visitor nights saw a slight decrease but the increase in domestic nights outweighed this decrease. Domestic spend in Wairarapa was up 16.6% from \$22.7m in May 2025 to \$26.4m in May 2026. However, this reported spending was out of kilter with feedback received, and an anomaly historically, so is likely due to a data issue. This has been raised with MBIE, with a response yet to come. International spend in Wairarapa was down 12.3 % from \$1.3m in May 2025 to \$1.2m in May 2026.
Represent the Wairarapa in the Business Events market in partnership with suitable venues, activities and other services.	Ongoing	Provided support and promotion for a wide range of events, including: • Masterton Motorplex - Nationals • Wairarapa Balloon Festival • Nature at Night • Hood Open Day
Destination Management Plan	Completed	The Wairarapa Destination Management Plan (DMP) has been received and endorsed by all three of the Wairarapa District Councils. It is a plan for the sustainable growth of tourism in the region, and key elements are reflected in the MOU (if adopted), as well as the refreshed Wairarapa Economic Development Strategy (WEDS).
To provide an online Wairarapa events calendar and a PDF downloadable version of major events.	Achieved	Available on the Destination Wairarapa website https://wairarapanz.com/collections/whats-on
Represent the Wairarapa in the Inbound market in partnership with suitable	Achieved	Destination Wairarapa continued inbound trade activity during the quarter through participation in TRENZ 2026, representing

Key Deliverables	Result	Assurance (How Achieved)
venues and activities.		both the Wairarapa region and the Classic New Zealand Wine Trail. Following TRENZ, Destination Wairarapa participated in a post-TRENZ familiarisation programme that hosted 10 international travel buyers, showcasing regional accommodation, visitor experiences and trade-ready products. Trade engagement during the quarter focused on building relationships with international travel sellers and increasing awareness of Wairarapa tourism products within international itineraries.
Host the Wairarapa core economic development information around “Buy & Invest”, “Live & Work” and “Study” on the Destination Wairarapa website.	Achieved	Accessible on the following website link: https://wairarapanz.com/live-work
To provide a balanced budget.	Achieved	The Quarter 4 Financial Report to June 2026 has been received.
To report quarterly to the council, including attending council meetings. The report is to cover progress towards all deliverables.	Achieved	The Quarter 4 General Manager’s and Marketing Board Report to June 2026 has been received and reported on in this report.

Other activities undertaken during this reporting period

Examples of promotion:

Destination Wairarapa supported and promoted a range of regional events and visitor experiences during the quarter. This included Featherston Booktown, Easter events incorporating the Wairarapa Balloon Festival, Greytown International Cocktail Festival and Molewood Apple Harvest Festival, The Bootleggers’ Run, Stablehouse Garden Open Day, Car Days at Tui HQ, and the Nationals at Masterton Motorplex. Additional promotion was provided for the Friday Night Markets at Luna Estate, Nature at Night activities across the region, the Rangitānetanga Iwi Exhibition at Aratoi, and the Hood Aerodrome Open Day.

Digital Campaigns

Destination Wairarapa delivered a range of digital marketing activity during the quarter to promote seasonal experiences, events and visitor activity. Social media campaigns generated strong reach and engagement, with examples including campaigns that achieved 166,519 views and 1,230 link clicks, 93,212 views and 543 link clicks, and 72,825 views and 52 link clicks. A winter promotion was also undertaken with GrabOne, featuring accommodation, hospitality and activity offers from across the region. Participating businesses reported positive uptake of offers during the off-peak season

Media

Destination Wairarapa hosted several media and influencer visits during the quarter, including visits organised through Tourism New Zealand involving United Kingdom and Australian content creators. The organisation also worked with Wellington-based event promoters to increase awareness of regional events and experiences. Greytown Honey was featured in Tourism New Zealand's 'Invitation to Dinner' campaign associated with the Michelin Guide launch, and the region received coverage in the New Zealand Herald relating to Featherston Booktown and winter visitor experiences.

Trade

Destination Wairarapa attended TRENZ 2026, representing both the Wairarapa region and the Classic New Zealand Wine Trail. The organisation also participated in a post-TRENZ familiarisation programme involving 10 international travel buyers, providing exposure to regional tourism operators, accommodation providers and visitor experiences. Trade activity continued to focus on increasing awareness of Wairarapa products among inbound and international travel sellers.

Tourism Boost Campaigns

The Classic New Zealand Wine Trail Australian campaign concluded during the quarter. Funded through the Government's Tourism BOOST Fund, the campaign included partnerships with travel and tourism operators to promote visitation along the trail. The programme also included a wine export initiative through Wine Collective Direct, which reported an increase in export sales compared with the previous year. Additional outcomes included development of trade itineraries and ongoing collaboration between participating wine regions.

Product Development

Destination Wairarapa delivered a series of Dark Sky tourism product development workshops funded through the Wellington Regional Economic Development Plan. The workshops focused on visitor experience design, pricing, packaging and trade readiness, with the aim of supporting the development of new tourism products aligned with the Wairarapa Destination Management Plan.

Funding

Destination Wairarapa secured funding through the Wairarapa Economic Development Strategy to lead Stage 1 of the Wairarapa Shared Narrative Project. During the quarter a request-for-proposal process was completed and contract negotiations commenced with a preferred supplier. The project will focus on community engagement and insights gathering to inform the development of a shared regional narrative. More detail on the Shared Narrative project is available in the General Managers report.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

The work undertaken by Destination Wairarapa supports Council's LTP Strategic Vision. In particular it supports the community outcome of a thriving and resilient economy.

Significance, Engagement and Consultation

The information contained in this report has been assessed against Council's Significance and Engagement Policy. The report does not include any decisions that impact on matters identified in the assessment of significance within the policy.

Financial Considerations

Funding for Destination Wairarapa is part of the Memorandum of Understanding with the three Wairarapa District Councils.

Implications for Māori

Destination Wairarapa support Māori Tourism business and iwi. Māori Tourism is guided by the Wairarapa Māori Tourism Strategy.

Communications/Engagement Plan

There are no decisions for this report that require either a communication or engagement plan.

Environmental/Climate Change Impact and Considerations

There are no environmental/climate change impacts or considerations arising out of the report provided.

ATTACHMENTS

Nil

6.3 BUSINESS WAIRARAPA REPORT (1 APRIL 2026 TO 30 JUNE 2026)

File Number:

Author: Matt Steele, Economic Development Lead

Authoriser: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to provide the Finance, Risk and Assurance Committee with the Business Wairarapa progress report on key deliverables for 1 April 2026 – 30 June 2026.

RECOMMENDATION

That the Finance, Risk and Assurance Committee receive the Business Wairarapa progress report on key deliverables for 1 April 2026 – 30 June 2026.

CONTEXT

Business Wairarapa is the Wairarapa region-wide Chamber of Commerce. It is one of 30 chambers that make up the New Zealand Chambers of Commerce and Industry (NZCCI), whose network represents over 20,000 businesses around the country.

Four of the towns in Wairarapa have their own sub-regional business groups that are part of Business Wairarapa. These groups are:

- Tupu Ana Masterton
- Go Carterton
- Featherston Business Engine
- Martinborough Business Association.

The three Wairarapa District Councils and Business Wairarapa each have a Funding Agreement that sets out key deliverables to be met by Business Wairarapa in alignment with council funding and investment.

Masterton District Council entered into a three-year funding arrangement with Business Wairarapa, for \$30,000 per annum, as part of the 2024-2027 Long-Term Plan process. Prior to this, funding was considered on an annual basis.

Carterton District Council and South Wairarapa District Council both have funding agreements with Business Wairarapa for \$15,000 per annum.

The following table outlines the key deliverables of Business Wairarapa as set out in the funding agreement. Achievements against each deliverable are detailed in the attached report (Attachment 1).

Area	Key Deliverable
Continuation of Joint Council Partnership (Business as Usual)	• A comprehensive events schedule of at least one training/capability event and one networking and/or advocacy event per month - facilitated by local and

Area	Key Deliverable
	national trainers, leaders and speakers - Facilitation of business development initiatives as funded by Government (MBIE, MPI) - Opportunities for businesses to engage with and speak to local and national political leaders - Facilitation of business-to-business introductions and mentorship - Supply of a region-wide Business App that includes a collaborative events calendar and business-to-business benefits.
Commitment to WaiHost Wairarapa Skills Training	Business Wairarapa continues to host the WaiHost training programme
Expansion of Business Helpline	Delivery of an 0800 helpline to support businesses
Region wide events	Delivery of Annual Business Awards Delivery of Annual Business Summit
Contribution to region wide initiatives	Business Wairarapa leads, or contributes to, region wide initiatives that support businesses and growth
Long-term Partnership	Monitor the overall health, vibrancy, and growth of the local business sector by tracking key economic indicators, such as job creation, business expansion, and business retention, and adjust strategies as needed to achieve mutually agreed-upon goals.

Business Wairarapa has continued to refine its operating model following the organisational changes reported previously. Current operations are delivered through two part-time roles: a General Manager responsible for strategy and relationships, and an Events and Coordination Manager responsible for operational delivery, including events, membership, training and programmes. During the reporting period, Business Wairarapa developed a new strategic “Plan on a Page” and reviewed its service delivery priorities to ensure resources are focused on core member services and activities that provide the greatest value to businesses across the region.

New initiatives introduced during the quarter included the launch of the Wai Connect series, designed to facilitate networking and engagement with business, community and political leaders, and the Leadership Academy, which commenced recruitment during the reporting period and reached capacity for its inaugural programme scheduled to begin in July 2026.

Business Wairarapa also developed a draft Business Confidence Survey and provided it to Council officers for review. The survey is intended to support ongoing monitoring of business confidence and economic conditions across the region. Consideration is currently being given to the frequency of future surveys and the use of consistent questions to enable trend analysis over time.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

The work undertaken by Business Wairarapa supports Council's LTP Strategic Vision. In particular, it supports the community outcome of a thriving and resilient economy.

Significance, Engagement and Consultation

The information contained in this report has been assessed against Council's Significance and Engagement Policy. The report does not include any decisions that impact on matters identified in the assessment of significance within the policy.

Financial Considerations

Funding for Business Wairarapa is subject to a Funding Agreement considered as part of the 2024-27 Long-Term Plan. MDC provides \$30,000 annually.

Implications for Māori

Business Wairarapa supports Māori business members of Business Wairarapa, who are focused on empowering successful Māori business endeavours and relationships in the Wairarapa Region.

Communications/Engagement Plan

There are no decisions for this report that require either a communication or engagement plan.

Environmental/Climate Change Impact and Considerations

There are no environmental/climate change impacts or considerations arising out of the report provided.

ATTACHMENTS

Nil

6.4 WAIRARAPA ECONOMIC DEVELOPMENT STRATEGY (WEDS) QUARTERLY REPORT 1 APRIL 2026 - 30 JUNE 2026

File Number:

Author: Matt Steele, Economic Development Lead

Authoriser: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to provide the Finance, Risk and Assurance Committee with an update on the delivery of the Wairarapa Economic Development Strategy (WEDS) Work Programme for the period 1 April to 30 June 2026.

RECOMMENDATION

That the Finance, Risk and Assurance Committee receives the Wairarapa Economic Development Strategy Quarterly Report for the period 1 April to 30 June 2026.

CONTEXT

The Wairarapa Economic Development Strategy (WEDS) is a jointly funded regional programme focused on delivering initiatives that support economic resilience, workforce development, water resilience, business productivity and long-term regional prosperity.

Quarter 4 marked the completion of the 2025/26 financial year and saw a number of initiatives progress from planning and design into implementation and delivery. Activity during the quarter focused on Food & Fibre sector capability, workforce development, water resilience, and the establishment of a regional strategic investment portfolio.

The following table summarises the key achievements of the last quarter against the major WEDS workstreams.

Priority Area	Key Achievement
Food & Fibre Capability Boost	Discovery phase completed with nine participating businesses representing over 7,200 hectares of land use across sheep and beef, dairy, horticulture and viticulture sectors.
Future Options Diversification Programme	Kiwifruit feasibility workstream contracted, strong wool procurement underway, olive sector scoping commenced and engagement begun with the Grains and Seeds project.
Wairarapa Shared Narrative	Procurement completed for Stage 1 community engagement and research services.
Food & Fibre Workforce Development	Leadership programme developed in partnership with DairyNZ and Beef + Lamb NZ, with delivery commencing July 2026.
Healthcare Workforce	Tūhono directory and website launched, and workforce retention initiatives continued through the Attract, Connect, Stay framework.
Skills for Work	Health industry networking event delivered for 85 students, NZ Police workplace visit completed, and development continued on the Wairarapa Work Ready Passport.
Business Capability	Delivery of the final WaiHost workshop under the current

	contract and execution of a new agreement for additional training delivery.
Water Resilience	Continued use of the A Case for Action report as an advocacy and investment tool, and evaluation of outcomes from the Water Summer Series.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

The WEDS programme directly supports Council's strategic objective of promoting a thriving and resilient economy.

The initiatives delivered during the quarter support economic diversification, workforce attraction and retention, business capability development and long-term regional resilience. Particular alignment exists with Council's economic development objectives and regional collaboration priorities through partnerships with industry, education providers, local government and community organisations.

Significance, Engagement and Consultation

The information contained within this report has been assessed against Council's Significance and Engagement Policy.

This report is for information purposes only and does not seek any decisions that would trigger significance considerations under the policy.

Financial Considerations

As part of the 2024-34 LTP, Council committed to \$80,000 for WEDS three years.

Future funding for WEDS will be considered alongside other economic development funding as part of the 2027-37 LTP process.

Implications for Māori

Several WEDS initiatives include collaboration with iwi, Māori organisations and Māori communities, including development of the Shared Narrative Project, workforce development initiatives and other activities.

Communications/Engagement Plan

No decisions are being sought as part of this report and therefore no formal communications or engagement plan is required.

Environmental/Climate Change Impact and Considerations

Several initiatives support environmental resilience and sustainability outcomes, particularly those relating to:

- Water resilience
- Climate adaptation within the primary sector
- Sustainable land-use diversification
- Improved water management practices

NEXT STEPS

Nil

ATTACHMENTS

1. WEDS Q4 Report [↓](#)



2025/26 Work Programme Quarterly Reporting

Quarter 4: 1 April to 30 June 2026

1 OVERVIEW

As the final quarter of the 2025/26 financial year, Quarter 4 marks a period where many WEDS initiatives converted regional priorities into practical action, strengthening partnerships, and building the evidence, capability and relationships needed to support long-term economic resilience.

In Food & Fibre, the Capability Boost pilot completed its Discovery Phase, providing a clearer understanding of the capability challenges and opportunities facing primary sector businesses. Future Options also transitioned into implementation, with kiwifruit feasibility and strong wool workstreams progressing into delivery. Together, these initiatives are helping build the knowledge, confidence and investment pathways needed to support diversification, value-add production and greater sector resilience.

Skills & Workforce Development activity continued to strengthen connections between industry, education and young people. Skills for Work moved from planning into delivery, reaching students through workplace visits and industry engagement activities while progressing development of the Wairarapa Work Ready Passport. The health sector's Attract, Connect, Stay initiative also achieved important milestones, including the launch of the Tūhono Directory and continued delivery of activities that support workforce retention, workplace culture and community connection.

Within Water Resilience, the A Case for Action report continues to provide an evidence-based platform for advocacy and investment discussions, while evaluation of the Water Summer Series is demonstrating early behavioural change and increased confidence among participants to adopt and discuss water resilience practices.

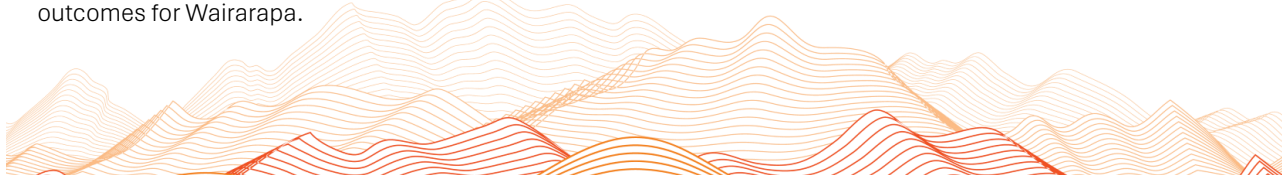
Collectively, this year's work demonstrates the value of a coordinated regional approach. WEDS has continued to act as a catalyst, bringing together industry, education, community and government partners to progress initiatives that individual organisations could not easily deliver alone. While many initiatives remain in their early stages, the programme is increasingly moving from planning toward implementation, creating stronger foundations for future economic growth, resilience and investment across Wairarapa.

1.1 Key achievements for the quarter

- **9 Food & Fibre businesses completed** the Capability Boost Discovery Phase, creating a regional Capability Insights Overview to guide future capability investment (Appendix 3).
- **2 Future Options priority opportunities** (kiwifruit and strong wool) progressed into procurement and implementation, moving the programme from planning into delivery.
- **1 new Tū Hauoranga website and Tūhono Directory** launched, strengthening connections to healthcare services while supporting workforce attraction and retention.
- **100+ young people engaged** through workplace visits, industry connection events, and youth engagements for Wairarapa work ready passport helping improve awareness of local pathways and visibility of WEDS and Skill Wairarapa initiatives within the community.

1.2 Looking ahead

This report marks the completion of the 2025/26 WEDS Work Programme. Across the year, WEDS has focused on building the partnerships, evidence base, capability and investment readiness needed to support long-term regional prosperity. An Annual Impact Report will follow, bringing together the achievements, outcomes and lessons from across the year while highlighting how WEDS investment has contributed to long-term economic outcomes for Wairarapa.



2 INITIATIVES

2.1 Food & Fibre (Primary Sector): Increase productivity and resilience in Wairarapa's food & fibre sector by equipping businesses with the knowledge, skills and support needed to drive efficiency, innovation, and sustainability.

Action	Collaboratively deliver a series focused on upskilling businesses to educate and grow their capability to collectively lift the Sector.			
Lead	WEDS PMO			
Expected Outcome(s)	- Businesses gain tools and insights to improve operational efficiency and value chain optimisation. - Strengthened rural network and shared learning opportunities that drive sector-wide improvements. - The sector is recognised for its innovation, sustainability and high-value production, improving market access and investment confidence.			
Status	Progress		Funding	
WEDS PMO Intervention	The WEDS PMO is leading the design of a one-on-one Food & Fibre Capability Boost Programme to strengthen the operational and strategic foundations of Wairarapa producers. This builds on previous business capability workshops and aligns with WEDS objectives to enable diversification, value-chain participation and innovation within the region's primary industries.			
Progress Report	The Wairarapa Capability Boost pilot completed its Discovery Phase during the reporting period, with nine participating businesses undertaking detailed one-on-one capability assessments. The pilot engaged a diverse cross-section of sheep and beef, dairy, horticulture and viticulture businesses representing more than 7,200 hectares across the region. Through structured interviews and business diagnostics, participants identified their growth aspirations, operational challenges and capability needs, providing a region-wide snapshot of workforce and business capability requirements within Wairarapa's food and fibre sector. The Discovery Phase confirmed that participating businesses are actively pursuing growth, diversification and productivity improvements, but face common capability constraints across leadership, workforce planning, business systems, financial management, succession planning and strategic decision-making. The findings have informed the development of a regional Capability Insights Overview (Appendix 3), providing valuable evidence to guide future capability initiatives, strengthen collaboration with industry partners and ensure future investment is targeted towards the areas of greatest need.			
Progress Milestones	- Completed Discovery Phase with nine pilot businesses. - Identified clear patterns in capability gaps to inform future workforce and business capability initiatives. - Produced a Capability Insights Overview to support evidence-based design for future capability building to see the sector working more collaboratively to better support business success. - Demonstrated strong demand for tailored capability support, validating the pilot model as an effective approach to understanding business needs.			
Next Steps	- Continue to share the Capability Insights Overview with interested industry partners and stakeholders to inform future capability investment and programme design. - Work with participating businesses to connect them with targeted capability development opportunities aligned to their identified needs.			

	- Evaluate the pilot programme and develop recommendations for a scalable regional Capability Boost model. - Use the findings to shape future WEDS Food & Fibre initiatives and strengthen alignment with industry capability programmes.
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2.2 Food & Fibre (Primary Sector): Strengthen the resilience and growth potential of Wairarapa's food & fibre sector by supporting **diversification**, fostering **innovation**, and enhancing market access.

Action	Deliver resources to help the sector to explore new products and opportunities to build resilience and diversify income streams.			
Lead	WEDS PMO and Leftfield Innovation Limited			
Expected Outcome(s)	- Businesses are better equipped to adapt to market changes and environmental challenges through diversifying income. - Strengthened local infrastructure ensures businesses can connect with higher-value markets more effectively. - Encourages innovation, attracting new business opportunities and partnerships across the sector.			
Status	Progress		Funding	
WEDS PMO Intervention	Funder and co-lead of the future phases of this initiative.			
Progress Report	The Future Options workstream has transitioned from opportunity identification into implementation, with priority workstreams now progressing through procurement and delivery. Following completion of the prioritisation process, the kiwifruit feasibility workstream has been contracted, with a work plan agreed and delivery commencing in July 2026. Procurement for the strong wool workstream is also underway, with responses to the open tender closing on 9 July and appointment of a delivery partner expected shortly thereafter. Preparatory work has also continued for the olive sector workstream and scoping underway for a first initiative to be delivered to help support growers. The WEDS PMO have had some initial discussions with the Grains and Seeds project team to identify opportunities where WEDS can support the development of a sustainable regional supply chain. To inform implementation, the WEDS PMO with Lisa Portas travelled to Taranaki in May to meet with the team leading Venture Taranaki's Branching Out programme. The visit provided valuable insights into governance, grower engagement, project sequencing and implementation approaches, helping ensure Wairarapa's Future Options programme builds on proven practice while responding to local opportunities and challenges. Collectively, these activities represent a significant shift from strategy development towards practical action that will support on-farm diversification, strengthen regional value chains and improve the resilience of Wairarapa's food and fibre sector.			
Progress Milestones	- Transitioned from planning into implementation. - Appointed a delivery partner for the kiwifruit feasibility workstream, with a work plan agreed and delivery commencing in July. - Released an open procurement process for the strong wool workstream, with responses due in early July. - Commenced scoping of the olive sector workstream and identified opportunities to support sector development.			

	- Initiated discussions with the Grains and Seeds project team to determine where WEDS can add value in strengthening regional supply. - Undertook a study visit to Taranaki to learn from the Branching Out programme, applying lessons to strengthen the implementation approach for Wairarapa.
Next Steps	- Commence delivery of the kiwifruit feasibility workstream and monitor progress against agreed milestones. - Complete procurement and appoint a delivery partner for the strong wool workstream. - Finalise the scope and implementation approach for the olive workstream. - Continue working alongside the Grains and Seeds project team to identify opportunities for regional collaboration and supply chain development. - Apply insights from the Taranaki Branching Out programme to strengthen stakeholder engagement, governance and delivery across all Future Options workstreams. - Continue identifying opportunities for diversification that improve farm profitability, resilience and regional economic value.

Action	Support producers to have local processing, distribution, and logistic facilities to improve supply chain efficiency and competition.		
Lead	Wairarapa Seed Project Leadership Team		
Expected Outcome(s)	- Businesses are better equipped to adapt to market changes and environmental challenges through diversifying income. - Strengthened local infrastructure ensures businesses can connect with higher-value markets more effectively. - Encourages innovation, attracting new business opportunities and partnerships across the sector.		
Status	Progress		Funding
WEDS PMO Intervention	Co-funder for submission package to Kānoa - Regional Economic Development & Investment Unit.		
Progress Report	The Lower North Island Seed Cleaning and Storage Facility has continued to progress through its establishment phase during the reporting period. A significant milestone has been the establishment of “Wairarapa Harvest Hub Limited”, providing the commercial entity that will lead the project into its next phase. The project has also gained increased regional visibility through recent media coverage, highlighting strong collaboration between growers and investors to regenerate the lower North Island grain and seed industry and reinforcing the strategic importance of the facility to the region. The project remains in the establishment phase ahead of entering into a funding agreement with Kānoa. WEDS has continued to monitor progress and has been seeking to meet with the project team to understand how it can best support the project as it transitions into implementation.		
Progress Milestones	- Established Wairarapa Harvest Hub Limited to lead the commercial delivery of the project. - Continued progressing the project's establishment activities ahead of contracting with Kānoa. - Increased awareness of the project through regional communications and stakeholder engagement.		
Next Steps	- Complete the remaining establishment activities required before entering into a funding agreement with Kānoa. - Progress project implementation following execution of the Kānoa funding agreement.		

	- Continue discussions between WEDS and the project team to identify where WEDS can add value. - Support opportunities to strengthen regional grower engagement and maximise the economic benefits of the facility for Wairarapa.
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2.3 Food & Fibre (Primary Sector): Develop a strong, shared narrative for the Sector that fosters collaboration, enhances regional awareness, and elevates the profile of local businesses.

Action	Create opportunities to profile our local producers and a sense of regional narrative , growing awareness of the diverse food and fibre offerings.			
Lead	Destination Wairarapa			
Expected Outcome(s)	- A unified sector narrative increases local and national recognition of Wairarapa's food & fibre strengths. - Enhanced profiling of local businesses drives greater engagement from buyers, investors, and consumers. - Stronger collaboration within the sector fosters knowledge exchange and shared opportunities. - A well-connected and well-promoted sector attracts investment, talent, and business growth opportunities.			
Status	Progress		Funding	
WEDS PMO Intervention	Co-funder and supporting role to the project delivery team.			
Progress Report	During the reporting period, the Wairarapa Shared Narrative Project transitioned from establishment into active delivery. Following completion of the project brief, a procurement process was undertaken led by the Destination Wairarapa team to appoint an independent research and engagement partner for Stage 1. This phase of work has focused on ensuring the project will be grounded in robust, representative insight from across the region. As part of the procurement, a draft engagement approach was outlined to ensure the project captures perspectives from a wide range of stakeholders, ensuring the resulting shared narrative reflects the diversity, values, and distinctiveness of Wairarapa. This marks an important shift from scoping into implementation, with the foundations now in place to begin structured community and stakeholder engagement.			
Progress Milestones	- Finalised project brief. - Completed procurement process for Stage 1, the "Community Engagement and Insights" phase. - Appointed independent research and engagement provider to lead Stage 1. - Received draft engagement approach designed to ensure inclusive and representative regional participation.			
Next Steps	- Finalise contracting with insights and engagement partner. - Finalise engagement approach, including stakeholder groups, rollout and participation methods. - Commence community and stakeholder engagement across Wairarapa.			

2.4 Food & Fibre (Primary Sector): Strengthen workforce capability and resilience in the food & fibre sector by aligning training and development initiatives with the Wairarapa Skills & Workforce Action Plan.

Action	Deliver workforce capability initiatives that strengthen leadership, people management and workplace culture across Wairarapa's food and fibre sector, improving business resilience, workforce retention and productivity.			
Lead	Beef + Lamb NZ and DairyNZ			
Expected Outcome(s)	Increased leadership capability and confidence within farming businesses, resulting in stronger workplace culture, improved staff engagement and retention, and more productive and resilient food and fibre enterprises.			
Status	Progress		Funding	
WEDS PMO Intervention	Co-funder and delivery partner.			
Progress Report	During the reporting period, the WEDS PMO partnered with DairyNZ and Beef + Lamb New Zealand to design and coordinate the first cross-sector workforce capability initiative for the WEDS food and fibre workstream. Planning focused on delivering an introductory leadership event that responds to workforce challenges identified across the primary sector, including leadership capability, communication, workplace culture and staff retention. The programme has been co-designed to provide practical, immediately applicable tools while also creating pathways into longer-term learning opportunities. Venue, speakers, programme content, marketing and delivery arrangements were confirmed, with registrations opening ahead of the event scheduled for early July 2026.			
Progress Milestones	- Established a collaborative partnership between WEDS, DairyNZ and Beef + Lamb New Zealand to deliver a cross-sector workforce capability initiative. - Co-designed an event programme focused on practical leadership, communication and team performance for farming businesses. - Co-developed a post-event evaluation approach to measure participant outcomes and identify demand for ongoing capability programmes.			
Next Steps	- Deliver the workforce capability event on Tuesday 7 July 2026 at Copthorne Solway. - Collect participant feedback and evaluate changes in leadership confidence, capability needs and interest in further learning opportunities. - Support interested participants into cohort-based capability programmes delivered by industry partners and/or WEDS. - Use evaluation findings to inform future workforce capability initiatives within the WEDS Food & Fibre work programme.			

2.5 Skills & Workforce Development: Strengthen Wairarapa's workforce by implementing the **Wairarapa Skills and Workforce Action Plan**, ensuring local businesses have access to skilled talent and our people have clear pathways into sustainable employment.

Action	Support attraction and retention of key workers, with a priority to the healthcare sector , by strengthening community connections and promoting a whole-of-person approach to workforce development.		
Lead	Tū Hauoranga Trust		
Expected Outcome(s)	Whole-of-community retention strategy: Recognising that “we recruit and retain a family, not just a worker,” the initiative fosters connections to employment, housing, recreation, and community networks that help keep professionals and their families in the region. This supports a long-term community-led approach to attract and build relationships with our workforce. Cross-sector collaboration: Attract, Connect, Stay thinking and tools become transferable, enabling other sectors to adopt similar strategies to reduce turnover and extend average tenure beyond the two-year average. Reduced silos and fragmentation: The initiative builds shared understanding across sectors about the systemic and cultural actions needed to attract and retain staff, improving regional workforce planning and collaboration. Enhanced regional reputation: A more coordinated and people-focused approach helps create a comparative advantage for Wairarapa as an attractive, supportive place to live and work, boosting the region's appeal to skilled professionals across industries.		
Status	Progress		Funding
WEDS PMO Intervention	Co-funder and administration/co-ordination support.		
Progress Report	During Quarter 4, Tū Hauoranga Trust continued to implement the Attract, Connect, Stay framework, with delivery primarily focused on the Connect and Stay components of the model. Ongoing changes to central government health workforce priorities and recruitment processes have meant the programme has deliberately prioritised activities that strengthen workforce retention, workplace culture, and community connection, while positioning the region to respond quickly as national recruitment settings become clearer. By focusing on the elements of the framework that can be influenced locally, the initiative continues to build a more connected and supportive workforce, laying strong foundations for future attraction activities when the external environment allows.		
Progress Milestones	• Successfully launched the Tū Hauoranga Trust website and Tūhono online directory, improving the visibility of local health and wellbeing services and strengthening workforce and community connections. • Supported the settlement of a new GP through the Strategic Connector role, providing tailored relationship-building and community connections. • Progressed cross-sector collaboration to support the development of the Wairarapa Youth Hub, bringing together health and community partners to improve service coordination. • Delivered the Better Health Workplaces workshop on 19th of June with 15 participants. • Delivered a Connected Communities event on 26th April at The Screening Room, strengthening awareness on AI capability and enabling professional networking across the participants representing different roles within but not limited to the health and wellbeing sector. • Continued to build partnerships with health providers, community organisations, and regional stakeholders to support the long-term implementation of the Attract, Connect, Stay framework.		

Next Steps	• Embed and promote the Tūhono online directory and Tū Hauoranga Trust website, increasing awareness and encouraging uptake across the region. • Use the website as the primary platform for event promotion and ticket bookings, while incorporating user feedback and website analytics to inform ongoing improvements. • Analyse outcomes from the 2026 Better Health Workplaces programme to identify opportunities to further strengthen workplace culture and workforce retention. • Deliver a further programme of Connected Communities events to strengthen professional networks, community engagement, and workforce wellbeing. • Continue monthly Tū Hauoranga Trust e-newsletters to promote events, share resources, and strengthen connections across the health and wellbeing sector. • Continue to embed the Connect and Stay components of the Attract, Connect, Stay framework while maintaining readiness to progress Attract initiatives as national health workforce priorities and recruitment settings become clearer.
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Action	To improve workforce outcomes by ensuring school students obtain the Skills for work and workplaces have the Skills for youth . This initiative will continue to strengthen awareness and understanding of local opportunities, education, training and employment pathways in the Wairarapa.		
Lead	Skill Wairarapa/ WEDS PMO		
Expected Outcome(s)	• Equip school students with essential, industry relevant work ready skills. • Support employers to engage, develop and retain young workers. • Improve alignment between education, training and industry needs. • Promote equitable access for Maori, Pasifika and all young people. • Reduce duplication and strengthen regional collaboration. • Increased awareness of local pathways • Stronger connections between schools and industry • Improved youth retention in the region		
Status	Progress		Funding
WEDS PMO Intervention	Funder and Co-Ordinator of the initiative and actions		
Progress Report	Skills for Work has now moved from the planning phase into implementation and delivery, as outlined as the next step in the Q3 report. Many of the agreed actions are now underway, with two of the three priority actions already delivering successful events. The third action, the Wairarapa Work Ready Passport, is also progressing well. An offline working group is meeting regularly, youth engagement activities are underway, and community partners are being established to support the continued development of the programme. A new action was also identified and supported this quarter under the Skills for Work initiative. The Wairarapa Whanaungatanga Career Expo 2026, led by Wairarapa College and supported by the WEDS PMO, has been introduced to replace the Industry Big Day Out previously delivered by REAP Wairarapa. The Skills for Work initiative has become an important mechanism for delivering meaningful outcomes in the short term while longer-term programmes, such as the Wairarapa Work Ready Passport, continue to be developed. As the passport evolves, it will provide a framework that brings together and strengthens the various Skills for Work activities and other community partners initiatives and activities into a cohesive regional approach.		

Progress Milestones	• Quick Fire Connections – Health Industry Event: Delivered on 18 June, with 85 students from five Wairarapa secondary schools connecting with 24 health professionals in a speed-networking format. Feedback from participating organisations was positive, with all indicating they would participate again. Student engagement and suitability for future events will be strengthened through improved participant selection. • Workplace Visit – NZ Police: Delivered on 4 June, with 16 students from Kuranui College and Mākoura College visiting the Masterton Police Station. Students gained first-hand insights into policing careers, including recruitment, working conditions, career progression, remuneration, and work-life balance. • Wairarapa Work Ready Passport (working title): Development has progressed through targeted youth engagement with the Masterton District Youth Council, Young Farmers, and upcoming engagement with the South Wairarapa District Youth Council and UCOL students. The concept was also presented to the Wairarapa Principals' Cluster, with Ponatahi Christian School and Wairarapa College expressing interest in participating in a 2027 pilot.
Next Steps	• Deliver the next Quick Fire Connections – Trades Industry Event, tentatively scheduled for 13 August, subject to confirmation of the event venue. Deliver two additional Workplace Visits: NZ Police – 4 August, providing an opportunity for students who were unable to attend the previous visit due to capacity limits. Corrections – 6 August. This will have a focus around opportunities in corrections i.e. parole officers and supporting role with support from their recruitment officer. • Support delivery of the Wairarapa Whanaungatanga Careers Expo on 18–19 August. • Continue development of the Wairarapa Work Ready Passport (working title), with a draft programme framework expected by late September.

Action	Provide improved service, supervision, management training and skill development across local sectors.			
Lead	Business Wairarapa			
Expected Outcome(s)	A more resilient, future-ready workforce: By building core customer service and business skills, participants are better equipped to meet evolving visitor expectations, adapt to seasonal fluctuations, and contribute to sector resilience. Enhanced business performance and retention: Strengthened workforce capability improves service quality, fosters positive workplace culture, and supports the retention of skilled staff—contributing to sustained enterprise growth and regional economic vitality.			
Status	Progress		Funding	
WEDS PMO Intervention	Co-funder.			
Progress Report	Over Q4 Business Wairarapa delivered the final workshop to complete their WEDS contract obligations. This was the Buddy to Boss workshop and was attended by 11 participants. Overall, the workshop had strong positive feedback and with participants leaving with practical skills and the confidence and mindset to apply them within the workplace.			
Progress Milestones	WEDS and BW have signed a new contract in Q4 for an additional 4 workshops with an allowance made for one-on-one mentoring. This mentoring will be for participants have signalled they would like further support after the attending their Waihost workshop.			

Next Steps	Business Wairarapa continues to progress planning for the Waihost programme, with four workshops scheduled to be delivered from August and September 2026, with dates to be confirmed. While the workshops will commence slightly later than initially planned, the programme remains on track and will continue to support the development of customer service capability across the region.
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Action	Understand Wairarapa's digital fluency , packaged with tailored learning programme offerings and formal qualification opportunities for both students and the business community.			
Lead	Waitech Trust			
Expected Outcome(s)	Future-ready workforces: Students and workers gain the digital skills needed to thrive in modern jobs, education, and business environments. More competitive and resilient local businesses: SMEs are better equipped to adopt digital tools, improve productivity, and adapt to market changes. Reduced digital inequality across the region: Targeted delivery ensures equitable access to digital learning opportunities, especially in rural and under-served communities.			
Status	Progress		Funding	
WEDS PMO Intervention	Funder and administration/co-ordination support.			
Progress Report	• Waitech Trust continued progressing insurance arrangements for the community laptop pool. This has been a complex process due to the laptops being loaned across multiple organisations and stored at different locations, including Mākoura College and the WellingtonNZ office, rather than a single Trust premises. The insurance process is now nearing completion. • The Trust has been reviewing its long-term strategic direction and priorities. With the appointment of Nicola Belsham as a Trustee, discussions have focused on how to communicate the Trust's renewed energy and refreshed direction, including the development of a social media and communications plan. • A refreshed work programme is being developed, building on the Digital Fluency initiative while expanding the community laptop programme. This will create new opportunities to improve digital access and capability across the Wairarapa			
Progress Milestones	• Digital Fluency baseline testing continued, providing an initial benchmark of students' digital capability to inform future curriculum development. • Six laptops were loaned to the Mayor's Taskforce for Jobs to support clients with digital job-seeking activities, including creating CVs, accessing employment websites, and completing online job applications. • One laptop was loaned to WellingtonNZ for use at the Business Wairarapa Summit to sign up businesses to business capability programmes and workshops. • Preparations continue for the community laptop pool, with laptops expected to become available once insurance arrangements are finalised. Skill Wairarapa members and schools will be advised when the laptops are available for community and education use.			
Next Steps	• Finalise insurance arrangements for the community laptop pool. • Complete Digital Fluency baseline testing at Mākoura College and use the results to develop a targeted digital fluency curriculum. • Finalise the Waitech Trust work programme and communications plan to promote the Trust's renewed direction and upcoming initiatives. • Launch the community laptop loan programme and begin wider rollout to schools and community organisations across the Wairarapa.			

2.6 Water Resilience: Identify and advance key economic development projects within the FY25/26 Wairarapa Water Resilience Strategy Work Programme to strengthen Wairarapa's economic resilience, attract investment, and support sustainable growth.

Action	Develop and deliver public-facing communications collateral based on the A Case for Action report to convey the economic development rationale for regional water resilience solutions and support advocacy and investment readiness.			
Lead	Wairarapa Water Resilience Governance Group			
Expected Outcome(s)	• Enhances collaboration to implement sustainable water solutions. • Strengthens Wairarapa's ability to build resilience, ensuring long-term viability of water-reliant sectors. • Positions the region for future funding and infrastructure investment through well-defined project priorities that support regional growth			
Status	Progress		Funding	
WEDS PMO Intervention	The WEDS PMO continues to act as an advisor to ensure the water resilience programme aligns with and supports Wairarapa's broader economic development priorities.			
Progress Report	The A Case for Action report continues to provide the evidence base underpinning discussions around water resilience across the region during this reporting period. While no further project delivery activity occurred, the report remains a key strategic resource informing regional conversations and advocacy. The report continues to articulate the significant long-term opportunity for the Wairarapa, identifying the potential to generate an additional \$1.5 billion in regional economic activity and around 3,800 additional jobs by 2050 through improved water resilience. While these benefits are long-term, the report provides a shared evidence base that supports informed decision-making and strengthens the case for future investment. With the Wairarapa Water Resilience Strategy currently on hold, WEDS has continued working to ensure water resilience remains visible as a regional economic priority and that the findings of the report continue to inform future opportunities.			
Progress Milestones	• Maintained regional visibility of water resilience through updates to the Wellington Regional Economic Development Plan and WEDS Work Programme for 2026/27. • Transitioned the initiative from project delivery to strategic advocacy and influence.			
Next Steps	• Continue advocating for water resilience as a regional economic priority through appropriate regional forums and partnerships. • Monitor developments regarding future governance arrangements for the Wairarapa Water Resilience Strategy and identify opportunities for WEDS to contribute where appropriate. • Continue using the <i>A Case for Action</i> report to support investment conversations and future programme development as opportunities arise.			

2.7 Water Resilience: Facilitate collaboration and knowledge sharing to build water resilience across Wairarapa industries.

Action	Deliver a Water Resilience Education & Networking Series , building on the successful Summer Series model, to bring together farmers, industry, iwi, regulators, and environmental groups to learn, share, and collaborate on water-efficient practices and innovations.			
Lead	Wairarapa Water Users Society Incorporated (WWUS)			
Expected Outcome(s)	- Improves water use efficiency and sustainability by inspiring the adoption of efficient practices and adaptive technologies. - Strengthens collaboration and trust across diverse water stakeholders, fostering informed, collective water management. - Shifts culture from compliance-focused to relationship-focused, reducing conflict and enabling cooperative problem-solving.			
Status	Progress		Funding	
WEDS PMO Intervention	WEDS continues as the main series sponsor and the PMO has supported planning for the 2025/26 event series to ensure stronger alignment with the Wairarapa Water Resilience Strategy (WWRS) and related regional workstreams.			
Progress Report	The 2025 Summer Series concluded in March, with more than 110 attendees across the three events. There has been no further delivery activity during this reporting period. Attention has now shifted to evaluating the programme's longer-term impact and considering the shape of a potential 2026/27 programme. Early feedback gathered following the completion of the series indicates the programme is contributing to behavioural and knowledge outcomes beyond event attendance. Participants have reported that the sessions have either reinforced or prompted changes to irrigation and water management practices on farm. Others have indicated they feel more confident discussing water resilience challenges and opportunities with peers, supporting greater knowledge sharing across the sector. These early outcomes demonstrate the programme's value extends beyond information transfer, helping build confidence, networks and a stronger culture of learning around water resilience within the primary sector. Planning discussions have also commenced around a potential 2026/27 Summer Series, with consideration being given to how the programme can continue to respond to emerging needs while building on the momentum established over the past three years.			
Progress Milestones	- Completed the third consecutive Summer Series providing practical, locally relevant water resilience learning opportunities across a range of farming systems. - Began capturing evidence of longer-term programme outcomes, including reported changes to irrigation and water management practices by participants. - Identified increased participant confidence to discuss water resilience challenges and share experiences with peers, strengthening sector capability and collaboration. - Commenced planning discussions for a potential 2026/27 programme, informed by participant feedback and emerging sector priorities.			
Next Steps	- Continue gathering evidence of behavioural change and longer-term outcomes to better demonstrate programme impact over time. - Develop a proposed 2026/27 event programme that builds on the strengths of previous years and responds to current sector priorities.			

2.8 PMO Operations: Strategic Investment Portfolio

Action	Develop a cohesive portfolio of regional strategic investment opportunities to bring together priority projects and initiatives that align with Wairarapa's long-term economic development objectives.		
Lead	WEDS PMO		
Expected Outcome(s)	A prioritised portfolio of transformational regional investment opportunities that provides a shared evidence base for decision-making, strengthens regional alignment, and improves Wairarapa's ability to attract investment over the next 10–20 years.		
Status	Progress		Funding
WEDS PMO Intervention	Lead the development of the Strategic Investment Portfolio by coordinating procurement, facilitating collaboration between regional stakeholders, and overseeing the delivery of an investment-ready portfolio that aligns with existing regional strategies and priorities.		
Progress Report	During the reporting period, foundational work was completed to initiate the Strategic Investment Portfolio project. Initial discussions were held with regional partners to explore how similar portfolios have been developed elsewhere in New Zealand and to identify an approach that best reflects the Wairarapa context. A procurement plan and detailed project scope were developed, outlining the objectives, methodology and expected deliverables for the project. The procurement process is scheduled to commence in July 2026, seeking an experienced provider to facilitate a regionally led process that identifies and prioritises a small number of transformational investment opportunities capable of delivering long-term economic benefit for Wairarapa.		
Progress Milestones	- Completed project scoping and developed the procurement plan. - Confirmed the project objectives, scope, governance approach and key deliverables. - Undertook initial market and desktop research into comparable strategic investment portfolios to inform the Wairarapa approach. - Prepared procurement documentation for release in July 2026.		
Next Steps	Release the procurement opportunity and appoint a suitably qualified provider and commence the project delivery.		

3 BUDGET - PROVISIONAL

3.1 Overview - PROVISIONAL

The total operational budget available for the 2025–26 financial year (excluding people resources) was \$369,270, comprising the annual \$215,000 contribution under the Memorandum of Understanding and \$154,270 carried forward from the previous financial year.

As at 30 June 2026, \$247,048 had been contracted to deliver the WEDS Work Programme, of which \$202,048 had been expended and a further \$45,000 was awaiting invoicing. An additional \$76,500 was under procurement, with contracts being finalised in July 2026. This brings the total budget committed to \$323,548, comprising the full annual allocation and a further \$108,548 from the carried-forward funding.

The remaining \$45,722 will be carried forward to support delivery of the refreshed WEDS Implementation Plan from July 2026.

Expenditure aligned closely with the priorities of the Work Programme. The largest investment was in Food & Fibre sector development (\$126,180), followed by Skills & Workforce Development (\$74,500) and Water Resilience (\$15,328). Programme operations and PMO overheads totalled \$31,040, in line with the budget.

In addition, WellingtonNZ invested \$214,860 in people resources to provide the WEDS Programme Management Office function.

3.3 Budget and Actual Expenditure as at 30 June 2026 - PROVISIONAL

Priority Focus Area	Initiative	Budget	Action	Actual as at 30 Jun
Food & Fibre (Primary Sector)	Increase productivity and resilience by equipping businesses with knowledge, skills, and support.	\$187,000	Collaboratively deliver a series focused on upskilling businesses to educate and grow their capability.	\$12,600
			Engage with frontier firms to explore implementing best practices.	\$-
	Strengthen resilience and growth potential by supporting diversification , fostering innovation , and enhancing market access.		Deliver resources to help the sector to explore new products and opportunities.	\$23,580
			Support producers to have local processing to improve supply chain efficiency and competition.	\$30,000
	Develop a shared narrative for the Sector that fosters collaboration, enhances awareness, and elevates profile.		Create opportunities to profile our local producers and a sense of regional narrative.	\$60,000 ¹
	Strengthen workforce capability and resilience by aligning training and development initiatives.		Deliver workforce capability initiatives that strengthen leadership, people..	\$-
Skills & Workforce Development	Strengthen Wairarapa’s workforce by implementing the Wairarapa Skills & Workforce Action Plan , ensuring local businesses have access to skilled talent and our people have clear pathways into sustainable employment.	\$116,500	Establish a local community-managed strategic connector role.	\$40,000
			Understand Wairarapa's digital fluency , packaged with tailored learning programmes.	\$1,500
			Provide our people with a clear understanding of local pathways.	\$1,500
			Provide improved service, supervision, management training.	\$25,500 ²
			Other initiatives TBD.	\$6,000
Water Resilience	Identify and advance key economic development projects within the FY25/26 WWRS Work Programme.	\$16,000	Develop and deliver public-facing communications collateral based on the A Case for Action report.	\$9,328
	Facilitate collaboration and knowledge-sharing to build water resilience across Wairarapa industries.		Deliver a Water Resilience Education & Networking Series.	\$6,000
PMO Operations	Strategic Investment Portfolio	\$20,000	Develop portfolio	\$-
	WEDS and Skill Wairarapa	\$20,000	Work Programme operations	\$20,276
		\$9,770	WNZ PMO overheads	\$10,764
		\$215,000	WNZ People Resources	\$214,860
		\$584,270	TOTAL WEDS EXPENDITURE	\$461,908

Notes: 1) Of which \$35,000 to be invoiced in FY27

2) Of which \$10,000 to be invoiced in FY27

Appendix 1: Planned Initiatives

Some initiatives and actions in the FY25/26 Implementation Plan have not yet been activated. The following provides a brief update on these initiatives to ensure visibility of all ongoing and planned activity.

Initiative	Action	Update
Food & Fibre (Primary Sector): Increase productivity and resilience in Wairarapa's food & fibre sector by equipping businesses with the knowledge, skills, and support needed to drive efficiency, innovation, and sustainability.	Engage with frontier firms to explore implementing best practices in efficiencies, value-add production, and sustainable growth strategies.	This is a placeholder action based on previous engagement with local manufacturing businesses, we are waiting for them to respond to proposed actions to progress.

Appendix 2: Impact Snapshot 2025/26

The following snapshot summarises each initiative by highlighting what has been delivered this financial year (2025/26), the early outcomes now emerging, and the longer-term impact expected. This approach provides greater visibility of the value and outcomes being achieved through the WEDS Work Programme, while demonstrating how individual initiatives collectively contribute to Wairarapa's long-term economic resilience and prosperity.

Initiative	Output(s)	Early outcome(s)	Long-term impact
Increase productivity and resilience by equipping businesses with knowledge, skills, and support.	Completed Discovery Phase with nine businesses and produced a regional Capability Insights Overview.	Businesses have a clearer understanding of their capability priorities, while the sector now have evidence to better target future capability investment.	Improved business capability, stronger leadership and workforce resilience, enabling food and fibre businesses to successfully grow, diversify and improve productivity.
Strengthen resilience and growth potential by supporting diversification , fostering innovation , and enhancing market access.	Review of Kiwifruit workstream contracted; wool workstream procurement underway; olive workstream scoped.	Priority diversification opportunities have progressed from concept into implementation, with industry partners actively shaping delivery and future investment pathways.	Increased farm diversification, stronger regional value chains and higher-value food and fibre production that improves regional resilience and long-term economic growth.
	Wairarapa Harvest Hub Limited established to lead the commercial delivery of the Lower North Island Seed Cleaning and Storage Facility.	Growers, investors and project partners are collaborating through a formal commercial structure to progress delivery of the facility.	A regionally owned processing facility that strengthens the lower North Island seed industry, creates higher-value supply chains, and generates long-term economic and employment benefits for Wairarapa.
Develop a shared narrative for the Sector that fosters collaboration, enhances awareness, and elevates profile.	Project design completed, procurement undertaken and research partner appointed to lead community engagement.	Regional stakeholders are beginning to contribute towards a common understanding of Wairarapa's identity, creating the foundation for more consistent promotion, investment attraction and regional storytelling.	A clearly articulated and widely adopted regional narrative that strengthens identity, supports investment attraction and promotes consistent messaging across the region.
Strengthen workforce capability and resilience by aligning training and development initiatives.	Cross-sector workforce capability initiative designed and launched in partnership with DairyNZ and Beef + Lamb New Zealand, with registrations opened for the first regional leadership event.	Industry partners have collaboratively identified workforce capability as a shared challenge and established a platform for future leadership and workforce development initiatives.	Stronger leadership capability across the food and fibre sector, contributing to improved workforce retention, business productivity and a more resilient regional workforce.
Establish a local community-managed strategic connector role .	Tūhono directory and Tū Hauoranga website launched. Welcoming communities resources developed. Workplace Culture improvement through Better Health Workplaces.	Health professionals and sector partners are increasingly connected to local networks, information and support services, helping strengthen retention and community belonging.	Wairarapa gaining a reputation as an attractive region for new healthcare workers resulting in more health recruits settling here and staying here. This will result in the wider Wairarapa community benefiting from improved access to healthcare services.

Initiative	Output(s)	Early outcome(s)	Long-term impact
Understand Wairarapa's digital fluency , packaged with tailored learning programmes.	Secured 150 ex-MBIE laptops, progressed establishment of a community laptop pool, and completed Digital Fluency baseline testing at Mākoura College. Digital Fluency baseline testing at Mākoura College for all Year 9,10,11,12 and 13.	Improved understanding of digital capability needs and increased access to digital devices for community, education and employment-related activities. Students digital capability is benchmarked, providing evidence to inform targeted learning support.	A digitally capable and connected Wairarapa community, with improved education, employment, and economic outcomes through equitable access to technology and digital skills.
Provide improved service, supervision, management training .	Waihost workshops delivered in FY 27: 1. Train the trainer (19 participants) 2. Buddy to Boss (11 participants) New contract signed with WEDS to deliver another 4 workshops by end of Q2.	Participants report increased confidence and practical skills to support workplace supervision, customer service and team performance.	A skilled, resilient workforce that enables Wairarapa businesses in the hospitality and tourism sector to grow, retain talent, and deliver high-quality customer experiences, supporting a thriving regional economy.
Provide our people with a clear understanding of local pathways .	Delivered the Quick Fire Connections – Health Industry Event, connecting 85 students from five secondary schools with 24 health sector representatives. Delivered an NZ Police Workplace Visit for 16 students, providing direct exposure to policing careers. Established a working group and completed youth and school engagement activities to inform development of the Wairarapa Work Ready Passport.	85 students made new network connections and gained exposure and to a wide range of health careers and pathways they may not have previously considered, increasing awareness of opportunities within the health sector. Students gained a realistic understanding of policing careers, including recruitment requirements, working conditions, career progression and work-life balance. They also developed an understanding of how decisions made today—such as offending, drug use or drink driving—can affect future employment opportunities, encouraging more informed life and career choices. Schools, employers and community organisations are collaborating around a more coordinated approach to preparing young people for employment.	More rangatahi pursue health-related education, training and employment, helping to strengthen Wairarapa's future health workforce. More young people remain eligible for careers in policing and other sectors that require a clean criminal record. This results in strengthening the future workforce pipeline while supporting positive life choices among rangatahi. Shared regional planning and collaboration create a more connected workforce system, enabling collective action, efficient use of resources, and stronger economic development outcomes

Initiative	Output(s)	Early outcome(s)	Long-term impact
Other initiatives TBD .	Progressed development of the Wairarapa Work Ready Passport (working title) through youth engagement, school engagement, and collaboration with community partners.	Existing community programmes, expertise and resources are being leveraged to co-design a coordinated work readiness programme that reflects youth aspirations and local workforce needs. Youth engagement is also encouraging rangatahi to consider the skills and capabilities they need to prepare for employment.	A sustainable, region-wide Work Ready Passport supports young people to develop the knowledge, skills and confidence required for successful transitions into employment, education and training.
	Supported the establishment of the Wairarapa Whanaungatanga Careers Expo 2026 as a new Skills for Work action.	Schools, employers and industry partners are collaborating to provide coordinated career exploration opportunities, increasing awareness of local education and employment pathways.	A stronger, more connected careers ecosystem that improves transitions from education into employment and helps retain young talent within Wairarapa.
Identify and advance key economic development projects within the FY25/26 WWRS Work Programme to strengthen Wairarapa's economic resilience, attract investment and support sustainable growth.	Published A Case for Action report quantifying the potential economic benefits of improved water resilience, including up to \$1.5 billion in additional regional economic activity and 3,800 jobs by 2050.	Regional stakeholders now have a shared evidence base to support advocacy, planning and future investment decisions.	Better-informed investment decisions that support the long-term goal of generating an additional \$1.5 billion in GDP and 3,800 jobs through improved water resilience by 2050.
Facilitate collaboration and knowledge-sharing to build water resilience across Wairarapa industries.	Three on-farm learning events delivered, with more than 110 attendees across the 2025/26 programme.	Farmers report increased confidence discussing water resilience and applying improved water management practices on farm.	Increased adoption of resilient farming practices, strengthening regional water resilience and primary sector capability.
Strategic Investment Portfolio	Procurement plan and project scope completed, with procurement ready to commence.	Regional partners have aligned around a shared process for identifying transformational economic opportunities and improving investment readiness.	A coordinated pipeline of investment-ready projects that strengthens Wairarapa's ability to attract external investment and deliver long-term economic growth.

Appendix 3: Capability Boost – Discovery Phase Insights

Purpose of the Pilot

The Capability Boost pilot has been designed to support Wairarapa primary sector businesses to move from ambition to action - strengthening capability, improving resilience and unlocking growth opportunities.

The Discovery Phase focused on understanding where participating businesses are now, where they want to go and what capability gaps may limit progress.

Participating Businesses (a snapshot)

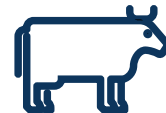
The pilot engaged a diverse cohort of ten established and emerging businesses across Wairarapa. Nine businesses completed the Discovery Phase, while one business was unable to participate due to health circumstances. These are strong family-ownership and are intergenerational businesses.



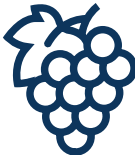
Landholdings ranged from
40ha to 1,200+ha
(collectively more than **7,200ha**)



5 sheep & beef farms



2 dairy farms



3 horticulture/viticulture systems



Many mixed operations, including
forestry and carbon-related, food &
beverage value-add processing and
tourism.



Several businesses employ
15-25 seasonally

The pilot was delivered as a co-funded initiative, with participating businesses investing their own time, expertise and commitment alongside programme funding.

Development stage

- 40% growth and scaling
- ~50% are exploring diversification / new revenue streams
- ~60% are focused on succession and transition
- A strategic reset after achieving prior goals is an emerging theme across several businesses.

Why the businesses wanted to participate?

Across the cohort:

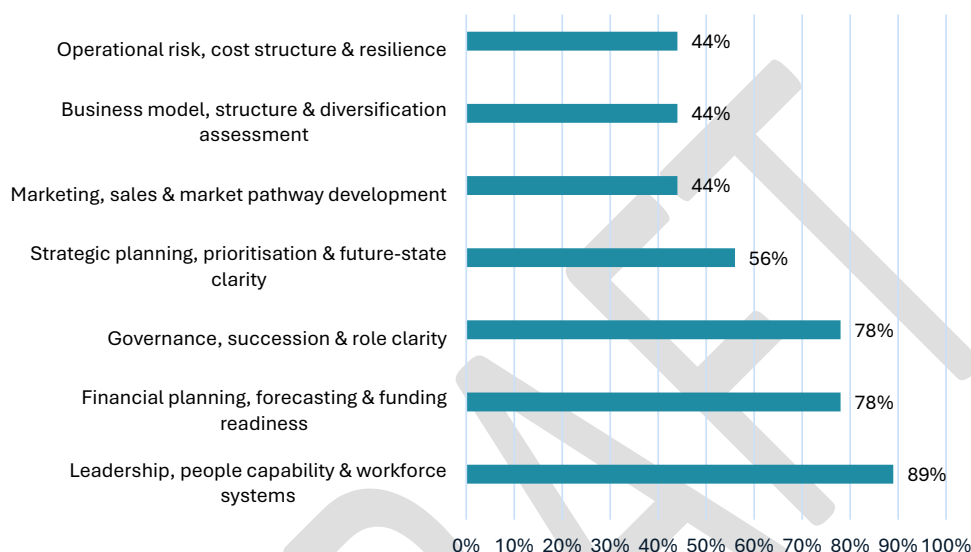
- 90%+ identified multiple competing opportunities (growth, diversification, or investment)
- 70%+ are already engaging advisors (informally or formally)
- Most businesses are investment-aware, but need stronger planning and prioritisation

Common triggers for engagement:

- Expansion or land acquisition decisions
- Diversification into tourism, processing or carbon
- Succession and ownership transition
- Managing increased complexity in multi-enterprise businesses

Key Capability Gaps Identified

The pilot engaged a diverse cohort of ten businesses, with nine completing the Discovery Phase. One additional business was unable to participate due to health circumstances. Seven consistent capability themes emerged across the participating businesses:



Key Insights from the Discovery Phase

Opportunity-rich, but priority-poor

- Most businesses have 3–5 major strategic opportunities in play simultaneously
- Few have a clear prioritised roadmap or sequencing plan

Key insight: The issue is not lack of ideas—it is focus and execution discipline.

High dependence on owners

- Most participating businesses identified a high reliance on one or two key individuals for strategic decision-making, operational delivery and key relationships.
- Common pattern:
 - Owners leading strategy
 - Owners running operations
 - Owners holding key relationships

Key insight: This creates constraints in: Growth execution, time for strategic thinking and succession readiness.

Financial capability lagging business complexity

- ~70% of businesses need stronger financial modelling and forecasting
- Common gaps:
 - Rolling cashflow forecasting
 - Scenario/testing capability
 - Investment and funding readiness

Key insight: Particularly critical for businesses: Taking on new debt, diversifying into new revenue streams and scaling production or infrastructure.

Marketing is a major constraint in value-add growth

Among diversified/value-add businesses:

- 100% had a strong product or story
- 44% participating businesses identified marketing execution, sales systems and market development as key capability gaps.

Key insight: The challenge: Converting great products into consistent revenue streams.

Succession is an immediate or emerging issue

- 60–70% of businesses identified succession as a current or near-term issue
- Several businesses have:
 - No formal plan
 - No clear successor
 - Increasing urgency (age, scale, complexity)

Key insight: This represents both a risk and a major opportunity for structured support.

Workforce and leadership constraints

- Most businesses employ staff but lack formal people systems
- Challenges include:
 - Recruitment (especially rural roles)
 - Delegation and leadership capability
 - Over-reliance on owners

Key insight: Scaling is limited by people capability, not just capital.

Early Value of the Pilot Programme

“The Discovery Phase helped us confirm our priorities, identify areas for improvement, and put structure around some of the challenges and opportunities we already knew existed. The independent review provided valuable perspective and a clear foundation for the next stage of development.” - Discovery Phase participant, June 2026

For participating businesses:

- 100% of participating businesses identified clear next steps through the Discovery Phase
- Clear identification of 2–4 key capability gaps per business

For Wairarapa:

- Identification of high-potential businesses ready to grow
- Evidence of strong demand for structured capability support
- Clear opportunity to accelerate diversification and value-add activity

Through targeted capability support, the programme has the potential to:

- Unlock investment decisions
- Accelerate growth ambitions
- Strengthen long-term business resilience

While access to capital, debt servicing, market conditions and profitability remain important challenges for many businesses, the Discovery Phase found that stronger capability in areas such as strategic planning, governance, financial management, leadership and market development would significantly improve businesses' ability to navigate these challenges and take advantage of future opportunities.

Why the Discovery Phase matters

The Discovery Phase has demonstrated that relatively modest investment in structured business diagnostics can quickly identify the highest-value opportunities for capability development.

Rather than applying generic support across a diverse group of businesses, the pilot has established a clear understanding of the specific challenges, opportunities and capability needs within each participating enterprise.

This approach provides greater confidence that future investment can be targeted where it is most likely to deliver measurable outcomes - whether that is supporting business growth, diversification, succession planning, workforce capability, governance development or improved financial performance.

Importantly, the Discovery Phase has also highlighted common themes across the cohort, creating opportunities for shared capability initiatives while still maintaining a business-specific approach.

Where to next?

The Capability Boost pilot is now moving from discovery into action. We are currently engaging participating businesses to gather structured feedback on:

- The value of the discovery process
- Priority areas for capability investment
- Preferred types of support

In parallel, we are working to:

- Identify priority support pathways for each business
- Assess where shared support approaches can deliver scale (e.g. workshops, advisory programmes)
- Refining the design of the next phase of the pilot

This next stage will focus on translating insights into measurable business change and outcomes.

The Discovery Phase has confirmed there is no shortage of ambition, innovation or opportunity within the Wairarapa primary sector.

What many businesses need is targeted capability support to help transform opportunity into action.

The pilot has successfully identified where that support is likely to have the greatest impact and is now informing the design of the next phase of capability development, with participating businesses currently providing feedback on priorities and future support requirements.

This programme is about accelerating high potential businesses by helping them make better decisions, build capability and unlock their next stage of growth. We've completed the discovery work, now we want to work with businesses to shape the next phase of support and ensure it delivers real, measurable impact.

Appendix 4: Wairarapa Whanaungatanga Careers Expo 2026 – August 2026.

WAIARARAPA WHANAUNGATANGA CAREERS EXPO

TUESDAY 18TH AUGUST 2026

FOR ALL YEAR 9 – YEAR 13 STUDENTS AT WAIARARAPA COLLEGE

9AM TO 3PM

Wairarapa College Hall

Giving rangatahi the opportunity to meet local employers, tertiary study providers, and career development groups, gain insights, and explore exciting career opportunities all in one place.

Year	Period
Year 9	Period 1 (9am to 9.55am)
Year 10	Period 2 (10.15am to 11.10am)
Year 11	Period 3 (11.30am to 12.25pm)
Year 13	Period 4 (12.25pm to 1.20pm)
Year 12	Period 5 (2.05pm to 3.00pm)

PROUDLY SPONSORED BY:

WEDS

WAIARARAPA COLLEGE
TE KĀRETI O WAIARARAPA

WAIARARAPA WHANAUNGATANGA CAREER EXPO

WEDNESDAY 19TH AUGUST 2026

FOR ALL YEAR 11 – YEAR 13 STUDENTS AT COLLEGES ACROSS THE WAIARARAPA REGION

9AM TO 3PM

Wairarapa College Hall

Giving rangatahi the opportunity to meet local employers and career development groups, gain insights, and explore exciting career opportunities all in one place.

PROUDLY SPONSORED BY:

WEDS

HOSTED BY:
WAIARARAPA COLLEGE
TE KĀRETI O WAIARARAPA

Appendix 5: Quick Fire Connections (Health Industry) – held at Mākoura College, 18 June.



6.5 NON-FINANCIAL PERFORMANCE 2025/26 QUARTER 4 REPORT

File Number:

Author: Josie Askin, Corporate Planning Lead

Authoriser: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to advise the Finance, Risk and Assurance Committee on performance against non-financial measures for Quarter 4 2025/26 (1 April to 30 June 2026), including provisional year-end results for 2025/26.

EXECUTIVE SUMMARY

This is the final non-financial performance report for Year 2 (2025/26) of the 2024-34 Long-Term Plan (LTP).

Results against performance measures are reported for seven activity areas. The activity areas are:

- Roads and Footpaths
- Water Supply
- Wastewater
- Stormwater
- Solid Waste
- Community Facilities and Parks
- Regulatory Services

There are 41 measures across the seven activity areas. All measures were available to report in Quarter 4 (Year-end). Of the 41 measures, 34 measures (83%) were achieved, and 7 measures (17%) were not achieved. Further information is provided in Attachment 1.

Quarter 4/Year-end results – Current year vs previous year

	Q4/YE 2025/26 (current year)	Q3 2024/25 (previous year)
Achieved	82.9% (34)	90.2% (37) ²
Not achieved	17.1% (7)	9.8% (4)
Total available to report:	41	41

² In the 2024/25 Quarter 4/Year-end report it was reported as 39 measures achieved (95.1%) and two not achieved (4.9%). The results were adjusted following the year-end audit review where two water supply measures were reclassified to reflect revised reporting requirements.

Not available to report	-	-
Total measures:	41	41

The number of measures achieved or on track compared to Q4 2024/25 year:

Number of measures Achieved:	Q4 2025/26 (current year)	Q3 2024/25 (previous year)
Roads (6 measures)	5	5
Water Supply (9 measures)	8	7 ³
Wastewater (6 measures)	5	6
Stormwater (5 measures)	4	4
Solid Waste (3 measures)	2	3
Community Facilities & Activities (4 measures)	2	4
Regulatory (8 measures)	8	8
Total:	34	37

RECOMMENDATION

That the Finance, Risk and Assurance Committee receives the Quarter 4/Year-end non-financial performance report for the 2025/26 financial year (Year 2 of the 2024-34 LTP).

CONTEXT

The Local Government Act 2002 requires Councils to include performance measures and targets for activity areas in its Long-Term Plan (LTP). This is the final non-financial performance report for Year 2 of the 2024-34 LTP.

The performance measure framework was reviewed and revised as part of the 2024-34 Long-Term Plan process.

There are some mandatory measures identified by the Department of Internal Affairs (DIA) that all Councils must report on. These primarily relate to infrastructure services and have been included in the performance measure framework. They are identified as Mandatory Measures in Attachment 1.

The measures that were adopted as part of the 2024-34 Long-Term Plan apply from 1 July 2024.

Council is required to report on progress against the measures and targets at least annually.

Highlights in Quarter 4/Year-end include:

Roading

All six roading performance measures were available to report at year-end, with five being reported as achieved. The only measure not achieved related to footpath condition. Of the 215 km network

³ The result was reported as 9 measures achieved in the 2024/25 Quarter 4/Year-end report. The results were adjusted following the year-end audit review.

surveyed, 183 km (85%) was rated as being in excellent (17%), good (29%), or average (39%) condition, below the target of 90%. This result is consistent with the previous year, when 85% of the network was rated at least average (excellent 18%, good 28%, average 38%) but is lower than the 94% achieved two years ago.

In 2025/26 there were no fatalities and nine serious injury crashes on the local road network, unchanged from last year. This is a positive result compared with the five-year average of one fatality and nine serious injury crashes, and an improvement on 2023/24 when there were two fatalities and seven serious injury crashes. Analysis of crash data has not identified any recurring high-risk locations, with serious crashes occurring across different parts of the network and varying from year to year. Crash statistics are influenced by a range of factors beyond road conditions, including driver behaviour, vehicle safety, weather and traffic volumes.

The average quality of ride on a sealed local road has been maintained at 92% network smooth travel exposure across the full roading network, with variations between urban and rural. This is the same as last year (92%) and above the target of 90%. Rural sealed roads perform well, with 98% of travel occurring on these roads rated as smooth. However, rougher urban streets reduce the overall network average. This result is largely influenced by lower smoothness ratings on high-traffic local roads carrying more than 10,000 vehicles per day. For these busy urban roads, only around 60% of travel is on smooth surfaces.

31.5 km of the total 539 km (5.8%) sealed local road network was resurfaced in 2025/26. This is more than last year (29.1 km) and within our target of 5-7%.

Urgent service requests increased throughout the year, reaching 592 requests by year end, compared with 243 in 2024/25 and 184 in 2023/24. The increase in urgent requests reflects an internal review of request categorisation that has improved consistency in how requests are assessed. This is reflected in a lower number of non-urgent requests recorded during the year (711), compared with 889 in 2024/25 and 863 in 2023/24. An increase in weather related events has also contributed to the increase.

Despite this significant increase in urgent requests, response performance remained strong, with 97% or more of urgent requests responded to within the specified timeframe.

Water Supply

At year end all water supply performance measures were available for reporting, with eight out of nine achieving their target. The exception is full compliance with Taumata Arowai Treatment Rules for bacteria. In Quarter One partial compliance was reported for Tinui after a sample was not processed, and in Quarter Three partial compliance was reported for Masterton due to a technical communication issue in reported data. In both instances this is a reporting non-compliance rather than a water quality issue.

Masterton and Tinui were fully compliant with Taumata Arowai Treatment Rules for protozoal compliance.

At year end the number of complaints is lower than for the previous two years, with 19 complaints in the current year, compared to 23 in 2024/25 and 26 in 2023/24. This represents 1.82 complaints per 1000 connections, which is well under the target of 6 complaints.

In 2025/26 we updated how we define “urgent call-out” following advice from Audit New Zealand during the 2024/25 Annual Report process. Only call-outs related to total water loss are classified

as “urgent”. For this reason, results from 2025/26 are not directly comparable with previous years. In 2025/26 there were no urgent call-outs relating to total water loss.

In 2025/26 non-urgent call-outs were attended in half the amount of time as previous years, taking on average 32 minutes, compared to 74 minutes in 2024/25 and 2023/24. This is well under the target of 7 days or less (10,080 minutes). The time to resolve non-urgent call-outs is consistent with last year at 83 minutes, and faster than 2023/24 (140 minutes). By comparison the target to resolve is 3 months.

Real water loss and consumption continue to be measured using metered data and the winter water use (WWU) calculation method. The WWU has a higher accuracy of actual data, than the previous minimum night-time method. Using the WWU calculation, both water loss and consumption have dropped this year. At year end real water loss has dropped to 15%, down from 30% in 2024/25; and water consumption has dropped to 345 litres/person/day (compared to 405 litres/person/day in 2024/25). Over the past year, water use summaries and notification letters have been sent to properties with unusually high usage that may indicate a leak. Most recipients of these letters have investigated the issue and repaired any identified leaks, contributing to improved accuracy and reduced water loss and consumption.

Wastewater

At year end nearly all wastewater performance measures are achieved. The exception is where an alternative system is provided where loss of service exceeds 24 hours (i.e. the number of port-a-loos required). This measure was on track in Quarter Three with four port-a-loos (0.37/1000 connections) provided. Following the extreme weather events in April and June, which resulted in stormwater infiltration into the sewer network leading to blockages and overflows, 10 port-a-loos were provided. This equates to 1.29/1000 connections, just over the target of less than or equal to 1/1000 connections. While this is the highest number of port-a-loos required over the last two years it is considerably lower than the 160 and 61 port-a-loos that were required in 2022/23 and 2021/22 following the February 2022 heavy rain event, and subsequent wet weather over these years.

The recent extreme weather events also led to more complaints in Quarter 4 (27 complaints), however the number of complaints for the full year (68 complaints) is comparable to the previous two years (69 and 65), and below the target with 6.26 complaints/1000 connections against the target of 8 or less complaints. This is considerably less than the number of complaints in 2022/23 (257 or 26.56 complaints/1000 connections) and 2021/22 (152 complaints or 15.95/1000 connections).

It takes on average 47 minutes to attend a sewerage overflow, and just under three hours (175 minutes) to resolve. In 2025/26 we updated how we report attendance and resolution for sewerage overflows following advice from Audit New Zealand during the 2024/25 Annual Report process. Only call-outs relating to sewerage overflows caused by a blockage or other fault in Council’s sewerage system are now included. As a result, 2025/26 results are not directly comparable with previous years.

There were no consent breaches resulting in abatement notices, infringement notices, enforcement orders, or convictions from sewerage system discharges.

Stormwater

At year end four out of five stormwater performance measures were achieved. The measure not achieved concerns the number of complaints received about the performance of the stormwater system with 31 complaints, or 3.44 complaints/1000 connections (compared to a target of no more

than 3/1000 connections). The number of complaints is lower than last year where there were 37 complaints (4.11 complaints/1000 connections), and comparable with 2023/24 of 29 complaints (3.22 complaints/1000 connections). In Quarter four the complaints were related to extreme localised rain events and waterway issues.

There has been an increase in flooding events, with three occurring in 2025/26 compared to none the previous two years, five in 2022/23 and two in 2021/22. No habitable floors were affected during any of the flooding events in 2025/26 and the median response time to attend was 19 minutes.

While compliance with Council's resource consents for stormwater discharges is a mandatory measure, it is noted that Council does not currently hold any resource consents for stormwater discharge.

Solid Waste

Two out of three solid waste performance measures were achieved at quarter four. This is consistent with previous quarters.

The performance measure that has not been achieved relates to compliance across transfer stations, recycling and composting facilities, and landfill consents. Quarterly sampling at the closed Nursery Road urban landfill identified some parameters of non-compliance, as previously reported (and summarised in attachment 1). Council is 100% compliant for closed rural landfills. However, as the annual target is 100% compliance for both closed urban and rural, the result is not achieved.

At the end of the year there were five call-backs to collect official rubbish bags in the weekly collection. This is consistent with last year (four call backs) and is half the number of the previous year (11). Each year has been well below the target of 52 call-backs (13 per quarter).

By year end 12,980 tonnes of waste was transferred, or 0.448 tonne per head of population (based on an estimated population of 28,970 as at 30 June 2025). This is slightly higher than last year (0.420 tonne per head of population) but is less than 2023/24 year end result (0.462 tonne) and achieves the year-end target (a 6.6% reduction from the baseline of 0.513 tonnes per person).

Community Facilities and Parks

Half (two out of four) community facilities and parks performance measures were achieved at year end. The two measures not achieved relate to the library and reflect the impact of operating from a temporary location while the 'breathing new life into our whare pukapuka' project (library refurbishment and extension) takes place.

Library and archive usage for 2025/26 was 231,523. This is below the 5-year average of 289,082. Usage comprises physical issues (142,083), digital issues (62,405), and computer/wi-fi sessions (27,035). Overall library usage has decreased by 20%, with physical issues down by 26%, while digital issues have increased by 157% as customers continue to access books and resources online. Internet connections have fallen by 63%, reflecting lower foot traffic and fewer public computers available at the temporary site.

Library and archive visits have also reduced, with 286,233 visits in 2025/26 compared to the 5-year average (the target) of 304,381. Library visits have decreased overall with in-person visits down 12%, digital, and housebound down 26%. Archive use has grown, with physical visits up 6.7% and online visits up 18.6%, while phone enquiries have decreased by 13.5%.

Despite an increase in urgent parks and open spaces customer service requests this year (136 compared to 99 last year), timeliness to respond remains constant with 92% being responded to

within four hours. Service requests typically related to park tree and trail damage, toilet faults, and cemetery related requests.

The Trust House Recreation Centre recorded 169,293 visits for the entire year, exceeding the five-year average of 135,571. Overall visits are higher than the previous two years with 161,719 visits in 2024/25 and 150,349 visits in 2023/24. The increase in visits in 2025/26 appear to be driven largely by stadium events, which hosted the Golden Shears World Shearing and Woolhandling Championships (19,263 visits compared to 10,751 and 9,722 for the previous two years) and pool use (108,450 visits compared to 107,708 and 101,382 for the previous two years).

Regulatory

All eight Regulatory Services performance measures were achieved at year end.

Over the year there were 58 Priority 1 urgent call outs (e.g. dog attacks), about half the number of last year (101) and one third of the previous year (153 callouts), with all but two attended to within the hour. Time to respond is similar to last year with 56 out of 58 (97%) responded to within one hour. This is an improvement on 91% responded to within one hour in 2023/24. There were 21 animal control community education and engagement events this year, compared to 12 last year and 17 the previous year. This year over half of the events happened in Quarter 1 (July – September).

While the number of noise control call outs peaked in Quarter 3, they dropped back in Quarter 4. At year end, while the number of call outs is similar to the previous two years (614 in 2025/26 compared to 597 in 2024/25 and 625 in 2023/24), timeliness has improved with 98% of call outs attended to within one hour (up from 97% and 95% the previous two years).

The Building Team processed 527 building consents by the end of the year, with 515 (98%) processed within statutory timeframes. The volume of building consents is down when compared with the previous two years (581 in 2024/25 and 560 in 2023/24).

Similarly, Code Compliance Certificates have also decreased over the last two years with 469 processed this year, compared to 548 and 520 the previous years. Timeliness has improved with nearly all (99%) processed within the statutory timeframe (compared to 97% in 2024/25 and 94% in 2023/24).

A similar trend can be seen in the planning team with fewer resource consents issued (120 in 2025/26 compared to 171 and 166 the previous two years), but a higher proportion issued within statutory time frames (94% in 2025/26 compared to 91% in 2024/25 and 93% in 2023/24).

All Building Warrant of Fitness (BWOFF) submissions received during the year were reviewed within 20 days, consistent with previous years. However, there were a higher proportion of overdue BWOFFs than previous years with 76 provided to the Council to review late, compared to 29 late submissions last year. Officers will continue to actively follow up with building owners.

Pool inspection activity also remained on track. By year end, 314 inspections had been completed across 228 recorded pools. This represents 36% of recorded pools, an increase from 34% in 2024/25 (Year One). Combined Year one and two results (70%) exceed the target of having at least 66% of pools inspected by the end of the second inspection cycle (Year Two).

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

Under legislation, Council is required to identify performance measures and targets for its activity areas and periodically report on these. Council must also report on those measures that are identified as mandatory for all Councils.

Significance, Engagement and Consultation

The recommendation to receive this report does not trigger criteria under the significance and engagement policy.

Financial Considerations

There are no specific financial considerations associated with this update.

Implications for Māori

There are no considerations or implications specific to Māori arising out of the receipt of this report.

Communications/Engagement Plan

Not applicable.

Environmental/Climate Change Impact and Considerations

There are no environmental/climate change impacts or considerations arising from the receipt of this report.

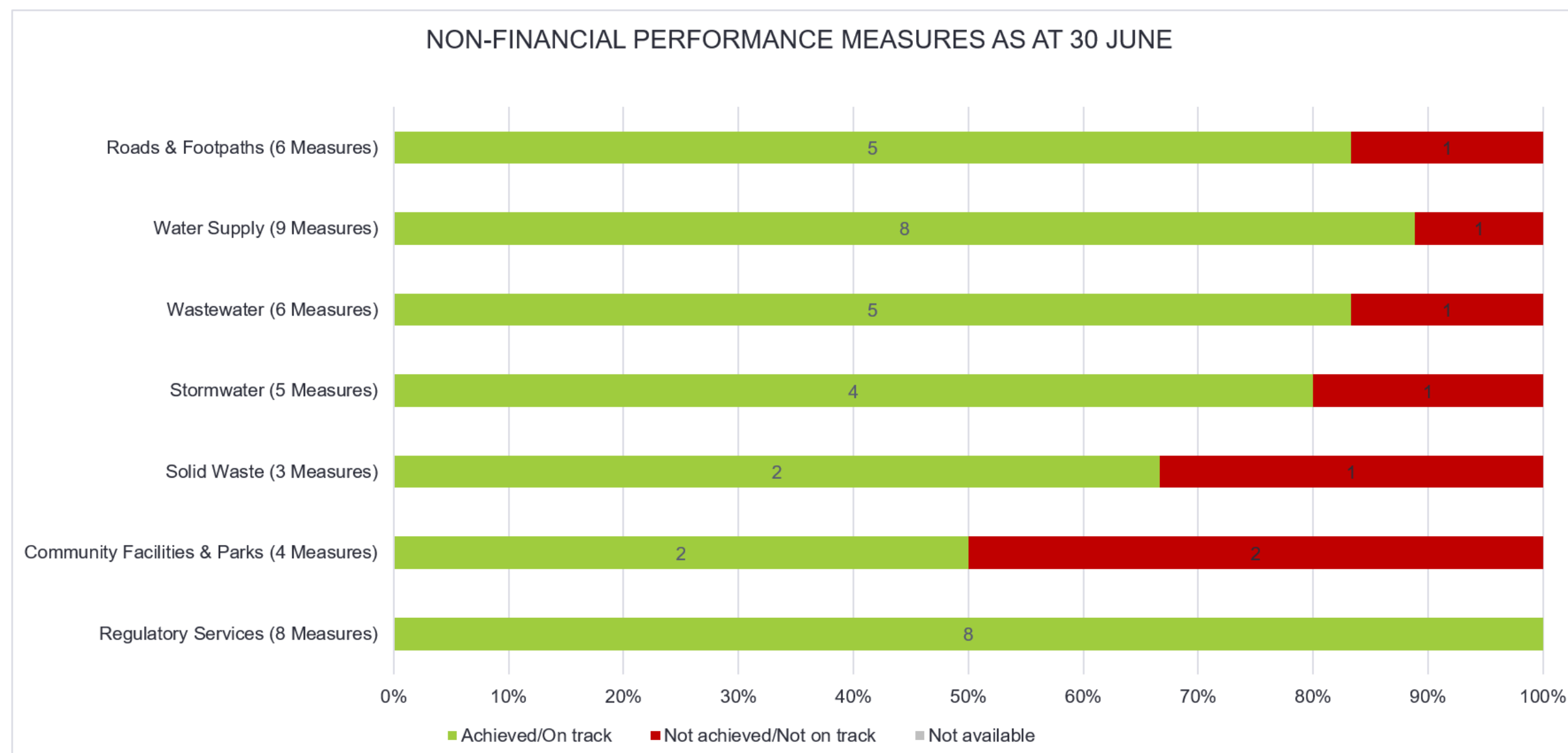
ATTACHMENTS

1. **Non Financial Performance Measures Quarter 4 2025-26** [↓](#)

ATTACHMENT 1: Non-Financial Performance Measures for 2025/26 Quarter 4/Year-end

The graph below shows the percentage of measures against each activity area that:

- Achieved at 30 June 2026 (green);
- Not achieved at 30 June 2026 (red);
- Not applicable and/or information is not available as at 30 June 2026 (grey).



2025/26 Quarter 4/Year-end Non-Financial Performance Measure Results

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
Roading						
Number of fatalities and serious injury crashes on the local road network. (Mandatory Measure)	No more than the 5-year average	0 fatalities and 9 serious injury crashes	Achieved	0 fatalities and 9 serious injury crashes Fatal crashes: Remain low, fluctuating between zero and 2 per 100,000, with an overall downward trend to zero over the last two financial years. Serious crashes: Have stabilised at 9 occurrences per year for the last two consecutive periods, down slightly from a peak of 12 in 2021/22. The five-year average currently stands at 0.6 fatal and 9.4 serious crashes.	0 fatalities and 9 serious injury crashes	Two fatalities and seven serious injury crashes.
Average quality of ride on a sealed local road network, measured by smooth travel exposure. (Mandatory Measure)	Maintain or improve on 90%	92% network smooth travel exposure	Achieved	92% network smooth travel exposure Rural sealed roads are on average very smooth (98%), but rougher urban streets bring the overall average down. This mostly reflects busy local roads with over 10,000 vehicles a day, where only about 60% of the travel is smooth.	91% network smooth travel exposure (as at 30/6/25)	92% network smooth travel exposure (as at 30/6/24)
Percentage of sealed local road network that is resurfaced. (Mandatory Measure)	Maintain within 5-7%	5.84% Resurfaced 31.5 km of the total 539 km sealed local road network	Achieved	5.84% Resurfaced 31.5 km of the total 539 km sealed local road network Despite escalation pressures with fuel and contract schedule rate increases, we achieved our target resurfacing rate. This was done by reducing work outputs in other areas, such as unsealed roads and some drainage maintenance.	5.4% Resurfaced 29.1 km of the total 539 km sealed local road network.	5.8% Resurfaced 31.3 km of the total 538 km sealed local road network.

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
Percentage of footpaths where the condition falls within the level of service defined in MDC's Asset Management Plan (Mandatory Measure)	90% of footpaths are rated excellent, good or average	85%	Not achieved	85% 183 km of 215 km network length of footpath surveyed to June 2026 was rated excellent, good or average. The ratings were: "Excellent" 17%, "Good" 29%, "Average" 39% (other condition ratings are poor, very poor and unknown).	85%  Not Achieved) 182km of 215km network length of footpath surveyed to June 2025 was rated excellent, good or average. The ratings were: "Excellent" 18%, "Good" 28%, "Average" 38% (Other condition ratings are poor, very poor and unknown).	94.1% 198km of 210km network length of footpath surveyed to June 2024 was rated excellent, good or average. (Other condition ratings are poor, very poor and unknown).
Percentage of urgent customer service requests responded to within 2 days. (Mandatory Measure)	95% within specified timeframe	100%	Achieved	YE: 98% 580 out of 592 urgent requests were responded to within specified timeframes 2025/26 Quarterly results: Q1: 97% (101/104) Q2: 97% (145/150) Q3: 97% (153/157) Q4: 100% (181/181) Demand steadily increased each quarter (from 104 requests in Q1 to 181 in Q4), yet response reliability remained stable at 97% or better.	97.5% 237 out of 243 urgent requests were responded to within specified timeframes. 2024/25 Quarterly results: Q1: 93.5% (58/62) Q2: 100% (57/57) Q3: 100% (37/37) Q4: 97.7% (85/87)	95.1% 175 out of 184 urgent requests have been responded to within specified timeframes. 2023/24 Quarterly Results: Q1: 97.5% (39/40) Q2: 100% (51/51) Q3: 90.0% (45/50) Q4: 93.0% (40/43)
Percentage of non-urgent customer service requests responded to within the timeframes specified in MDC's Asset Management Plan and placed on appropriate maintenance programme. Specified response times for non-urgent requests vary by	70% within specified timeframe	70%	Achieved	YE: 78% 553 out of 711 non-urgent requests have been responded to within specified timeframes. 2025/26 Quarterly results: Q1: 77% (137/178) Q2: 75% (122/163) Q3: 90% (161/179) Q4: 70% (133/191)	82.0% 729 out of 889 non-urgent requests have been responded to within specified timeframes. Q1: 81.7% (183/224) Q2: 76.3% (132/173) Q3: 88.6% (225/254) Q4: 79.4% (189/238)	86.4% 746 out of 863 non-urgent requests have been responded to within specified timeframes. Q1: 82.4% (215/261) (was previously 220/261)* Q2: 88.5% (169/191) Q3: 83.5% (174/208) (was previously 172/206)*

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
category, ranging from 7 days to 30 days. (Mandatory Measure)				The overall annual performance sits above target at 77.78% (553 out of 711 requests met). While the year-end results exceeded the KPI, there was a noticeable drop in Q4. This was likely driven by a high volume of requests coupled with limited resourcing, which constrained the team's ability to respond and update the system in a timely manner.		Q4: 92.6% (188/203)
Water Supply						
Number of complaints received about drinking water clarity, taste, odour, pressure or flow, continuity of supply, or MDC's response to any of these issues. (Mandatory Measure)	Less than or equal to 6 complaints/1000 connections	0.67/1000 connections Complaints: 7	Achieved	YE: 1.82 complaints/1000 connections YE: Actual complaints: 19 2025/26 Quarterly results: Q1: 0.29/1000 (3 complaints) Q2: 0.58/1000 (6 complaints) Q3: 0.29/1000 (3 complaints) Q4: 0.67/1000 (7 complaints)	YE: 2.24 complaints / 1000 connections YE: Actual complaints: 23 2024/25 Quarterly results: Q1: 0.97/1000 (10 complaints) Q2: 0.49/1000 (5 complaints) Q3: 0.19/1000 (2 complaints) Q4: 0.58/1000 (6 complaints)	2.58 complaints/1000 connections Actual Complaints: 26 2023/24 Quarterly Results: Q1: 0.50/1000 (5 complaints) Q2: 0.40/1000 (4 complaints) Q3: 0.89/1000 (9 complaints) Q4: 0.79/1000 (8 complaints)
Response time to call outs to a fault or unplanned interruption to MDC's networked reticulation system:						
a) attendance at urgent call outs (from notification to arrival on site) (Mandatory Measure)	60 minutes or less	No urgent calls	Achieved	YE: No urgent calls 2025/26 Quarterly results: Q1: No urgent calls Q2: No urgent calls Q3: No urgent calls Q4: No urgent calls Following feedback from Audit New Zealand during the 2024/25 Annual Report process, we have updated how this measure is reported. For reporting purposes, only calls relating to total water loss are now classified as 'urgent'. This means the 2025/26 results are not directly comparable with previous years.	YE: 22 minutes 2024/25 Quarterly results: Q1: 20 minutes Q2: 41 minutes Q3: 47 minutes Q4: 22 minutes	YE: 28 minutes 2023/24 Quarterly Results: Q1: 23 minutes Q2: No urgent calls Q3: 20 minutes Q4: 37 minutes
b) resolution of urgent call outs (from notification to	480 minutes or less	No urgent calls	Achieved	YE: No urgent calls 2025/26 Quarterly results: Q1: No urgent calls	YE: 67 minutes 2024/25 Quarterly results: Q1: 83 minutes	YE: 61 minutes 2023/24 Quarterly Results: Q1: 177 minutes

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
confirmation of resolution) (Mandatory Measure)				Q2: No urgent calls Q3: No urgent calls Q4: No urgent calls Following feedback from Audit New Zealand during the 2024/25 Annual Report process, we have updated how this measure is reported. For reporting purposes, only calls relating to total water loss are now classified as 'urgent'. This means the 2025/26 results are not directly comparable with previous years.	Q2: 56 minutes Q3: 55 minutes Q4: 90 minutes	Q2: No urgent calls Q3: 53 minutes Q4: 81 minutes
c) attendance at non-urgent call outs (from notification to arrival on site) (Mandatory Measure)	7 days or less	32 minutes	Achieved	 32 minutes 2025/26 Quarterly results: Q1: 136 minutes (2 hours 16 mins) Q2: 22 minutes Q3: 18 minutes Q4: 32 minutes	YE: 74 minutes 2024/25 Quarterly results: Q1: 74 minutes Q2: 200 minutes Q3: N/A Q4: 36 minutes	74 minutes 2023/24 Quarterly Results: Q1: 57 minutes Q2: 91 minutes Q3: 43 minutes Q4: 150 minutes
d) resolution of non-urgent call outs (from notification to confirmation of resolution) (Mandatory Measure)	3 months or less	78 minutes	Achieved	YE: 83 minutes 2025/26 Quarterly results: Q1: 230 minutes (3 hours 50 mins) Q2: 90 minutes (1 hour 30 mins) Q3: 135 minutes (2 hours 15 mins) Q4: 78 minutes	YE: 83 minutes 2024/25 Quarterly results: Q1: 79 minutes Q2: 150 minutes Q3: N/A Q4: 51 minutes	140 minutes 2023/24 Quarterly Results: Q1: 94 minutes Q2: 186 minutes Q3: 93 minutes Q4: 190 minutes
Council's drinking water supply complies with:						
Taumata Arowai Treatment Rules - T3 Rules (bacteria compliance criteria) (Mandatory Measure)	Fully compliant	<u>Masterton</u> Compliant <u>Tinui</u> Compliant	Not achieved	YE: Council's drinking water supply was partially compliant with <i>Taumata Arowai Treatment Rules T3 Rules (bacteria compliance criteria)</i> . These rules replace the previous <i>Drinking Water Standards Part 4 (Bacteria compliance criteria)</i> . Masterton: Partial compliance (Q3) Tinui: Partial compliance (Q1) Note: Both were cases on technical non-compliance rather than water quality.	YE: Council's drinking water supply is partially compliant* with <i>Taumata Arowai Treatment Rules T3 Rules (bacteria compliance criteria)</i> . These rules replace the previous <i>Drinking Water Standards Part 4 (Bacteria compliance criteria)</i> .	a) <i>part 4 of the Drinking Water Standards (bacteria compliance criteria)</i> Partially Compliant Changes to DWQAR in 2022 have resulted in technical non-compliance. Data is collected but there is a new requirement to now continually monitor parameters. This has

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
				Q1: Masterton – Fully compliant, Tinui – Partially compliant, sample for September not processed. Q2: Masterton – Fully compliant, Tinui – Fully compliant Q3: Masterton – Partially Compliant, Tinui – Fully Compliant Q4: Masterton – Fully compliant, Tinui - Fully compliant, Note one missed sample in September (Q1) for Tinui, but no further issues. Minor technical problems resolved as they develop.	* This was previously reported as fully compliant prior to the year-end audit.	required installation of new technology. Systems are now installed. Note - No additional non compliances have been determined since the last report.
Taumata Arowai Treatment Rules - T3 Rules (Protozoal compliance criteria) (Mandatory Measure)	Fully compliant	<u>Masterton</u> Fully Compliant <u>Tinui</u> Fully Compliant	Achieved	YE: Council's drinking water supply is fully compliant with <i>Taumata Arowai Treatment Rules T3 Rules (Protozoal compliance criteria)</i> . These rules replace the previous <i>Drinking Water Standards Part 5 (Protozoal compliance criteria)</i> . Q1: Masterton – Fully compliant, Tinui – Fully compliant Q2: Masterton – Fully compliant, Tinui – Fully compliant Q3: Masterton – Fully compliant, Tinui – Fully compliant	YE: Council's drinking water supply is partially compliant* with <i>Taumata Arowai Treatment Rules T3 Rules (Protozoal compliance criteria)</i> . These rules replace the previous <i>Drinking Water Standards Part 5 (Protozoal compliance criteria)</i> . * This was previously reported as fully compliant prior to the year-end audit.	<i>b) part 5 of the Drinking Water Standards (protozoal compliance criteria)</i> . Partially Compliant Changes to DWQAR in 2022 have resulted in technical non-compliance. Data is collected but there is a new requirement to now continually monitor parameters. This has required installation of new technology. Systems are now installed. Note - No additional non compliances have been determined since the last report.
Percentage of real water loss from MDC's reticulation system (calculated using minimum night flow). (Mandatory Measure)	Year 1: No more than 45%* *This target has been updated to reflect the new approach for calculating water loss. From Year 2: Establish the target as part of the Annual Plan process taking	15%	Achieved	15%  winter water use calculation methodology was implemented using water meter data, providing a more accurate reflection of actual consumption. Over the past year, water use summaries and notification letters have been sent to properties with unusually high usage that may indicate a leak. Most recipients of these letters have investigated the issue and repaired any identified leaks, contributing to improved accuracy and reduced water loss.	30% Previous analysis has used the minimum night flow method to determine water consumption/loss which involves some assumptions. The winter water use calculation method was implemented recently using our metering data that is now available and has a higher accuracy of actual data. We	45%

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
	water meter trial data into consideration.				will be using this method for future reporting.	
Average consumption of drinking water per day per resident within the district. (Demand management). (Mandatory Measure)	Year 1: No more than 578 litres/person/day From Year 2: Establish the target as part of the Annual Plan process taking water meter trial data into consideration.	345 litres/person/day	Achieved	345 litres/person/day It is expected that litres per person per day will continue to reduce with continued meter reading analysis (helping to detect possible leakage both on Council assets and on private property); and consumption summary letters to users	405 litres/person/day Previous analysis has used the minimum night flow method to determine water consumption/loss which involves some assumptions. The winter water use calculation method was implemented recently using our metering data that is now available and has a higher accuracy of actual data. We will be using this method for future reporting.	664 litres/person/day
Wastewater						
Number of complaints received about sewerage odour, system faults, system blockages, MDC's response to issues with its sewerage system. (Mandatory Measure)	Less than or equal to 8 complaints/1000 connections.	2.48 complaints/1000 connections Actual complaints: 27	Achieved	YTD: 6.26 complaints/1000 connections YTD Actual Complaints: 68 2025/26 Quarterly results: Q1: 0.92/1000 (10 complaints) Q2: 1.47/1000 (16 complaints) Q3: 1.38/1000 (15 complaints) Q4: 2.48/1000 (27 complaints)	YE: 6.83 complaints/1000 connections YE Actual Complaints: 69 2024/25 Quarterly results: Q1: 2.08/1000 (21 complaints) Q2: 1.98/1000 (20 complaints) Q3: 1.19/1000 (12 complaints) Q4: 1.58 /1000 (16 complaints)	Year End: 6.56 complaints/1000 connections YE Actual Complaints: 65 2023/24 Quarterly Results: Q1: 2.83/1000 (28 complaints) Q2: 1.21/1000 (12 complaints) Q3: 1.01/1000 (10 complaints) Q4: 1.51/1000 (15 complaints)
Median response time to sewerage overflows resulting from a blockage or other fault to MDC's sewerage system:						

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
a) attendance (from time of notification to the time service personnel arrive onsite) (Mandatory Measure)	6 hours or less	69 minutes	Achieved	YE: 47 minutes 2025/26 Quarterly results: Q1: N.A minutes – No overflow* Q2: 33 minutes Q3: 59 minutes Q4: 69 minutes * This result has been updated since Q1 following feedback from Audit New Zealand. Only calls related to overflows are now reported for this measure rather than all requests. This means the 2025/26 results are not directly comparable with previous years.	YE: 25 minutes 2024/25 Quarterly results: Q1: 21 minutes Q2: 25 minutes Q3: 21 minutes Q4: 30 minutes	YE: 25 minutes 2023/24 Quarterly Results Q1: 32 minutes Q2: 22 minutes Q3: 18 minutes Q4: 38 minutes
b) resolution (from time of notification to the time service personnel confirm resolution) (Mandatory Measure)	12 hours or less	122 minutes	Achieved	YE: 175 minutes (2 hours 55 mins) 2025/26 Quarterly results: Q1: N.A minutes – No overflow* Q2: 182 minutes (3 hours 2 mins) Q3: 197 minutes (3 hours 17 mins) Q4: 122 minutes (2 hours 2 mins) * This result has been updated since Q1 following feedback from Audit New Zealand. Only calls related to overflows are now reported for this measure rather than all requests. This means the 2025/26 results are not directly comparable with previous years.	YE: 121 minutes 2024/25 Quarterly results: Q1: 134 minutes Q2: 112 minutes Q3: 122 minutes Q4: 167 minutes	116 minutes 2023/24 Quarterly Results Q1: 135 minutes Q2: 84 minutes Q3: 140 minutes Q4: 110 minutes
Number of dry weather sewerage overflows from MDC's sewerage system (Mandatory Measure)	Less than or equal to 2/1000 connections	0.09/1000 connections 1 Dry Weather Overflow	Achieved	YE: 0.37/1000 connections YE Actual: 4 complaints 2025/26 Quarterly results: Q1: No dry weather overflow (0 complaints) Q2: 0.28/1000 (3 complaints) Q3: No Dry Weather Overflow Q4: 0.09/1000 (1 complaint)	YE: 0.79 complaints/1000 connections YE Actual: 8 complaints 2024/25 Quarterly results: Q1: 0.30/1000 (3 complaints) Q2: 0.10/1000 (1 complaint) Q3: 0.30/1000 (3 complaints) Q4: 0.10/1000 (1 complaint)	1.01/1000 connections Actual: 10 complaints Q1: 0.40/1000 (4) Q2: 0.10/1000 (1) Q3: 0.20/1000 (2) Q4: 0.30/1000 (3)

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
Compliance with MDC's resource consents for discharge from its sewerage system, measured by the number of abatement notices, infringement notices, enforcement orders or convictions received by MDC in relation to those consents. (Mandatory Measure)	100% - no consent breaches	100% compliant - no consent breaches resulting in abatement notices, infringement notices, enforcement orders or convictions	Achieved	YTD: 100% compliant / No consent breaches 2025/26 Quarterly results: Q1: 100% compliant / No consent breaches Q2: 100% compliant / No consent breaches Q3: 100% compliant / No consent breaches Q4: 100% compliant / No consent breaches	YE: 100% compliant / No consent breaches 2024/25 Quarterly results: Q1: 100% compliant / No consent breaches Q2: 100% compliant / No consent breaches Q3: 100% compliant / No consent breaches Q4: 100% compliant / No consent breaches	YE: 100% compliant 2023/24 Quarterly Results: Q1: 100% compliant Q2: 100% compliant Q3: 100% compliant Q4: 100% compliant
Alternative system provided where loss of service exceeds 24 hours	Less than or equal to 1/1000 connections	0.92/1000 connections (10 port-a-loos provided)	Not achieved	YE: 1.29 /1000 connections YE: 14 port-a-loos 2025/26 Quarterly results: Q1: No port-a-loo required/1000 connections Q2: No port-a-loo required/1000 connections Q3: 0.37/1000 connections (4 port-a-loos) Q4: 0.92/1000 connection (10 port-a-loos) Port-a-loos were required during the extreme weather events in April and June 2026 that resulted in stormwater infiltration into the sewer network causing blockages and overflows in some areas.	YE: 0.30/1000 connections 3 port-a-loos required 2024/25 Quarterly results: Q1: 0.10/1000 connections (1 required) Q2: 0.10/1000 connections (1 required) Q3: No port-a-loo required Q4: 0.10/1000 connections (1 required)	Year End: 0.2/1000 connections (2 port-a-loos required) 2023/24 Quarterly Results: Q1: 0.1/1000 connections (1 required) Q2: 0.1/1000 connections (1 required) Q3: 0/1000 connections (0 required) Q4: 0/1000 connections (0 required) The results at Year End are more comparable with results prior to the February 2022 rain event, noting no port-a-loos have been required in Q3 and Q4.

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
Stormwater:						
Number of flooding events that occur in the district (Mandatory Measure)	10 events or less	2 flooding events	Achieved	YE: 3 flooding events 2025/26 Quarterly results Q1: No flooding events. Q2: No flooding events. Q3: 1 flooding event Q4: 2 flooding events	YE: No Flooding event Q1: No flooding event Q2: No flooding event Q3: No flooding event Q4: No flooding event	No Flooding Events Q1: No flooding events Q2: No flooding events Q3: No flooding events Q4: No flooding events
For each flooding event, the number of habitable floors affected (Mandatory Measure)	Less than or equal to 1/1000 connections	0 habitable floors affected/1000 connections. No habitable floors affected	Achieved	YE: No habitable floors affected /1000 connections N/A. Habitable floors affected. 2025/26 Quarterly results Q1: N/A – No habitable floors affected Q2: N/A – No habitable floors affected Q3: N/A – No habitable floors affected Q4: N/A – No habitable floors affected	YE: N/A Flooding Event/1000 connections N/A: No habitable floors affected. 2024/25 Quarterly results Q1: N/A. No habitable floors affected Q2: N/A. No habitable floors affected Q3: N/A. No habitable floors affected Q4: N/A. No habitable floors affected	0/1000 connections. No habitable floors affected Q1: No habitable floors affected Q2: No habitable floors affected Q3: No habitable floors affected Q4: No habitable floors affected
Compliance with MDC's resource consents for discharge from its stormwater system, measured by the number of abatement notices, infringement notices, enforcement orders or convictions (Mandatory Measure)	100% compliance	100% compliant - no consent breaches resulting in abatement notices, infringement notices, enforcement orders or convictions	Achieved	YE: 100% / No consent breaches 2025/26 Quarterly results: Q1: 100% Complaint / No consent breaches Q2: 100% Complaint / No consent breaches Q3: 100% Complaint / No consent breaches Q4: 100% Complaint / No consent breaches Note that whilst this is a mandatory measure, MDC does not hold any Resource Consents for Stormwater Discharge. Council does hold a consent for stormwater monitoring and we are working through this. The second stage Stormwater Discharge Consent will not be required until 2027.	YE: 100% - No consent breaches 2024/25 Quarterly results: Q1: 100% - No consent breaches Q2: 100% - No consent breaches Q3: 100% - No consent breaches Q4: 100% - No consent breaches	100% - no consent breaches

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
Number of complaints received about the performance of MDC's stormwater system (Mandatory Measure)	No more than 3/1000 connections	0.78 complaints/1000 connections 7 actual complaints	Not achieved	YE: 3.44 complaints/1000 connections YE Actual: 31 complaints 2025/26 Quarterly results Q1: 0.44 /1000 (4 complaints) Q2: 0.89/1000 (8 complaints) Q3: 1.33/1000 (12 complaints) Q4: 0.78/1000 (7 complaints) MDC's stormwater system complaints related to the extreme localised rain event and waterway issues.	YE: 4.11 complaints/1000 connections (Not achieved) YE Actual: 37 complaints 2024/25 Quarterly results Q1: 0.22/1000 (2) Q2: 0.78/1000 (7) Q3: 1.78/1000 (16) Q4: 1.33/1000 (12)	3.22 complaints/1000 connections Actual: 29 complaints Q1: 1.56/1000 (14) Q2: 0.56/1000 (5) Q3: 0.56/1000 (5) Q4: 0.56/1000 (5) The number of complaints received over Q2-4 is comparable with results prior to the February 2022 rain event.
Median response time to attend a flooding event (from time of notification to the time service personnel arrive onsite) (Mandatory Measure)	60 minutes or less	18 minutes	Achieved	YE Actual: 19 minutes 2025/26 Quarterly results Q1: N.A - No flooding events Q2: N.A - No flooding events Q3 48 min – 1 flooding event Q4: 18 min – 2 flooding events	YE Actual: N/A – No flooding event 2024/25 Quarterly results Q1: No flooding event Q2: No flooding event Q3: No flooding event Q4: No flooding event	N/A - no flooding events 2023/24 Quarterly Results: Q1: No flooding events Q2: No flooding events Q3: No flooding events Q4: No flooding events
Solid Waste						
Number of call backs due to non-collection of official rubbish bag in each weekly collection	No more than 52 call-backs per annum.	Zero call-backs this quarter.	Achieved	YE: 5 call-backs 2025/26 Quarterly results Q1: 2 call-backs Q2: 2 call-backs Q3: 1 call-back Q4: 0 call-backs	YE: 4 call-backs Q1: No call-backs Q2: 1 Q3: 2 Q4: 1	YE: 11 Call Backs Q1: 6 Q2: 2 Q3: 1 Q4: 2

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
Tonnage of waste transferred to landfill per head of population	A reduction in the total quantity of waste sent to class 1 landfills (baseline 0.513 tonne per head of population in 2022/23): Year 1 – 3.3% reduction by 30 June 2025 Year 2 – 6.6% reduction by 30 June 2026 Year 3 – 10% reduction by 30 June 2027	0.448 tonne per head of population (annualised) – 12,980 tonne of waste transferred <i>Results are based on estimated population of 28,970 as at 30/6/25.</i>	Achieved	YE: 0.448 tonne per head of population 12,980 tonnes of waste transferred 2025/26 Quarterly results Q1: 0.444 tonne per head of population (annualised), 3,215 tonnes of waste transferred Q2: 0.449 tonne per head of population (annualised), 6,502 tonnes of waste transferred Q3: 0.451 tonne per head of population (annualised), 9,807.65 tonnes of waste transferred Q4: 0.448 tonne per head of population (annualised), 12,980 tonnes of waste transferred	YE: 0.420 tonne per head of population 12,467 tonne of waste transferred 2024/25 Quarterly results Q1: 0.439 tonne per head of population (annualised), 3,263 tonne of waste transferred (4.6% reduction compared to Q1 2023/24) Q2: 0.424 tonne per head of population (annualised), 6,293 tonne of waste transferred (10.2% reduction compared to Q2 2023/24) Q3: 0.429 tonne per head of population (annualised), 9,550 tonnes of waste transferred Q4: 0.420 tonne per head of population (annualised), 12,467 tonnes of waste transferred <i>Results are based on estimated population of 29,700 as at 30/6/24* [As of 26 May 2025 Statistics New Zealand revised their estimated resident population to 28,700. This has not impacted the achievement of this measure].</i>	0.462 tonne per head of population (annualised) – 13,391 tonne of waste transferred Q1: 0.472 tonne per head of population (annualised) – 3,420 tonne of waste transferred Q2: 0.483 tonne per head of population (annualised) – 7,009 tonne of waste transferred Q3: 0.469 tonne per head of population (annualised) – 10,193 tonne of waste transferred Q4: 0.462 tonne per head of population (annualised) – 13,391 tonne of waste transferred <i>Results are based on estimated population of 29,000 as at 30/6/23.</i>
Urban and rural transfer stations, recycling, composting facilities and landfills operate within approved resource consent conditions	100% compliance	100% compliance for the closed rural landfills. Non-compliances recorded for closed Nursery Road urban landfill. Compliant	Not achieved	YE: 100% compliance for closed rural landfills. YE: Non-compliances recorded for closed Nursery Road urban landfill (see below) 2025/26 Quarterly results Q1: <90%	YE: 100% compliance 2024/25 Quarterly results Q1: 100% Q2: 100% Q3: 100%	100% compliance

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
				Quarterly sampling carried out at Urban landfill. Follow up sampling carried out as required. Multiple data points are non-compliant. Officers resolved the key issue within their control last quarter, but remaining variations are due to natural subsurface processes that cannot be remedied without significant investment. No abatement notices, infringement fines or enforcement actions taken. *Q2: Quarterly sampling carried out October 2025. Follow up sampling carried out as required. No abatement notices, infringement fines or enforcement actions taken. Q3: Quarterly sampling carried out January 2026. Some parameters non-compliant. No abatement notices, infringement fines or enforcement actions taken. Q4: Quarterly sampling carried out in April 2026. Some parameters non-compliant. Further follow up sampling carried out, including sampling private bores downstream from the site. No levels of concern found, but results shared with GWRC and private landowners. No abatement notices, infringement fines or enforcement actions taken against MDC. Capping of landfill is being investigated, subject to suitable material being available. This should assist by reducing the volume of leachate being mobilised by rainfall.	Q4: 100%	
Community Facilities and Parks						
Number of people using our library and archive reflected by overall library usage	Library Usage: No less than 5 year average for overall library usage Usage consists of: - Physical issues - Digital issues	Library Usage is: 52,147 made up of: - Physical issues: 34,113 - Digital issues: 16,300 - Computer/Wi-Fi sessions: 1,734	Not achieved	YE Library Usage: 231,523 made up of: - Physical issues: 142,083 - Digital issues: 62,405 - Computer/Wi-Fi sessions: 27,035 The 5 year average for Library Usage is: 289,082 (this equates to a quarterly average of 72,270) Usage consists of: - Physical issues: 192,508 - Digital issues: 24,289	YE Library Usage: 325,650 made up of: - Physical issues: 184,148 - Digital issues: 51,758 - Computer/Wi-Fi sessions: 89,744 The 5-year average for Library Usage is: 282,977 (this equates to a quarterly average of 70,744)	Year End Library Usage: 353,800 - Physical issues: 193,727 - Digital issues: 60,068 - Computer/Wi-Fi sessions: 100,005 The 5-year average for Library Usage is: 277,238 (this equates to a quarterly

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
	Computer/ Wi-Fi sessions			- Computer/ Wi-Fi sessions: 72,285 2025/26 Quarterly results Q1: Usage 81,310 made up of: - Physical issues: 43,799 - Digital issues: 14,890 - Computer/Wi-Fi sessions: 22,621 Q2: Usage 45,472 made up of: - Physical issues: 29,205 - Digital issues: 15,266 - Computer/Wi-Fi sessions: 1,001 Q3: Usage 52,594 made up of: - Physical issues: 34,966 - Digital issues: 15,949 - Computer/Wi-Fi sessions: 1,679 Q4: Usage 52,147 made up of: - Physical issues: 34,113 - Digital issues: 16,300 - Computer/Wi-Fi sessions: 1,734 Overall library usage has decreased by 20%, largely due to the shift to the temporary location. Physical issues are down 26% following the planned reduction of the physical collection to fit in the temporary space, while digital issues have increased by 157% as customers continue to access books and resources online. Internet connections have fallen by 63%, reflecting lower foot traffic and fewer public computers available at the temporary site. This decrease was expected during the construction of the new library.	Usage consists of: - Physical issues: 194,416 - Digital issues: 24,148 - Computer/ Wi-Fi sessions: 64,413 2024/25 Quarterly results Q1: Usage 83,955 made up of: - Physical issues: 48,549 - Digital issues: 10,955 - Computer/Wi-Fi sessions: 24,451 Q2: Usage 82,172 made up of: - Physical issues: 45,103 - Digital issues: 13,368 - Computer/Wi-Fi sessions: 23,701 Q3: Usage 79,298 made up of: - Physical issues: 45,124 - Digital issues: 13,200 - Computer/Wi-Fi sessions: 20,974 Q4 usage: Usage 80,225 made up of: - Physical issues: 45,372 - Digital issues: 14,235 - Computer/Wi-Fi sessions: 20,618	average of 69,310) made up of: - Physical issues: 202,520 - Digital issues: 20,636 - Computer/Wi-Fi sessions: 54,082 Quarterly Results: Q1 Library Usage: 87,840 - Physical issues: 50,531 - Digital issues: 15,993 - Computer/Wi-Fi sessions: 21,316 Q2 Library Usage: 85,376 - Physical issues: 45,046 - Digital issues: 15,866 - Computer/Wi-Fi sessions: 24,464 Q3 Library Usage: 90,788 - Physical issues: 48,128 - Digital issues: 14,846 - Computer/Wi-Fi sessions: 27,814 Q4 Library Usage: 89,796 - Physical issues: 50,022 - Digital issues: 13,363 - Computer/Wi-Fi sessions: 26,411

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
Number of people using our library and archive reflected by number of visits to the library and archive.	Library and Archive Visits: No less than 5-year average for number of visits to the library and archive. Visits consist of: - In Person Visits - Digital - Housebound Note: Digital visits include website, OPAC and social media.	Library visits is: 76,495 made up of: - Library In-person: 25,515 - Archive In-person: 242 - Library Digital: 44,572 - Archive Digital: 5,946 - Housebound: 220	Not achieved	YE Library and archive visits: 286,233 made up of: - In-person: 102,301 - Digital: 183,153 - Housebound: 779 The 5 year average for Library and Archive Visits is: 304,381 (this equates to a quarterly average of 76,095) Visits consist of: - In Person Visits: 115,219 - Digital: 188,102 - Housebound: 1,060 2025/26 Quarterly results Q1: Usage – 76,946 made up of: - Library In-person: 32,315 - Archive In-person: 297 - Library Digital: 40,913 - Archive Digital: 3,248 - Housebound: 173 Q2: Usage – 63,252 made up of: - Library In-person: 19,034 - Archive In-person: 251 - Library Digital: 39,833 - Archive Digital: 3,894 - Housebound: 240 Q3: Usage – 69,522 made up of: - Library In-person: 24,400 - Archive In-person: 247 - Library Digital: 41,480 - Archive Digital: 3,267 - Housebound: 146* * This was previously reported as 128 in Quarter 3. Q4: Usage – 76,495 made up of: - Library In-person: 25,515 - Archive In-person: 242 - Library Digital: 44,572 - Archive Digital: 5,946	YE Library & Archive Visits: 315,300 made up of: - Library In-person: 137,589 - Archive In Person: 972 - Library Digital: 163,993 - Archive Digital: 11,819 - Housebound: 927 The 5-year average for Library & Archive Visits is: 273,952 (this equates to a quarterly average of 68,488) Visits consist of: - In Person Visits: 113,292 - Digital: 159,666 - Housebound: 994 2024/25 Quarterly results Q1: Library Visits – 83,453 made up of: - Library In-person: 34,832 - Archive In-person: 270 - Library Digital: 44,587 - Archive Digital: 3,537 - Housebound: 227 Q2: Library Visits – 71,645 made up of: - Library In-person: 31,499 - Archive In-person: 239 - Library Digital: 37,010 - Archive Digital: 2,620 - Housebound: 277 Q3: Library & Archive Visits: 75,884 made up of: - Library In-person: 33,417 - Archive In Person: 262 - Library Digital: 39,113	YTD Library Visits: 271,519 - In Person: 117,847 - Digital: 152,808 - Housebound: 864 The 5-year average for Library Visits is: 245,616 (this equates to a quarterly average of 61,404) made up of: - In Person Visits: 113,191 (28,298 per quarter average) - Digital Visits: 131,524 (32,881 per quarter average) - Housebound Visits: 901 (225 per quarter average) Digital visits include website, OPAC and social media. Quarterly Results: Q1 Library Visits: 82,374 - In Person: 39,027 - Digital: 43,123 - Housebound: 224 Q2 Library Visits: 87,736 - In Person: 36,201 - Digital: 51,103 - Housebound: 432 Q3 Library Visits: 101,409 - In Person: 42,619 - Digital: 58,582 - Housebound: 208

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
				Housebound: 220 Library visits have decreased overall, with physical visits down 12%, virtual visits down 11%, and homebound visits down 26%, reflecting the impact of the temporary library location. Archive use has grown, with physical visits up 6.7% and online visits up 18.6%, while phone enquiries have decreased by 13.5%. This decrease was expected during the construction of the new library.	- Archive Digital: 2,894 - Housebound: 198 Q4: Library & Archive Visits: 84,318 made up of: - Library In-person: 37,841 - Archive In Person: 201 - Library Digital: 43,283 - Archive Digital: 2,768 - Housebound: 225	Q4 Library Visits: 83,626 - In Person: 43,995 - Digital: 39,427 - Housebound: 204
Percentage of Council parks and open spaces urgent customer service requests that are responded to within 4 work hours.	90% responded to within 4 work hours.	88% responded to within 4 hours 24 out of 27 urgent requests received were responded to within 4 hours.	Achieved	YE: 92% responded to within 4 hours 125 out of 136 urgent requests received were responded to within 4 hours. 2025/26 Quarterly results Q1: 96% (23/24 urgent requests) Q2: 92% (34/37 urgent requests) Q3: 92% (44/48 urgent requests) Q4: 88% (24/27 urgent requests)  pite the increase in urgent calls through Q2 and Q3, the end of year target was achieved. Key trends in urgent requests continue primarily relate to park tree damage and toilet faults. Recreation trail damage and some Cemetery related requests also feature. A common reason that not all requests are responded to within the 4-hour response target is that they're received outside normal business hours. In these cases, they are typically resolved within 12 to 24 hours. In Q4 the significant weather events experienced in April and June impacted response times further.	YTD: 91% responded to within 4 hours 90 out of 99 urgent requests received were responded to within 4 hours. 2024/25 Quarterly results Q1: 91% (21/23 urgent requests) Q2: 90% (29/32 urgent requests) Q3: 90% (19/21 urgent requests) Q4: 91% (21/23 urgent requests) Note: Results cannot be directly compared to previous years due to a change in how "urgent" requests are classified. We will continue monitoring under the new classification system. The nature of the Urgent Service Requests for the year related to sanitary issues with public toilets, and unsafe trees due to storm damage. Two situations related to a Playground fault.	100% responded to within 4 hours. 20 out of 20 urgent requests received were responded to within 4 hours. Q1: 100% (5/5 urgent requests) Q2: 100% (4/4 urgent requests) Q3: 100% (4/4 urgent requests) Q4: 100% (7/7 urgent requests)

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
					The common reason for not reaching 100% compliance for the year was due to the fault being logged outside normal business hours, these exceptions were resolved within 12 to 24 hours.	
Number of people using the Trust House Recreation Centre	No less than 5-year average for overall Trust House Recreation Centre usage total Usage consists of: - Swim - Gym - Stadium Sports - Stadium Events	Usage: 39,313 - Swim: 23,914 - Gym: 9,520 - Stadium Sports: 1,051 - Stadium Events: 4,828	Achieved	YE Usage: 169,293 - Swim: 108,450 - Gym: 37,728 - Stadium Sports: 3,852 - Stadium Events: 19,263 The 5-year average for Trust House recreation Centre usage is: 135,571 equating to a quarterly average of 33,893). This consists of: - Swim: 22,888 - Gym: 7,723 - Stadium Sports: 1,087 - Stadium Events: 2,195 2025/26 Quarterly results Q1 Usage: 40,791 - Swim: 28,030 - Gym: 9,895 - Stadium Sports: 1,021 - Stadium Events: 1,845 Q2 Usage: 42,677 - Swim: 28,810 - Gym: 9,339 - Stadium Sports: 808 - Stadium Events: 3,720 Q3 Usage: 46,512 - Swim: 27,696 - Gym: 8,974 - Stadium Sports: 972 - Stadium Events: 8,870	YE Usage: 161,719 - Swim: 107,708 - Gym: 38,283 - Stadium Sports: 4,977 - Stadium Events: 10,751 The 5-year average for Trust House recreation Centre usage is: 124,493. This consists of: - Swim: 84,651 - Gym: 27,962 - Stadium Sports: 3,112 - Stadium Events: 8,768 2024/25 Quarterly results Q1 Usage: 37,137 - Swim: 25,397 - Gym: 9,367 - Stadium Sports: 1,396 - Stadium Events: 977 Q2 Usage: 42,207 - Swim: 31,165 - Gym: 8,633 - Stadium Sports: 1,385 - Stadium Events: 1,024 Q3 Usage: 44,160 - Swim: 27,809 - Gym: 9,465	YE Usage: 150,349 - Swim: 101,382 - Gym: 34,843 - Stadium Sports: 4,402 - Stadium Events: 9,722 The 5-year average for Trust House recreation Centre usage is: 123,364. This consists of: - Swim: 82,366 - Gym: 28,383 - Stadium Sports: 3,844 - Stadium Events: 8,771 2023/24 Quarterly results Q1 Usage 33,693 - Swim: 22,878 - Gym: 8,729 - Stadium Sports: 1,579 - Stadium Events: 507 Q2 Usage 40,087 - Swim: 28,985 (was previously reported as 29,985)* - Gym: 8,263 - Stadium Sports: 890 - Stadium Events: 1,949 Q3 Usage 44,788

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
				Q4 Usage: 39,313 - Swim: 23,914 - Gym: 9,520 - Stadium Sports: 1,051 - Stadium Events: 4,828 Trust House Recreation Centre has ended the year with a strong Quarter 4 result at 39,313 visits. The 2025/26 year-end result is 169,293 visits, which is 25% above the target 5-year average of 135,571. The increase in visits in 2025/26 appear to be driven largely by stadium events, which hosted the Golden Shears World Shearing and Woolhandling Championships and a high retention across the learn to swim program.	- Stadium Sports: 1,046 - Stadium Events: 5,840 Q4 Usage: 38,215 - Swim: 23,337 - Gym: 10,818 - Stadium Sports: 1,150 - Stadium Events: 2,910	- Swim: 28,208 - Gym: 9,592 - Stadium Sports: 1,067 - Stadium Events: 5,921 Q4 Usage 31,713 - Swim: 21,311 - Gym: 8,259 - Stadium Sports: 866 - Stadium Events: 1,345 * Q2 swim numbers have been updated from 29,985 to 28,985. This update does not impact the overall result as the correct figure (28,985) was used in all calculations.
Regulatory:						
Response time to attend Priority 1 urgent call outs (e.g. dog attacks).	90% attended within one hour	94.1% 16/17 attended on time	Achieved	YE: 96.6% (56/58 attended on time) 2025/26 Quarterly results Q1: 93.3% (14/15 attended on time) Q2: 100% (14/14 attended on time) Q3: 100% (12/12 attended on time) Q4: 94.1% (16/17 attended on time)  complaint that was recorded as being late in Q4 was received at 5pm. The complainant advised they were happy to wait until next day to speak to an Animal Control Officer.	YE: 97.0% YE: 98/101 attended on time Q1: 97.1% (33/34 attended on time) Q2: 100% (24/24 attended on time) Q3: 94.4% (17/18 attended on time) Q4: 96.0% (24/25 attended on time) Q4: 1 completed late over ANZAC weekend. No time details entered on after hours officer job sheet	YE: 90.85% YE: 139/153 attended on time Q1: 86.4% (38/44 attended on time) Q2: 97.29% (36/37 attended on time) Q3: 100.00% (36/36 attended on time) Q4: 80.55% (29/36 attended on time) Priority 1 call outs include dog attacks on people, animals, protected wildlife and stock, as well as rushing's, stock worrying, welfare and police assistance. In Q1: 10 of the 44 call outs were for attacks on people. All these call outs were attended within time.

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
						In Q2: 8 of the 37 call outs in Q2 were for attacks on people. All these call outs were attended within time. In Q3: 1 of the 36 call outs in Q3 was for an attack on a person. This was attended within time. In Q4: 4 attacks were on people. All 4 were attended within time.
Response time to attend noise control call outs.	90% attended within one hour	97.9% 139/142 attended on time	Achieved	YE: 98.2% (603/614 attended on time) 2025/26 Quarterly results Q1: 98.9% (93/94 attended on time) Q2: 97.8% (174/178 attended on time) Q3: 98.5% (197/200 attended on time) Q4: 97.9% (139/142 attended on time)	YE: 97.0% (579/597 attended on time) 2024/25 Quarterly results Q1: 98.5% (136/138 attended on time) Q2: 95.0% (191/201 attended on time) Q3: 96.9% (158/163 attended on time) Q4: 98.9% (94/95 attended on time)	YE: 95.2% (594/625 attended on time) 2023/24 Quarterly results Q1: 93.8% (122/130 attended on time) Q2: 97.4% (189/194 attended on time) Q3: 93.6% (145/155 attended on time) Q4: 94.4% (136/144 attended on time)
Number of animal control community education and engagement activities.	A minimum of 6 per annum related to high priority issues or concerns	1 animal control community education and engagement activity	Achieved	YE: 21 education/engagement events have been held. 2025/26 Quarterly results Q1: 13 education/engagement events have been held Q2: 2 education/engagement events have been held Q3: 5 education/engagement events have been held Q4: 1 education/engagement event have been held	YE: 12 education/engagement events have been held. 2024/25 Quarterly results Q1: 3 education/engagement events Q2: 2 education/engagement events Q3: 6 education/engagement events Q4: 1 education/engagement events	YE: 17 education/engagement events have been held. 2023/24 Quarterly results Q1: No education/engagement activities Q2: 1 education/engagement activity Q3: 1 education/engagement activity Q4: 15 education/engagement activities.

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
Percentage of building consents processed within statutory timeframes	90%	97.2% 139 out of 143 consents were issued within statutory timeframes. The average processing time was 14 working days	Achieved	YE: 97.7% 515 out of 527 consents were issued within statutory timeframes. The average processing time was 14.4 working days 2025/26 quarterly results Q1: 99.3% (162/163)/15.7 working days Q2: 95.5 % (107/112)/14.25 working days Q3: 98% (107/109)/13.98 working days Q4: 97.2% (139/143)/14 working days	YE: 95.9% 557 out of 581 consents were issued within statutory timeframes. The average processing time was 14.6 working days 2024/25 quarterly results Q1: 93.3% (154/166) / 14 working days Q2: 97.2% (145/149) / 14.7 working days Q3: 96.5% (112/115) / 15.2 working days Q4: 97.2% (146 /151) / 14.6 working days	YE: 92.5% 518 out of 560 consents were issued within statutory timeframes. The average processing time was 14.4 working days. Q1: 91% (158/174) / 14 working days Q2: 92.5% (136/147) / 15 working days Q3: 93.8% (106/113) / 13.2 working days Q4: 93.7% (119/127) / 13.5 working days
Percentage of code compliance certificates processed within statutory timeframes	90%	99.2% 125 out of 126 code compliance certificates were processed within statutory timeframes. The average processing time was 10.59 working days	Achieved	YTD 99.1% 465 out of 469 code compliance were processed within statutory timeframes. The average processing time was 10.16 working days 2025/26 quarterly results Q1: 99.2% (132/133)/9.8 working days Q2: 100% (115/115)/9.2 working days Q3: 97.9% (93/95)/11.06 working days Q4: 99.2% (125/126)/10.59 working days	YE: 97.3% 533 out of 548 code compliance were processed within statutory timeframes. The average processing time was 14.9 working days 2024/25 quarterly results Q1: 97.6% (168/171)/11.8 working days Q2: 96.6% (111/116)/10.8 working days Q3: 99.0% (102/103)/9.1 working days. Q4: 96.2% (152/158)/18 working days.	94.1% 490 of 520 code compliance were processed within statutory timeframes. The average processing time was 12.4 working days. Q1: 94% (133/141) / 15 working days Q2: 94.5% (122/129) / 12 working days Q3: 92% (104/113) / 11.3 working days Q4: 95.6% (131/137) / 11 working days

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
Percentage of resource consents processed within statutory timeframes	90%	97.8% 45 out of 46 resource consents were issued within statutory timeframes. The average processing time was 12 working days	Achieved	YE: 94% 113 out of 120 resource consents were issued within statutory timeframes. The average processing time was 18.9 working days 2025/26 quarterly results Q1: 90.9% (40/44)/18 working days Q2: 93% (43/46)/18 working days Q3: 100% (30/30)/20 working days Q4: 97.8% (45/46)/12 working days	YE: 90.6% 155 out of 171 resource consents were issued within statutory timeframes. The average processing time was 18 working days 2024/25 quarterly results Q1: 87.8% (36/41) / 18 working days Q2: 91.7% (44/48) / 18 working days Q3: 92.1% (35/38) / 18 working days Q4: 90.9% (40/44) / 18 working days	YE: 93.4% 155 of 166 resource consents were processed within statutory timeframes 2023/24 quarterly results Q1: 97.7% (42/43) Q2: 89.6% (43/48) Q3: 94.9% (37/39) Q4: 91% (33/36)
Percentage of commercial Building Warrant of Fitness' (BWOs) that have been reviewed within 20 days of their due date.	At least 90% of BWOs have been reviewed within 20 days of their due date.	100% reviewed within 20 days of the due date.	Achieved	YE: 100% of those received were reviewed within 20 days of the due date. Note that while the Building Team have reviewed all BWOs that they have received within 20 days of the due date, not all BWOs have been received to review. This is reflected in the quarterly results below. Overdue means that the building owner (or their agent) has not provided a BWO in the month of their anniversary date, and MDC are following up. 2025/26 quarterly results Q1: 75.2% - 113 BWOs were due in Q1, 28 were overdue. Q2: 85.1% - 81 BWOs were due in Q2, 12 were overdue Q3: 90.2% - 82 BWOs were due in Q3, 8 were overdue Q4: 78.86% - 121 BWOs were due in Q4, 28 were overdue	YE: 100% of those received were reviewed within 20 days of the due date. Note that while the Building Team have reviewed all BWOs that they have received within 20 days of the due date, not all BWOs have been received to review. This is reflected in the quarterly results below. Overdue means that the building owner (or their agent) has not provided a BWO in the month of their anniversary date, and MDC are following up. YE 337 BWOs were due, 29 (8.6%) were provided late to the Council for review. 2024/25 quarterly results	YE: 100% reviewed within 20 days of the due date. Q1: 92% - 101 BWOs were due in Q1 – 8 are overdue. Q2: 89% - 80 BWOs were due in Q2 – 9 are overdue. Q3: 94% - 68 BWOs were due in Q3 – 4 are overdue. Q4: 85% - 115 BWOs were due in Q4 – 17 are overdue. Overdue means that the building owner (or their agent) has not provided a BWO in the month of their anniversary date, and MDC are following up.

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
					Q1: 93.0% - 100 BWOFs were due in Q1, 7 were overdue. Q2: 89.3% - 75 BWOFs were due in Q2, 8 are currently overdue. Q3: 87.0% - 54 BWOFs were due in Q3, 7 are currently overdue Q4: 94.0% - 108 BWOFs were due in Q4, 7 are currently overdue	
Proportion of known residential swimming pools that have been inspected.	Year 1: 33% Year 2: 66% Year 3: 100% Years 4-10: Cycle to be repeated ensuring 100% of pools have been re-inspected by the end of Years 6 and 9. This reflects councils obligations to inspect all swimming pools every three years.	62 inspections undertaken over 48 recorded (7.5% of recorded pools in our database). 34 pools identified as non-compliant and a "Notice to fix" issued to pool owners. Of these 12 have been remediated and now passed. 26 out of 48 recorded pools (54.2%) compliant, 22 (45.8%) pools remain non-compliant.	Achieved	YE: 314 inspections undertaken over 228 recorded pools (36% of recorded pools) Q1: 86 inspections undertaken over 58 recorded pools (9% of recorded pools in our database). 29 pools identified as non-compliant and a "Notice to Fix" issued to pool owners. Of these, 13 have been remediated and now passed (29 passed first inspection + 13 passed after remediation = 42). 42 out of 58 recorded pools (72%) compliant, 16 (28%) pools remain non-compliant. Q2: 105 inspections undertaken over 63 recorded (10% of recorded pools in our database). 42 pools identified as non-compliant and a "Notice to fix" issued to pool owners. Of these 23 have been remediated and now passed. (21 passed first inspection + 23 passed after remediation = 44). 44 out of 63 recorded pools (70%) compliant, 19 (30%) pools remain non-compliant. Q3: 61 inspections undertaken over 59 recorded (9.2% of recorded pools in our database). 14 pools identified as non-compliant and a "Notice to fix" issued to pool owners. Of these 2 have been remediated and now passed. 47 out of 59 recorded pools (79.6 %) compliant, 12 (20.3 %) pools remain non-compliant.	YTD: 248 inspections undertaken over 225 pools (34% of 656 pools recorded in the database). Q1: 91 inspections undertaken over 77 recorded pools (11.7% of recorded pools in our database). 61 out of 77 pools (79%) compliant, 16 (21%) pools identified as non-compliant and a "Notice to Fix" issued to pool owners. Q2: 103 inspections undertaken over 98 recorded pools (14.9% of recorded pools in our database). 79 out of 98 pools (81%) compliant, 19 (19%) pools identified as non-compliant and a "Notice to Fix" issued to pool owners. Q3: 18 inspections undertaken over 17 recorded pools (2.5% of recorded pools in our database). 12 out of 17 pools (70.5 %) compliant, 5 (29.5 %) pools identified as non-compliant	Year End: 307 inspections undertaken over 180 recorded pools, with a total of 512 of pools remaining on our database* of pools inspected. YTD 162 pools on the database were removed from the database. Q1: 60 inspections undertaken over 27 pools = 53% of total pools inspected and 45% of total pools compliant 33 pools were removed from the database Q2: 131 inspections undertaken over 71 pools = 68% of total pools inspected and 56% of total pools compliant 60 pools were removed from the database Q3: 65 inspections undertaken over 29 pools = 91% of total pools inspected and 76% of total pools compliant

MEASURE	CURRENT 2025/26 RESULTS				PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)	
	2025/26 Annual Target	Q4 Result (1 Apr – 30 Jun) (Year 2 of 2024-34 LTP)	Status at 30/6/2026	COMMENTARY	Year End Result as at 30/6/25 (Year 1 of 2024-34 LTP)	Year End Result as at 30/6/24 (Year 3 of 2021-31 LTP)
				Q4: 62 inspections undertaken over 48 recorded (7.5% of recorded pools in our database). 34 pools identified as non-compliant and a “Notice to fix” issued to pool owners. Of these 12 have been remediated and now passed. 26 out of 48 recorded pools (54.17%) compliant, 22 (45.83%) pools remain non-compliant.	and a “Notice to Fix” issued to pool owners. Q4: 36 inspections undertaken over 33 recorded pools (5% of recorded pools in our database). 24 out of 33 pools (73%) compliant, 9 (27%) pools identified as non-compliant and a “Notice to Fix” issued to pool owners. Pool inspections continue to be scheduled in line with their required triennial anniversary dates. The introduction of targeted communications at the start of the financial year, including media advertising, has likely ended negative social media commentary regarding MDC pool inspections.	36 pools were removed from the database Q4: 54 inspections undertaken over 53 pools = 96% of total pools inspected and 82% of total pools compliant 33 pools were removed from the database <i>*Note: Some pools are decommissioned following inspection and/or the pool is confirmed as no longer existing when staff visit the site.</i>
Leadership, Strategy and Corporate Services						
Every year Council produces an Annual Report that informs our community about what has been achieved and how well we performed against the plans and budgets that were set for that year. In addition, there is regular reporting to the Senior Leadership Team and Council on progress with work and projects in this activity group, and once every three years Council undertakes a Community Satisfaction Survey that includes questions about Council's leadership and reputation.						

6.6 REGULATORY UPDATE

File Number:

Author: Karen Yates, Group Manager Strategy

Authoriser: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to provide the Finance, Risk and Assurance Committee with an update from the Building Control Services; Consents and Planning; and Environmental Health teams (see Attachment 1).

RECOMMENDATION

That the Finance, Risk and Assurance Committee receives the update from the Building Control Services team, the Consents and Planning team and the Environmental Health team.

ATTACHMENTS

- 1. Regulatory Update** [↓](#)

REGULATORY UPDATE

Finance, Risk and Assurance Committee 12 August 2026

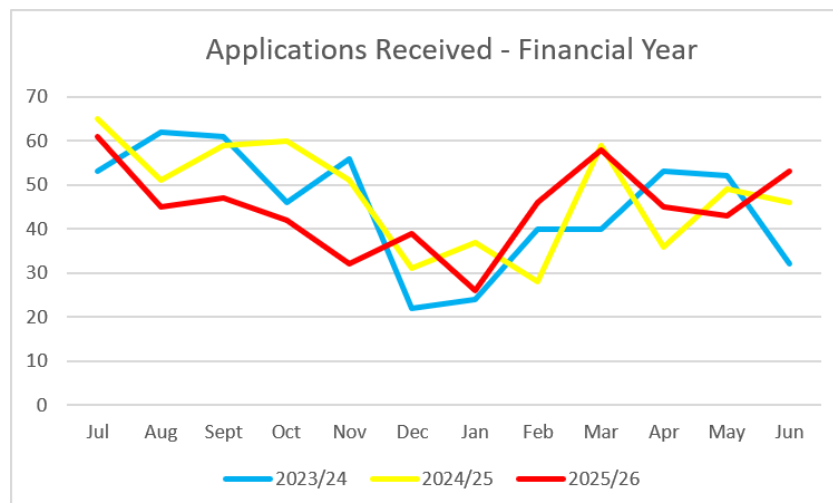
BUILDING CONTROL SERVICES ACTIVITY

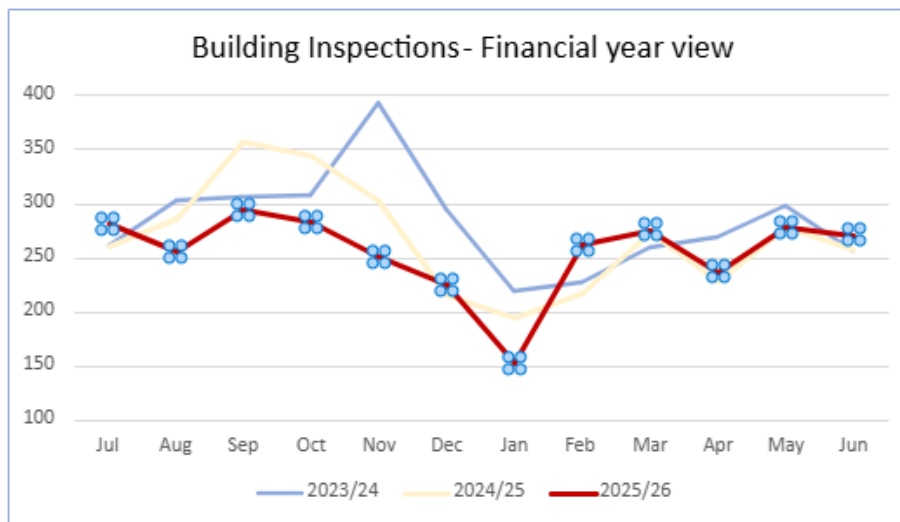
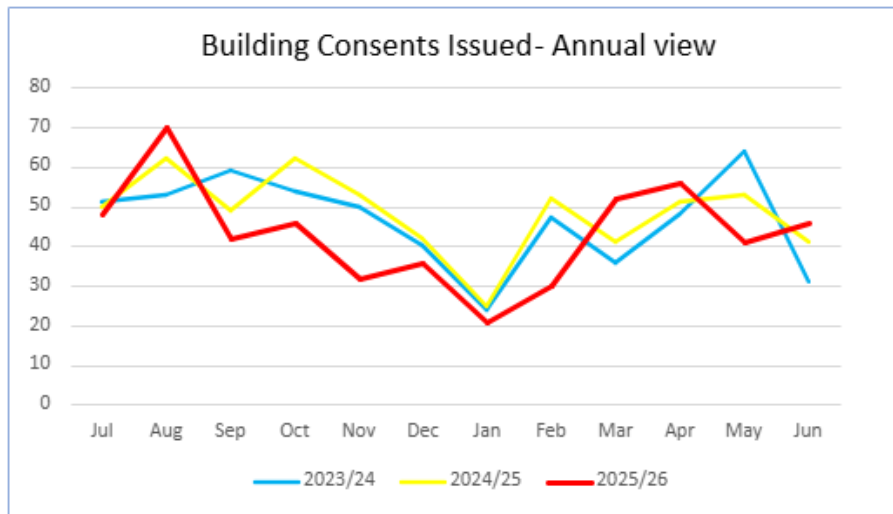
Activity Levels, Staff and Service

Building activity is slightly lower than last year. The year got off to a slow start but was busy during the third quarter.

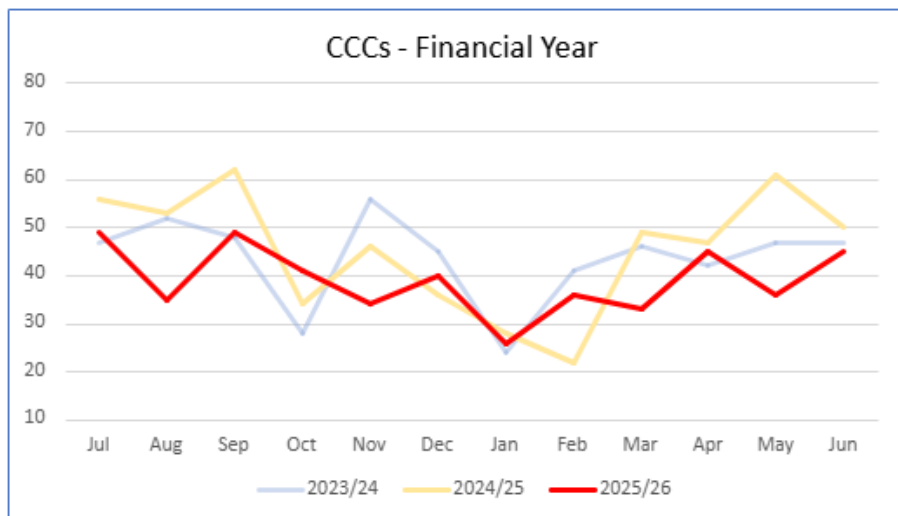
Service	Applications Rejected	Number Issued	Average days to grant	Exceeded timeframe
Building consents	30	522	14	14
Certificate of Acceptance	n/a	28	17	3
Discretionary Exemptions	5	50	17	3
Code compliance certificates	16	767	7	5

Building Consent Authority Statistics





The number of Inspections undertaken has tracked lower compared to last year. Inspections are being undertaken within 24-48 hours of being requested.



TA Building Functions

Building Warrants of Fitness (BWoF)

Of the 591 Building Warrant of Fitness due in this year, 515 were provided to the Council on time and all reviewed within 20 working days. 74 were proved to the Council past the due the date. Council is currently following up the the 2 outstanding 2 BWoFs with building owners.

Swimming Pools

The inspection of swimming pools is on track with three hundred and fourteen inspections undertaken over 228 recorded pools (49.7% of recorded pools in our database). 125 pools were identified as non-compliant and a "Notice to Fix" issued to pool owners.

CONSENTS AND PLANNING ACTIVITY

Resource Consents

The Planning Team processed the following consents for 1 July 2025 to 30 June 2026:

Type of Type Consent Received	Number of Consents Processed 1 July 2024 – 30 June 2025	Number of Consents Processed 1 July 2025 – 30 June 2026	% Within RMA timeframe
Land use	73	73	97.26%
Subdivision	68	76	93.33%

Type of Type Consent Received	Number of Consents Processed 1 July 2024 – 30 June 2025	Number of Consents Processed 1 July 2025 – 30 June 2026	% Within RMA timeframe
Permitted Boundary	12	17	100% (within 10 days)
Outline Plan (Designations)	5	5	100%
TOTAL	158	171	96.07%

A total of 171 applications were received between 1 July 2025 – 30 June 2026. Applications that exceeded 20 working days were subject to requests for further information.

LIMs (Land Information Memorandum) - 1 July 2025 to 30 June 2026

Period	1 July 2024 - 30 June 2025	1 July 2025 – 30 June 2026	% Within Required Timeframe
Number of LIMs Processed	338	408	100%

Planning Enquires - 1 July 2025 to 30 June 2026

Period	Number of Enquiries
July 2025	21
August 2025	30
September 2025	32
October 2025	26
November 2025	12
December 2025	10
January 2026	30
February 2026	35
March 2026	24
April 2026	40
May 2026	29
June 2026	51
Total	340

Proposed Wairarapa Combined District Plan

Masterton, Carterton and South Wairarapa District Councils (the 'Councils') notified their decision on the Proposed Wairarapa Combined District Plan on 8 October 2025.

The period for making appeals on the decisions commenced from the Proposed District Plan Decisions Version notification date (8 October 2025) and closed on 21 November 2025. During this time, anyone who made a submission or further submission on the Proposed District Plan had an opportunity to lodge an appeal with the Environment Court in respect of provisions to which their submission related.

Eight appeals were received relating to Rural, Rural Lifestyle, Hazards, Subdivision, Relocatable Buildings and Network Utilities matters. Following the close of appeals, the Councils worked to resolve the appeals through pre-mediation meetings with appellants or the Environment Court process.

To date, in principle agreements have been reached between Council officers and the appellants of seven of eight appeals, through either pre-mediation meetings or following Environment-Court led mediation. Final resolution is subject to the Environment Court issuing consent orders giving effect to the amendments made, and the amendments being incorporated into the Proposed Wairarapa Combined District Plan.

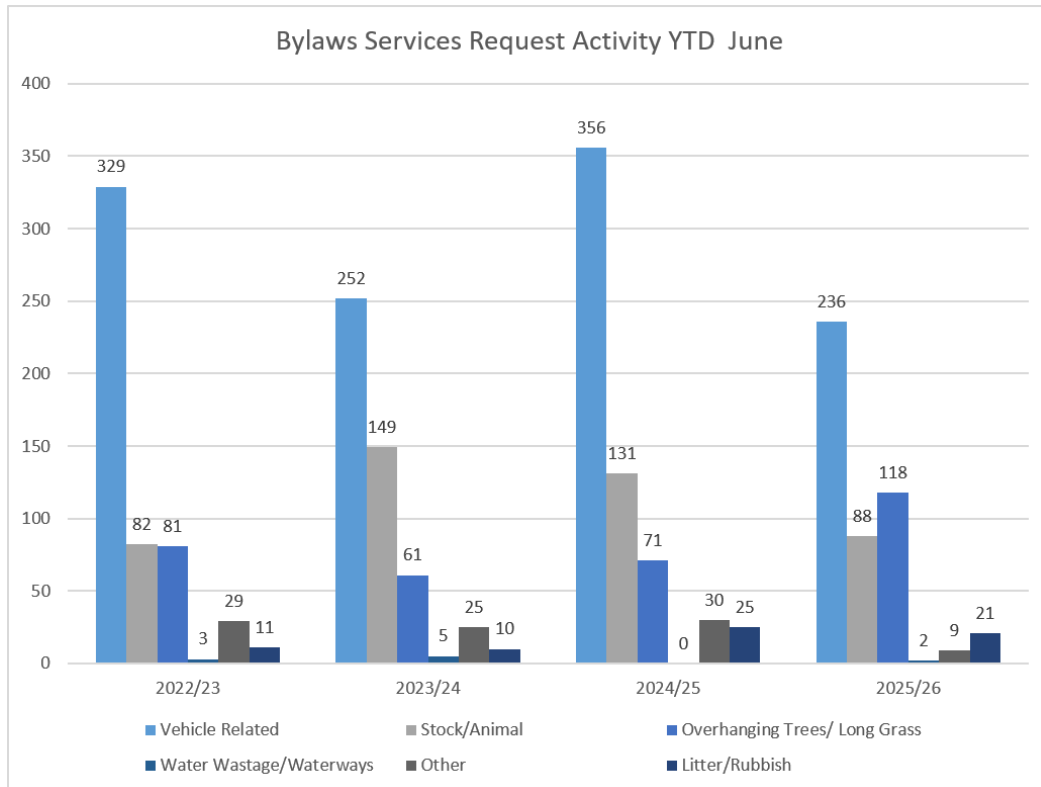
One appeal remains outstanding (KiwiRail), with the Councils awaiting noise modelling and acoustic assessment regarding rail noise, from KiwiRail, along the Wairarapa Rail Line. The outcomes of that monitoring will assist in determining whether a Rail Corridor Noise Control Overlay is justified.

All matters within the Proposed Wairarapa Combined District Plan that are not subject to appeal now have legal effect.

ENVIRONMENTAL SERVICES

Bylaws

From April to the end of June, there was a total of 156 Service Requests for Bylaws-related matters.

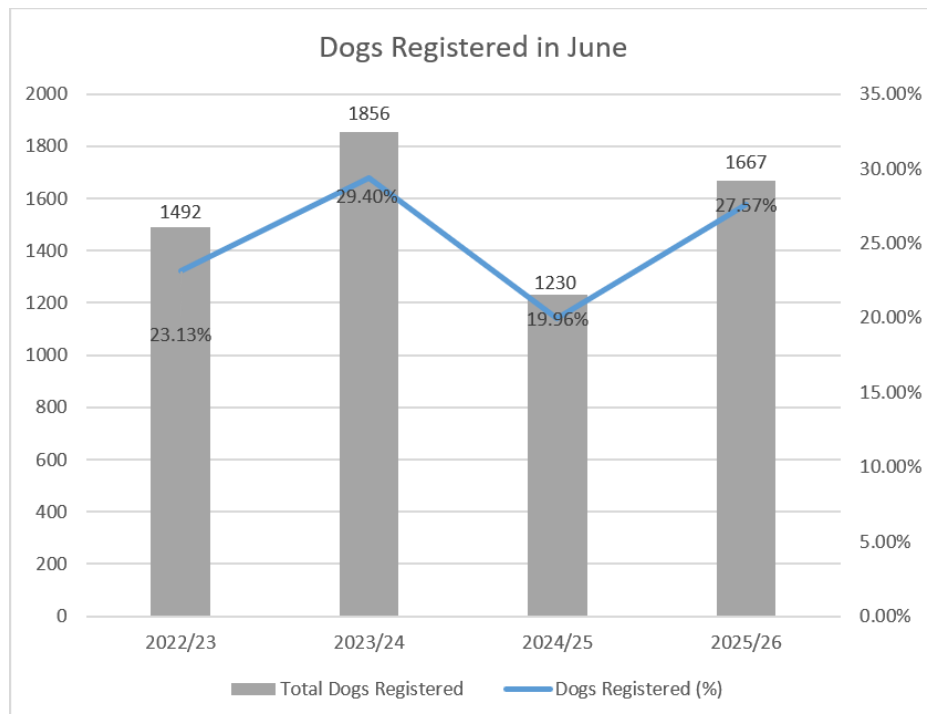
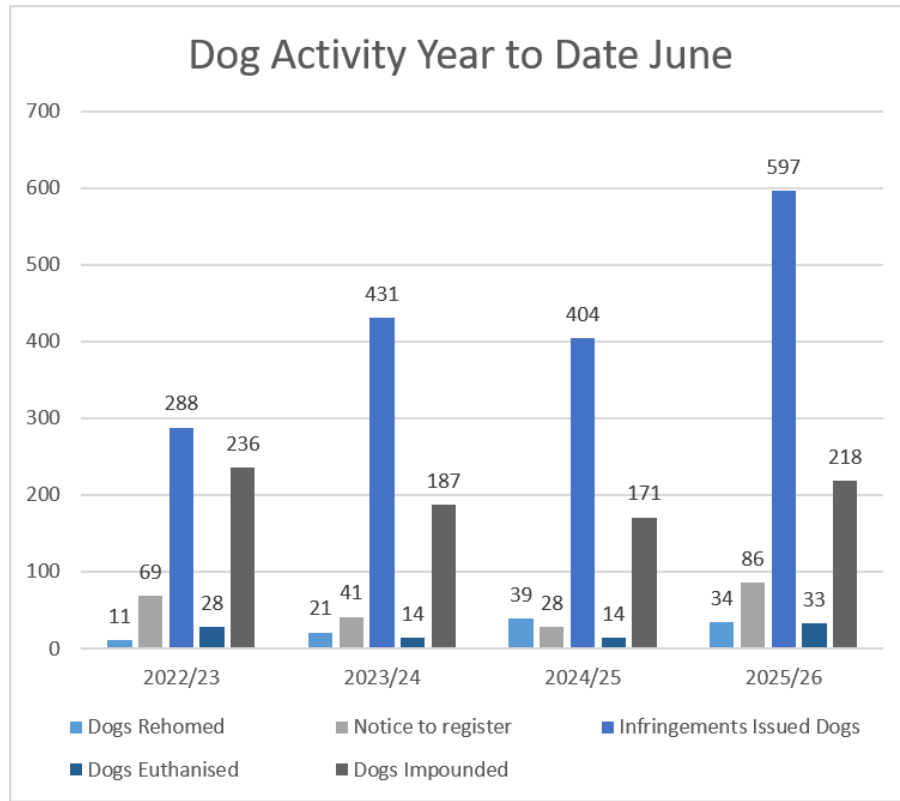


Animal Control

- Property checks**

The Animal and Bylaws Services Team had been carrying out property checks to test theory there are many unknown unregistered dogs in the district. There have been just under 600 properties checked. There were 170 properties with known dogs, there has been an additional 33 unregistered dogs found. One being nearly 12 years old and never registered. A small rural road had 11 properties checked, 3 of which had known registered dogs. There were an additional 6 unregistered dogs found in that road.

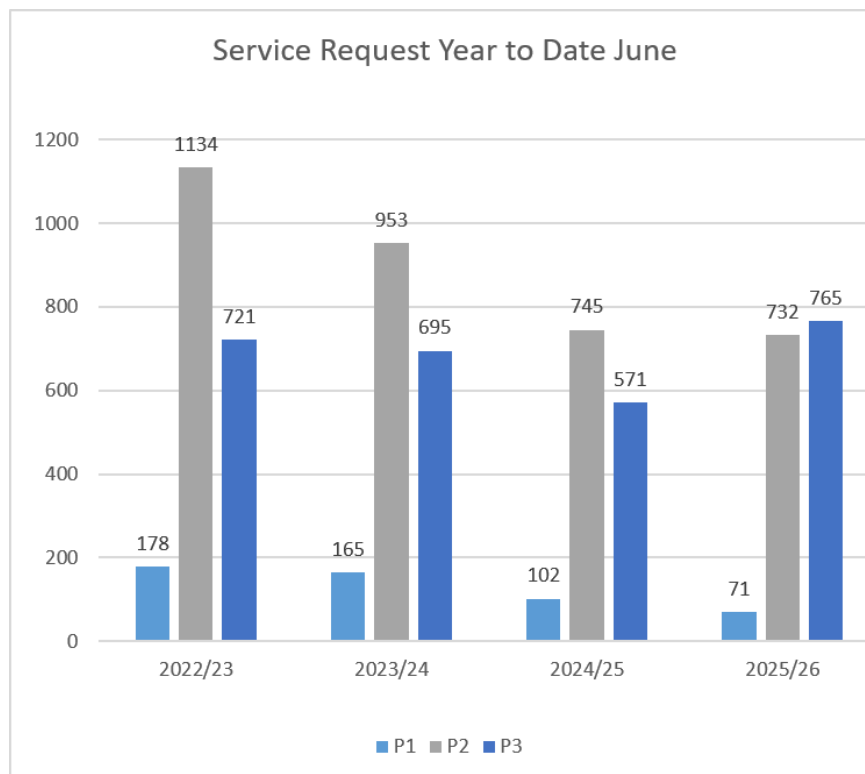
Notices to registered have been issued to the dog owners, giving them a time frame in which to get their dog registered. However, dog owners with unregistered dogs are at risk of being infringed \$300 per dog for failing to register their dog(s) and or having their dog(s) seized and impounded.



- **Service Requests** - Over the months of April to the end of June, the Animal and Bylaws Services Team attended 19 Priority 1 SRs, 1176 Priority 2 SRs and 141 Priority 3 SRs for dog related calls.

P1, P2 and P3 are categorised by the urgency or priority of the request for service:

- P1 - animal services endeavour to attend within the hour, attacks would be classed as Priority 1.
- P2 - barking, wandering and welfare, the team strive to attend within 24 hours.
- P3 - non-urgent request such as administration requests e.g. details needing to be changed within dog account the, the time frame allocated is five working days.

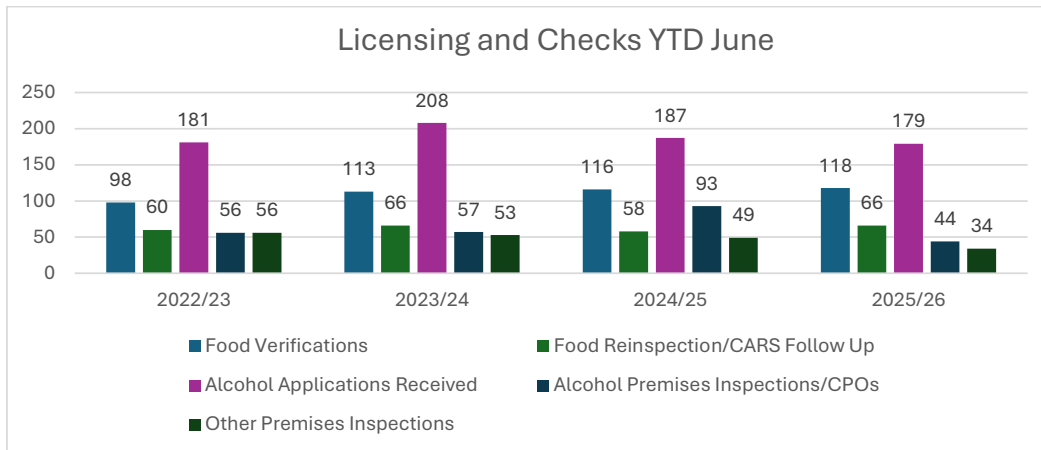


Environmental Health

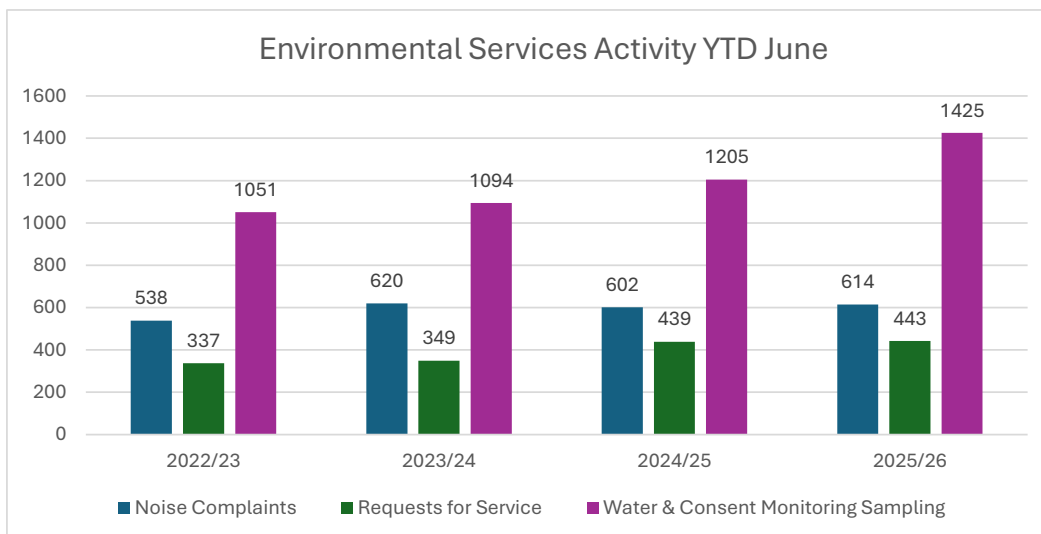
April to June, there were 25 new applications received. The majority of the applications were for Special Licences (14) and Manager Certificates (8).

Club Licence - Licencing inspectors have been attending clubs committee meetings to engage and present to committees a reminder about their roles and responsibilities as licence holders under the Sale and Supply of Alcohol Act. The key points inspectors are reminding committees are about is the support they need to give their duty managers, reminders of who

can drink at their clubs, ensuring they are meeting their host responsibility requirements and where to seek information, training and resources.



Sampling - The team has carried out sampling at 1425 sites this year. 299 of these samples were carried out between April and the end of June. The team were allocated 102 service requests from April to the end of June. The highest number of service requests came from food stall notifications / enquiries.



Noise - There were 141 noise complaints from April to the end of June. By comparison there were 200 from January to end of March. There are strict policy and education for persistent callers in place. 7 frequent noise properties have Abatement notices. Noise complaints can change at any time, and a cluster can skew the results.

YTD Compliance Activity

Type of Notice	Number (Year to Date)
Infringement	10
Abatement Notice	2

6.7 HEALTH AND SAFETY QUARTERLY REPORT**File Number:****Author:** Matt Boulton, Chief Advisor**Authoriser:** Kym Fell, Chief Executive**PURPOSE**

This report provides Council with the Quarter Four Health, Safety and Wellbeing update from the Corporate and Community team (see Attachment 1).

RECOMMENDATION

That the Finance, Risk and Assurance Committee receives the Quarter Four Health, Safety and Wellbeing update from the Corporate and Community Team.

ATTACHMENTS

1. Health and Safety Quarterly Report April 2026 to June 2026 [↓](#)

Health & Safety | Quarterly Overview

Reporting Period: April – June 2026

Overall Status:



Key points

- No change to key health and safety risk ratings this quarter
- Core systems and controls operating as expected
- Targeted improvement activity continuing

Key updates

Contractor Management	Overall Status	On track
Update • Contractor audit activity (Roding and Hood Aerodrome) consistent in Q4 • Strong oversight on high-risk and long-term projects • Assura audit tool embedded into BAU practices		
Development • Design of new form for audit follow up action for improvement compliance monitoring, roll out scheduled for July.		

Behaviour, Events & Employee Support	Overall Status	Monitored
Workplace behaviour • Specific library-based issue addressed in April, reduction in behaviour reports over May & June • Ongoing monitoring across MDC by location to identify any trends or developing situations		
Employee Assistance Programme (EAP) • Q4 EAP usage stable. • 3 individuals accessed support (2 new, 1 continuing) • No emerging organisational wellbeing risk identified		

On track/low impact

At risk/ medium impact

Behind plan/ high risk

Business Improvements

Overall Status

Delivery timing

Lone worker safety

- Communication devices improved, GPS activation initiated.
- Device allocation reviewed
- Training underway for use and knowledge foundations for day to day and events.

Site-specific safety

- Process reviews for vehicle induction
- Improvements made
- Full review underway for Animal Shelter processes and procedures.

HSW Meeting - 2026

- Assura reporting reviewed
- Organisational training for emergency management discussed.

Risk snapshot

Risk Area	Controls in Place	Quarterly Position
Contractor management	Quarterly reporting, regular communication, site audits	Operating as intended following quarterly review
Vehicles & driving	Training, fleet maintenance, fatigue management, hazard identification	No material change
Workforce stressors	EAP, workforce planning, wellbeing initiatives	Consistent utilisation. Improved wellbeing initiative involvement.
Community behaviour	Training, procedures, Police/community liaison	Procedures review due Aug 2026
Lone workers	Procedures, training, technology	Tech updates rolled out and training underway

Page 1

Health & Safety | Quarterly Overview

On track/low impact

At risk/ medium impact

Behind plan/ high risk

Officers' due diligence – Health and Safety at Work Act (HSWA) 2015

Overall Status:

Focus	Objectives	Status	Rating
Know	Keep up to date with health and safety matters	- Health, Safety and Wellbeing discussed at ELT meetings. - Health, Safety & Wellbeing (HSW) Advisor escalates issues arising from HSW Committee. - ELT can escalate concerns via this forum.	
Understand	Understand the nature of the Council's business and its hazards and risks	- HSW advisor works with each work group to review and assess specific risks and to update the hazard and risk register accordingly. - Completion of regular worksite inspections and audits for project and non-project-based sites to identify any issues.	
Resource	Ensure HSW Advisor has appropriate resources and processes to manage risks	- MDC has an on-line reporting tool to record incidents and the relevant actions, mitigations, and controls. - Action items are addressed on a priority basis.	
Monitor	Ensure there are appropriate reporting and investigation processes are in place	- The HSW system ensures work group managers are aware of investigations and act in conjunction with the People and Capability team. - Upskilling of people leaders is ongoing. - H & S Committee ensures the investigation and completion of all reported incidents, accidents, and near misses.	
Comply	Ensure the Council has the tools for complying with duties under the HSWA 2015	- Progressing the review of processes across all work groups in collaboration with HSW committee and subject matter experts. - Consistent messaging to all staff that everyone has responsibility for health and safety and must prioritise health and safety when carrying out all Council activities.	

Health & Safety | Quarterly Overview

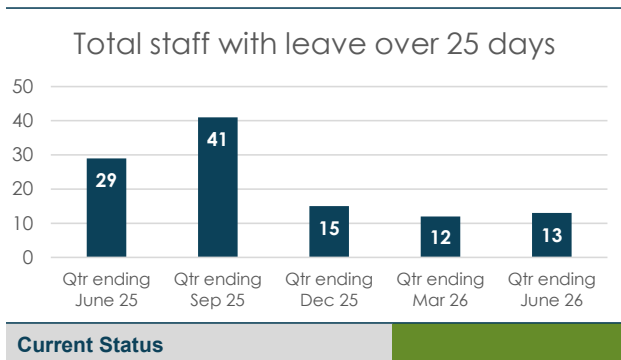
On track/low impact

At risk/ medium impact

Behind plan/ high risk

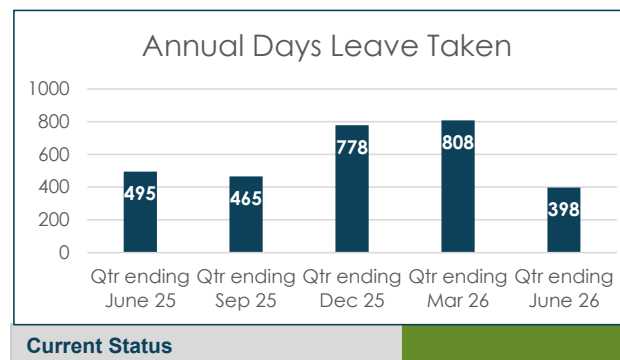
Leave metrics

Overall Status:



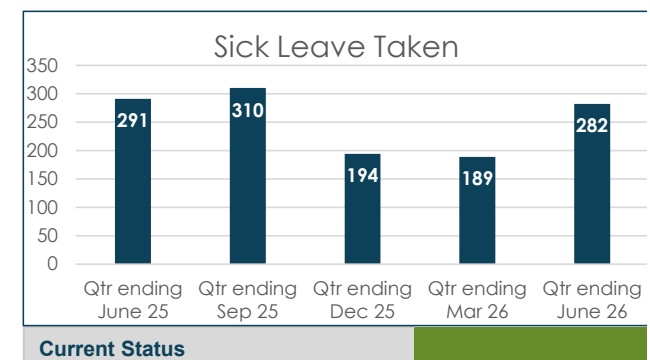
The number of employees with excessive leave balances has remained relatively stable over the last three quarters, with a small increase of one employee in the higher leave category compared with the previous quarter.

As MDC continues to operate with a smaller workforce than the previous year, a key focus will be ensuring leave management is aligned with business improvement initiatives and that employees have the opportunity and capacity to take their leave entitlements.



Annual Leave usage has reduced this quarter, with 398 days taken compared to 808 days in the previous quarter.

This reduction reflects the seasonal leave pattern following the peak leave period, while leaders continue to proactively work with staff on leave management plans to support leave being taken regularly throughout the year. Maintaining a balanced leave profile supports effective workforce planning, reduces financial risk associated with leave liabilities, and contributes to positive wellbeing outcomes for MDC staff.



Sick leave taken has increased this quarter, with 282 days taken compared to 189 days in the previous quarter. This is standard as we enter the period of winter seasonal viruses.

While this represents an increase in sick leave usage, there is no significant risk at this stage. Sick leave trends will continue to be monitored, particularly in relation to long-term absences.

MDC continues to support employees through robust return to work plans and proactive case management, helping to balance employee wellbeing with operational requirements.

6.8 RATES RECEIVABLE REPORT FOR YEAR ENDED 30 JUNE 2026

File Number:

Author: David Paris, Director Commercial

Authoriser: Kym Fell, Chief Executive

PURPOSE

To provide the Finance, Risk & Assurance Committee with an update on rates collection and arrears as at 30 June 2026.

RECOMMENDATION

That the Finance, Risk & Assurance Committee receives the Rates Receivable Report for the year ended 30 June 2026.

CONTEXT

The 2024–34 Long Term Plan identifies property rates as the Council's primary source of revenue, accounting for 58.0% of total revenue required for the 2025/26 financial year. Council also collects Greater Wellington Regional Council rates on its behalf.

For the 2025/26 financial year, total rates levied and invoiced, including GST, GWRC rates and penalties charged, totalled \$66.71 million.

As at 30 June 2026, total unpaid rates were \$1.075 million (2025: \$1.147 million). This comprised current year arrears of \$1.015 million and prior year arrears of \$0.060 million. Total arrears represent 1.61% of rates levied, compared with 1.83% in 2025. Despite rates revenue increasing by 6.2%, the total value of arrears reduced by 6.3%.

98.5% of current year instalments were paid by 30 June 2026 (2025: 98.3%) and 94.2% of prior year arrears at 30 June 2025 were paid by 30 June 2026 (2025: 92.6%). Both results are ahead of performance targets.

The number of properties with an overdue balance as at the 30 June 2026 has decreased from 728 to 677, which is 4.9% of all properties having some level of rate arrears (2025: 5.3%).

This reduction is a positive result and reflects the Revenue Team's proactive approach in working with ratepayers to establish realistic payment arrangements before arrears become significant.

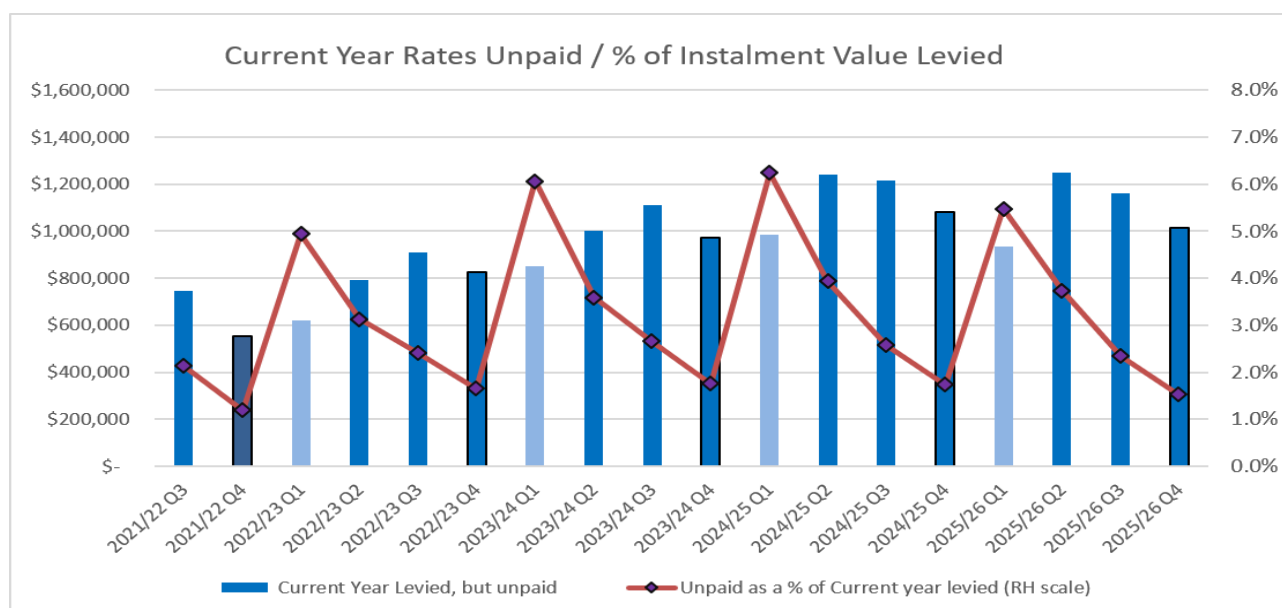
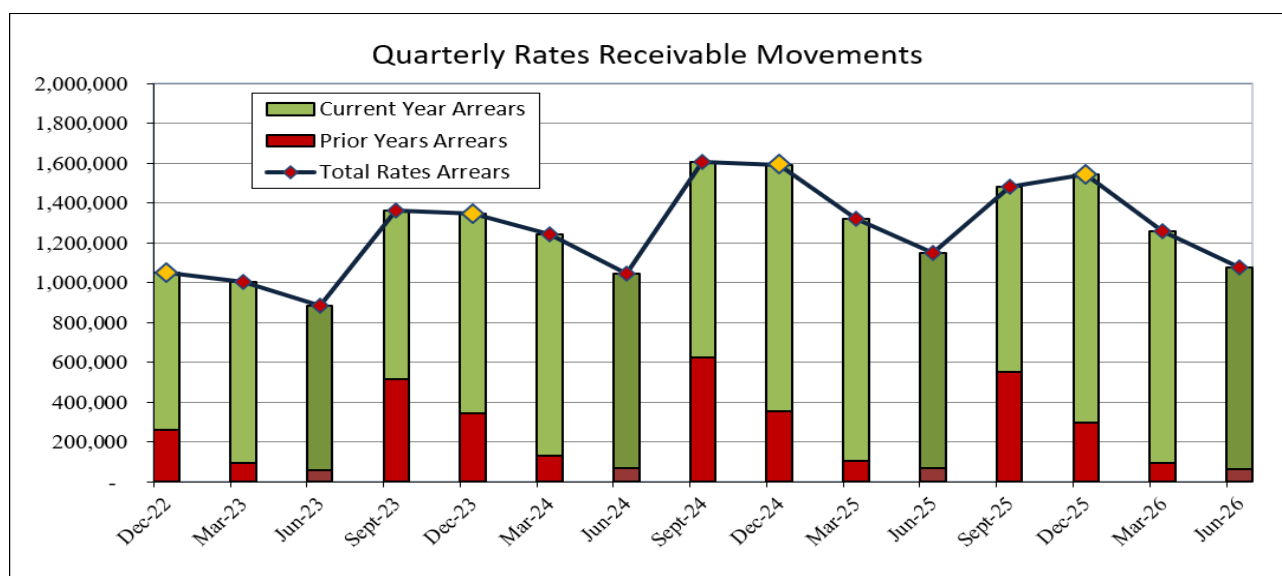
Demand for the Government Rates Rebate Scheme continues to grow, with 1,415 rebates processed during the year (2025: 1,235). The scheme provides valuable assistance to lower-income homeowners, with rebates reimbursed to Council by the Department of Internal Affairs.

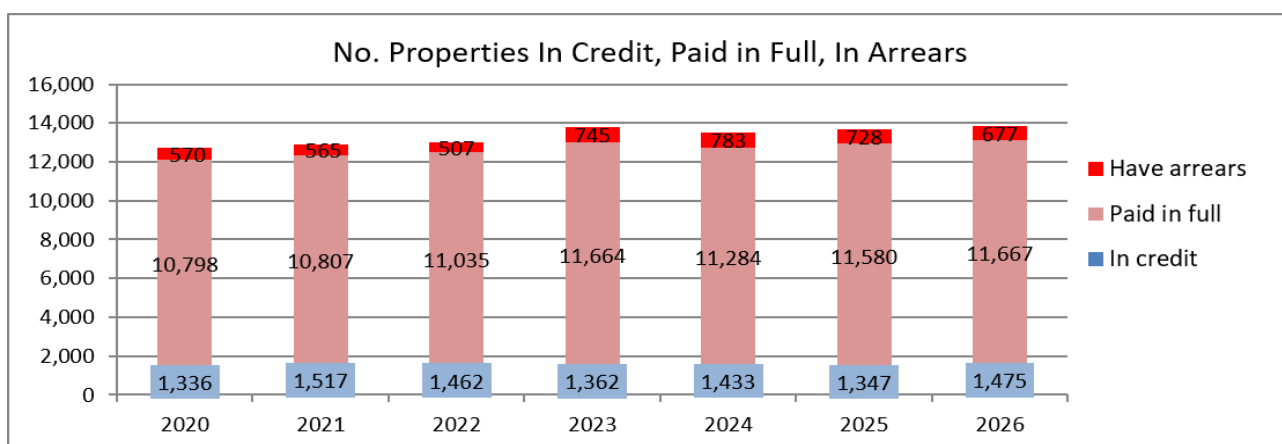
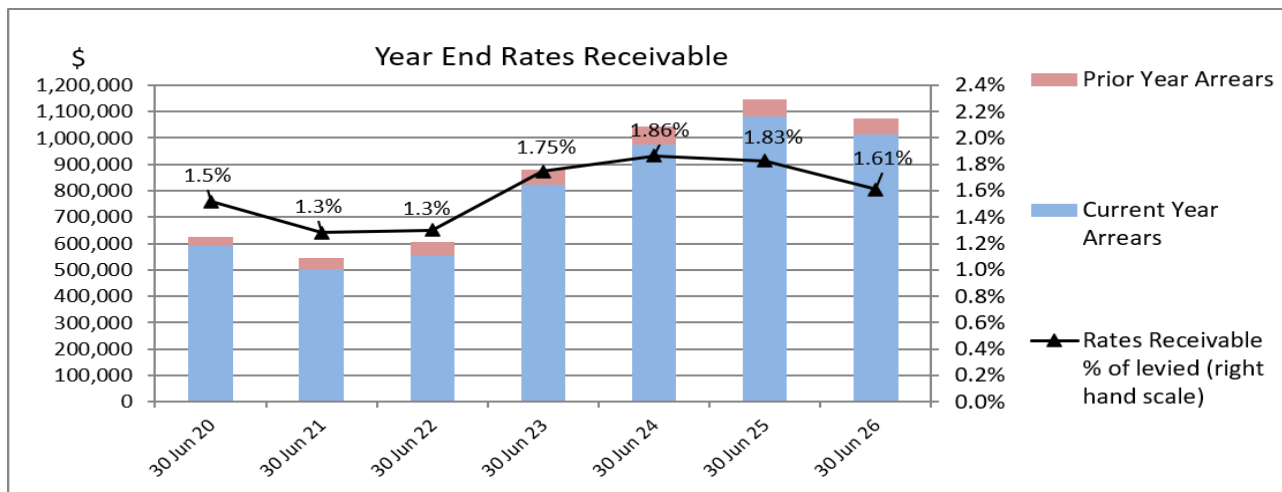
Council's total rates arrears remain well below the commonly accepted benchmark of 2% of rates levied, demonstrating continued strong collection performance.

The following tables compare key rates collection indicators over recent years, including direct debit uptake, electronic delivery of rates notices and participation in the Government Rates Rebate Scheme, which was accessed by 10.2% of all rateable properties (2025: 9.0%).

Rates Receivable Report

	As At 30 June 2026	Target	As At 30 June 2025	Increase
Gross Rates Levied (Incl GST, GWRC & penalties)	\$66,713,692		\$62,790,935	6.2%
Prior Years rate arrears unpaid	\$60,029		\$65,155	
Current Year rates unpaid	\$1,015,034		\$1,081,986	
Total Rates Receivable	\$1,075,063		\$1,147,141	-6.3%
Rates receivable as % of levied	1.61%	<2%	1.83%	
% of current year rates instalments collected	98.5%	>97%	98.3%	
% of prior years rate arrears collected	94.2%	>90%	92.6%	
Value of rates paid in advance of current instalment	1,115,126		978,298	
Penalties charged (after penalty remissions)	373,873		388,027	
Rates remissions given (per policies)	(254,715)		(241,449)	





The percentage of properties paid in full or in credit has remained close to last year at 94.9% vs 94.7%. Rates arrears value has decreased from 1.8% to 1.6% of total rates levied (including GST & GWRC rates). A total of 677 properties (4.9%) have unpaid rates of \$10 or more (last year 728, 5.3%). The average rates levied (including GWRC & GST) was \$4,878 (last year \$4,598). The average rate arrears is \$1,588, up slightly from last year's \$1,576.

The sending of mortgagee demands for properties with arrears will be actioned in September - we hold back until after the 1st instalment due date. Legal processes are currently underway with 8 properties.

Arrears value	+ \$7000	\$3001-\$7000	\$2001-\$3000	\$1001-\$2000	\$301-\$1000	\$ 10-\$300
No. of properties (2026)	14	104	66	126	159	208
No. of properties (2025)	16	103	81	155	163	210
No. of properties (2024)	13	87	81	116	196	290
Arrears value (2026)	\$183,486	\$433,521	\$159,598	\$173,987	\$98,059	\$26,248
Ave. arrears value (2026)	\$ 13,106	\$ 4,168	\$ 2,418	\$ 1,381	\$ 617	\$ 126
Ave. arrears value (2025)	\$ 12,283	\$ 3,930	\$ 2,445	\$ 1,458	\$ 602	\$ 112
Trend in average arrears	7%	6%	-1%	-5%	2%	12%

Properties: 13,819 properties were rated in 2025/26. An increase of 1.2%

Direct Debits: 6,604 ratepayers are paying their rates via direct debit which is 48.2% (last yr 48.0%)

Email Notices: 8,346 ratepayers are receiving emailed rates notices which is 60% (last yr 57%)

Rates Rebates: During 2025/26, 1,415 ratepayers applied and were eligible for rate rebates under the criteria established by the Dept of Internal Affairs (last year 1,245).

A total of \$1,120,820 rates were paid by the Government on behalf of qualifying ratepayers. The average rebate received was \$792 (last year \$729).

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

Any strategic considerations relating to rates collection will be considered through development of the Council's 2027–37 Long Term Plan.

Significance, Engagement and Consultation

This report supports Council's accountability and transparency regarding rates collection performance. No consultation is required.

Financial Considerations

The low level of unpaid rates means there is minimal impact on the Council's cash flow. There are no financial considerations beyond those outlined in this report.

Implications for Māori

The adoption of this report does not trigger any Treaty of Waitangi considerations or implications specific to Māori.

Communications/Engagement Plan

The information included in this report is public and will be available with the agenda. No further communications or engagement is planned.

Environmental/Climate Change Impact and Considerations

There are no environmental or climate change implications arising from this report.

CONCLUSION

Overall, rates collection performance for 2025/26 remains very strong. Arrears have reduced despite higher rates revenue, collection targets have been exceeded, and uptake of both payment plans and the Government Rates Rebate Scheme continues to increase. These results demonstrate effective revenue management while supporting ratepayers experiencing financial hardship.

ATTACHMENTS

Nil

6.9 INSURANCE UPDATE

File Number:

Author: David Paris, Director Commercial

Authoriser: Kym Fell, Chief Executive

PURPOSE

To provide the Finance, Risk & Assurance Committee with advice on the renewal of insurance cover from 1 July 2026 and provide information about the premiums of that insurance.

EXECUTIVE SUMMARY

The Council buys insurance cover to mitigate a number of risks to the assets and activities of the Council. Council uses an insurance broker (Marsh) for the majority of Council's insurance placement and advice. The one exception is the underground assets disaster cover – the Council is a member of the Aon-administered LAPP scheme. The majority of the insurance programme is purchased as a group scheme with Carterton DC, effectively spreading risks and providing a larger portfolio of insurance cover to attract better pricing.

RECOMMENDATION

That the Finance, Risk and Assurance Committee

1. **notes** the information contained in the Insurance Update Report

CONTEXT

The New Zealand property insurance market in 2025 saw increased competition in the local and global markets driving a reduction in premium for the 2025-26 financial year. The insurance market has continued to be soft, and this has continued to have a favourable impact on premiums with a 8.6% reduction for Material Damage cover for 2026-27 compared to the 2025-26 premium. There are increases in the FENZ levies this year which offset most of those savings, bringing the reduction down to a 1.4% decrease. This compares to a 34% reduction for 2025/26.

The Council's Material Damage and Business Interruption cover is spread across four insurers – Chubb (lead insurer) (37.5%), Vero (25%) NZI (22.5%), AIG (15%).

There are a range of limits and sub-limits of liability in the policy, and the deductible/excess is \$5,000, except for natural disasters and floods. Earthquake excess is 5% of the sum insured.

Other than Material Damage and Business Interruption mentioned above, the other insurance policies the Council has confirmation of placement for 2026/27 are:

Policy Name	Insurer
• Motor vehicle	– NZI (a division of IAG NZ Ltd)
• Crime	– Chubb Insurance New Zealand Ltd
• Personal Accident	– Chubb Insurance New Zealand Ltd
• Forestry / Standing Timber	– Sage Partners Ltd
• Airport Liability Insurance	– American International Group (AIG) UK Ltd
• Statutory Liability	– Chubb Insurance New Zealand Ltd

- Employers Liability – Chubb Insurance New Zealand Ltd
- Hall Hirers (General/Public) Liability – QBE Insurance (Australia) Limited
- Public Liability/Professional Indemnity – Chubb Insurance NZ Ltd
- Underground assets Disaster Cover (40%) – LAPP scheme administered by Civic Financial Services and Aon.

INSURANCE RENEWAL

MATERIAL DAMAGE

The Council commissions insurance valuations on all assets it wants to insure each year. Those valuations identify the value to reinstate (including inflation provisions), an indemnity value and a cost to demolish. The indemnity value is the depreciated or written down value – what it is worth today. The large proportion of buildings and contents are valued and insured for the reinstatement values.

In order to optimise premiums, staff have assessed the low use and/or ‘unlikely to be replaced’ buildings and have included them in the material damage schedule at the indemnity plus demolition value only. Further additions to that list of buildings insured for indemnity value could be undertaken but the decisions need to be measured against Council’s risk appetite.

For the 2026-27 year the total value insured is \$218.6 million at a premium of close to \$715,000, a 1.9% reduction from 2025/26.

The material damage policy has a number of deductibles (or excess) depending on the cause of the damage:

1. Loss by natural disaster is 5% of site value for post 1935 buildings
2. Loss by natural disaster is 10% of site value for pre 1935 buildings
3. Earthquake prone buildings is 10% of site value
4. Loss from Fluvial and/or Pluvial Flood (per event) \$100,000
5. Loss in respect Landslip or Subsidence (per event) \$50,000
6. In respect of Machinery or Pressure Vessel Extension (per event) \$25,000
7. All other claims \$5,000

A range of increased deductible amounts were requested prior to renewal. Varying the \$5,000 amount up to \$50,000 would save indicatively, \$20,772 in premium. The savings were less for \$10,000 and \$25,000 deductibles. The trade-off of more risk versus lower premium was not considered worthwhile taking up as the Council has benefitted from making claims in the past where damage has been less than \$50,000 and has received the insurance payouts that have exceeded the \$20,772 premium savings.

DISASTER COVER (UNDERGROUND ASSETS)

The LAPP disaster scheme advice from risk advisors has been to increase cover based on updated risk modelling work across all 22 member Councils. There have been enhancements to the NZ Seismic Hazard Model and asset replacement values continue to increase. The risks to the underground infrastructure include earthquakes and climate change-driven events such as severe storms/flooding and sea level rise. The Probable Maximum Loss (PML) cover was increased in 2025 to \$400 million for the 1 Nov 2025 renewal. That will increase to \$620 million (being 100% of losses) from 1 November 2026. LAPP covers 40% of the losses, the Government will cover 60%.

Expectations are that the premium for 2026-27 will be at a similar level to the prior year as a softer global insurance market has continued, while the increased cover and inflationary movements in the value of infrastructural assets have been taken into account.

The LAPP scheme brokers, Aon, personally make representations to the London market to ensure they fully understand our assets, our risk exposure and the unique aspects of the LAPP scheme.

The LAPP scheme seeks reinsurance for cover for claims above \$10 million, this has increased for 2026 -27 from \$7.5 million in 2025-26

There is a claim threshold of \$600,000 – this is the amount of damage which must be reached before a member can make a claim. The claim deductible is \$240,000 for the LAPP 40% of cover, which is different to the deductible for claiming on the Government's 60% of the costs of repairs and renewals work in an event that triggers the threshold.

The LAPP Scheme board have made a commitment to continue to offer the group scheme cover to new water entities, meaning Waiti Waters can take over the disaster insurance cover for the network assets (becoming a LAPP member) when they are transferred, with costs from 1 July 2026 falling to Waiti Waters.

PROFESSIONAL INDEMNITY & PUBLIC LIABILITY (PI/PL)

The Professional Indemnity (PI) policy is the third of the more significant policies that MDC carries.

Marsh, as insurance broker has again coordinated securing the cover for the 2026-27 financial year.

After the significant increase experienced by Council from 2023-24 to 2024-25 financial years, 2025-26 premium has remained with little change.

- The 2026-27 premium is \$515,679 (2025-26: \$516,731) and the deductible is \$50,000 except for Building Act claims where it is \$100,000. The option to increase the deductible for Building Act claims to \$250,000 would have saved \$24,628 in premium. Again, the additional risk was not considered worth taking as the saving was small compared to potential risk exposure. This is in light of this Council's history of having to defend Building Act claims and the legal defence costs that result from those claims.
- The limit of indemnity in aggregate has remained at \$15 million limit of cover
- The limit of indemnity for defence costs has been retained at \$2 million
- The Public Liability policy has a limit of \$20 million and excess of \$10,000

There are proposed changes to the Building Act which will shift joint and several liability to proportionate liability. This could reshape liability exposure, insurance requirements and risk management practices for Councils (as Building Control Authorities). This implies the prospect of reduced insurance premiums in future, but given the uncertain and unpredictable nature of the judicial processes (where the law is interpreted and applied by the courts) the insurer's assessment of the risks Councils face is unlikely to reduce in the near future.

PREMIUM COSTS

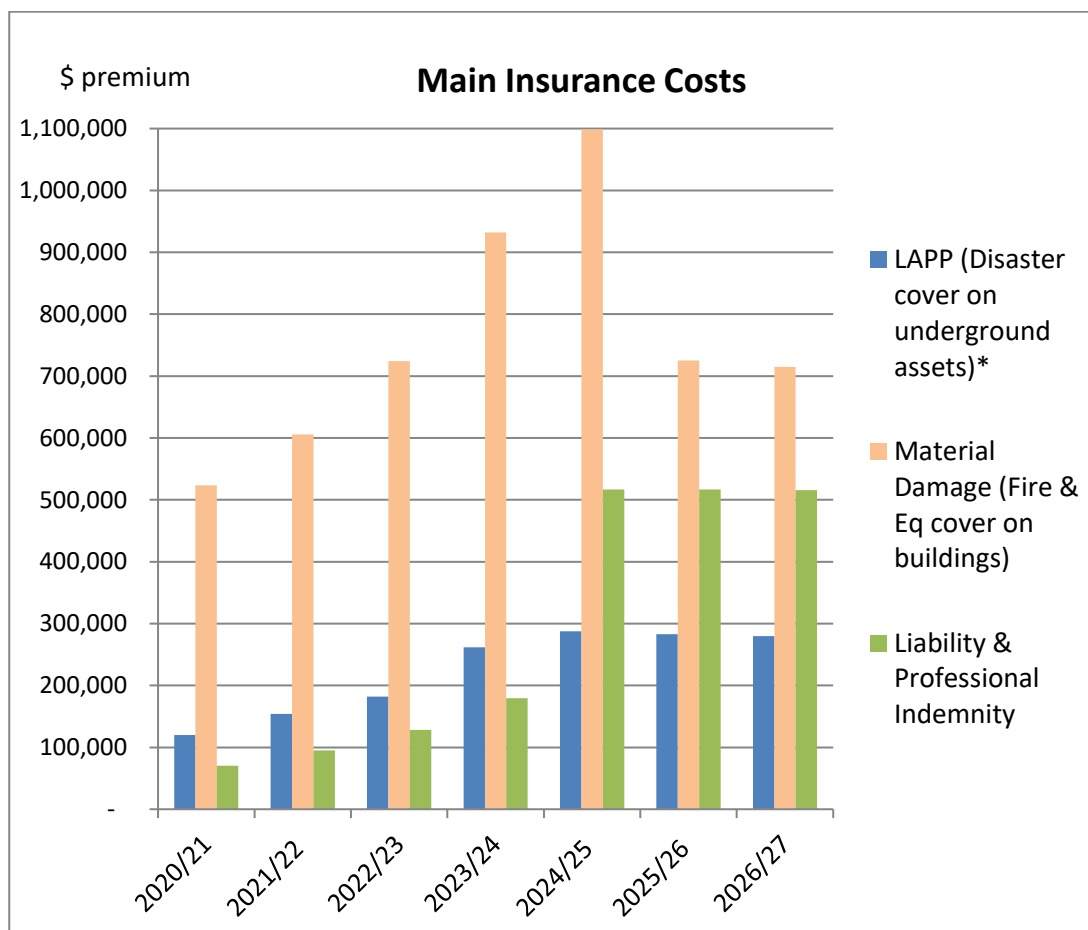
The graph below shows premium cost changes for the main policies over 7 years. As discussed in previous years, the period 2020-21 to 2024-25 saw significant increases in the premiums payable due to a combination of:

1. increasing premiums from insurers due to the increasing number of events and claims they were seeing over that period

2. increasing asset values that MDC were insuring – MDC insure for reinstatement values (in most cases), and these values were increasing in the region of 8% to 10% per annum during that period.
3. liability claims against Councils were increasing and insurers have withdrawn from the market and Councils are 'price takers' in order secure at least some cover

For 2025-26 and 2026-27 premiums have reduced from the peak of 2024-25 reflecting the softer local and global insurance markets. Over the three main policies the cost of premium for 2026-27 are \$18,000 lower than 2025-26.

No account is taken of any future calls made by Riskpool for MDC's share of shortfalls in that mutual insurance scheme's funds. One call has been made on MDC in 2025 for \$31,205 to fund our share of shortfalls from historic claims that Riskpool is still settling. Riskpool remain actively trying to both settle the remaining outstanding claims and hold the off-shore re-insurance companies to account to meet those settlements. Riskpool's mutual fund scheme means the member Councils remain liable if the re-insurance cannot be successfully accessed.



* the extent of the LAPP cover has increased while premiums have remained steady over the last three years.

ATTACHMENTS

Nil

6.10 TREASURY MANAGEMENT REPORT

File Number:

Author: David Paris, Director Commercial

Authoriser: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to provide Council with information as at 30 June 2026 with respect to the Council's investments and debt positions.

RECOMMENDATION

That the Finance, Risk and Assurance Committee receives the Treasury Management Report as at 30 June 2026.

CONTEXT

Investments

At 30 June 2026 the Council had \$27.50 million (last year \$25.86 million) of working and investment funds held in a range of financial instruments. \$8.09 million of that was held as working funds and \$4.0 million is held on deposit as pre-funding to repay a debt maturity in April 2027. \$4.55 million is invested in term deposits across three financial institutions. Working funds daily balance earns interest at 0.25% over the OCR (2.50% at 30 June 2026).

\$8.23 million is held in an Institutional NZ Fixed Interest Fund managed by Fisher Funds. These funds have returned 6.02% before fees (2025: 7.28%) over the 12 months. This compares to a market index return of 5.24%.

Borrowing

External term debt was \$72.6 million at 30 June 2026 versus the LTP year 2 projection of \$84.7 million. This includes \$4.0 million of debt drawn early to pre-fund up-coming bond maturities.

During the year three bond maturities were repaid totalling \$11.8 million, refinanced by a combination of funding that had been budgeted for debt repayment and new LGFA bonds. \$11.0 million of external debt has been borrowed to fund current year capital projects and compares to \$18.47 million in the Plan. The overall lower debt level than planned reflects lower capital expenditure than was planned which includes the Library upgrade, the Town Hall and Waiata House extension projects.

The Council's debt portfolio is managed within policy limits and as at 30 June 2026 all but one indicator shows compliance with the Treasury Policy. The PwC compliance report is included at the end of this report. Non-compliance relates to fixed versus floating rate proportions beyond 4 years being less than 20% (currently 17%). A projected debt scenario with the Waters debt being transferred is also shown. There is still some uncertainty around the methodology of transferring debt to Waiti Waters and this has resulted in a non-compliance with policy under the projected scenario. See commentary at the end of the report.

An interim assessment of the Net Debt to Operating Revenue benchmark is 49.4% versus the LTP indication of 83.5% and the policy limit of 150%.

Approximately \$40 million of Council's external debt has been assessed as transferable to Waiti Waters. The 2026/27 Plan includes debt repayments and ongoing current capital programme for both waters and other Council activities. This means the balance to transfer will continue to change up until 30 June 2027 when Waiti Waters takes over responsibility for the waters debt. A further \$2.1 million of internal loans relates to the waters activities and will be offset by some \$2.0m of depreciation and infrastructure funds that will be transferred to Waiti Waters as well.

The mechanism of how Waiti Waters takes over the debt is still being developed with the transition team. Council's advisors, PwC are assisting with the discussion, with our preferred option being a novation of the debt. Novation, simply described is, on 1 July 2027 a selection of the existing debt instruments totalling the \$40m are transferred into Waiti Waters name, still with the LGFA as the lender, with that selection being based on both parties being no worse off in terms of weighted average cost of debt or term of debt.

Investments & Loans Detail

The following pages contain detail of the funds held by Council, the returns achieved on those funds and the debt the Council has and is managing.

Investments Report

For the Year to 30th June 2026

The table below reports the changes in the balance of investment funds held by the Council and the return that has been achieved on those funds. The following page lists in detail the investments by type.

Investment Funds	Internally Managed Investments	Managed Fixed Interest Fund
(excluding internal loans, shares and working funds on deposit)		
Opening Balance as at 1 July 2025	6,339,671	7,772,167
Gross Interest to 30 June 2026	247,892	
Fisher Funds earnings to 30/06/26		457,469
Net Investment Income to 30 June 2026	247,892 3.67%	457,469 6.02%
Capital additions/(withdrawals)/(transfers)	591,032	
Balance as at 30th June 2026	\$ 7,178,595	\$ 8,229,636
Working funds (short term deposits and call a/c)	12,094,603	
Total funds invested (managed internally)	\$ 19,273,198	
Total funds invested (incl externally managed)	\$ 27,502,834	
	Funds management fees	(8,036) -0.10%
	% return on funds over 12 mths	5.92%
		after fees
	Market Index for 12 mths to 30 June 2026	5.24%

Investment Returns Commentary

Bank deposits and a call account have been the principal means of gaining a return on the funds held and managed internally. These funds returned an average of 3.67% over the year.

Fisher Funds manages the external managed funds comprising NZ fixed interest investments.

The gross return for the bond fund investment to 30 June 2026 is 6.02%. Current yield is 4.17%

The interest earned and gains on mark-to-market value have not been stated separately.

The returns exceeded the market index for NZ Fixed Interest bond investments.

Investment Policy Compliance

The policy compliance information below refers to the investment and working funds managed in-house.

	Policy (% of internal portfolio)		as at 30 June 26
LGFA bonds	<35%	Met	13.6%
Bank deposits	0 - 100%	Met	86.4%
Total deposits no more than \$8m with any one bank		Met **	
Corporate & LGFA Bonds	<35%	Met	11.3%
Corporate Bonds rated BBB	no more than 5%	Met	0.0%
	no more than \$0.5m with single issuer	Met	0.0%
	no bonds less than BBB	Met	0.0%
Externally managed funds	< \$12m	Met	\$8.23m
Wairarapa Building Society (WBS)	< 20%	Met	11.4%
WBS	no more than \$2.5m	Met	\$2.2m

Funds under management by Fisher Funds include a small proportion on bonds rated BBB or less.

Met** no more than \$8m is held on deposit with any one bank

The following page provides detail of all of the financial assets held by the Council as at 30 June 2025

INVESTMENTS HELD
DATE: 30 June 2026
DISTRICT FUND INVESTMENTS
Short Term Bank Deposits

	\$	Yield/ Interest Rate	Remaining Term	Original Term
Westpac - 00 a/c	8,094,603	3.25%	call	<3mths
ASB- term deposit (pre-funding)	4,000,000	3.87%	286	10 mths
Total District Fund Investments	\$ 12,094,603			

SPECIAL FUNDS INVESTMENTS
Short Term Bank Deposits

WBS - term deposit	1,200,000	4.00%	351 days	12 mths
WBS - term deposit	1,000,000	3.65%	141 days	12 mths
ANZ - term deposit	350,000	3.43%	361 days	12 mths
ASB - term deposit	2,000,000	4.06%	365	12 mths
	\$ 4,550,000			

Corporate Bonds (market value)

	Instrument	Credit Rating		
NZ LGFA Borrower notes (current)	AA		239,837	288 days
NZ LGFA Borrower notes	AA		2,388,758	3.09%
			\$ 2,628,595	

NZ Fixed Interest Fund - Managed by Fisher Funds

(valued at market value)

		Performance	Market Index
Fisher Institutional NZ Fixed Interest Fund	8,229,636	5.92%	5.24%
Total Special Funds Investments	\$ 15,408,231	3.91% Average Yield	

Shares

Civic Financial Services Ltd	\$ 120,576	No dividend
NZ LGFA (LG Funding Agency)	\$ 100,000	6.70%

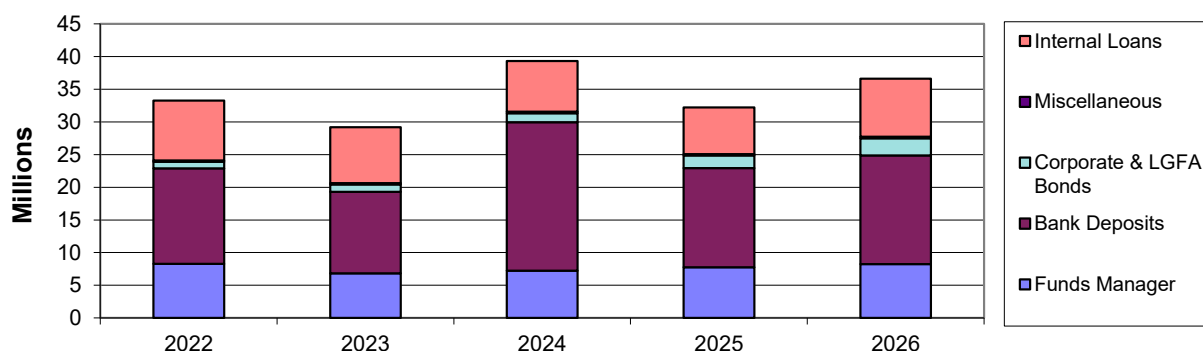
Total Investments Under Management

\$ 27,723,410	Average Interest Rate at 30/6/26 (excl internal)	3.70%
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Internal Loans/Investments	(estimated)	\$ 8,868,702	3.54% average over 12 months
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Analysis of Investment Terms

All Funds (excl internal loans)			Funds managed by MDC		Policy	Within Policy
43%	12,094,603	Current (less than 3 months)	12,094,603	62%	30% - 80%	yes
20%	5,658,292	Short term (3 months to 1 Yr)	4,789,837	25%	20% - 70%	yes
9%	2,563,034	Term (1 year - 3 years)	823,517	4%	0% - 50%	yes
27%	7,426,743	Term (3 years plus)	1,565,241	8%	0% - 20%	yes
1%	220,576	Shares	220,576	1%		
100%	27,963,247		19,493,774	100%		

Mix of Financial Assets Held at Year End


Loans/Borrowing Report

For the Year to 30th June 2026

Three maturities totaling \$11.8 million were repaid, one in July 2025 and in April 2026. \$14 million of new debt to fund maturities and capital expenditure was drawn over the year and \$4 million pre-funding was drawn and held at 30 June for a maturity in April 2027.

Five new bonds were drawn this year and they appear in the list below.

The 2024-34 LTP forecast external debt at 30 June 2026 to be \$84.7 million. Actual external debt is \$72.6 million, which includes \$4.0m of pre-funding to pay the April 2027 maturity.

The Council has undrawn bank loan facilities with Westpac and ANZ of \$5m each and is a shareholder in, and borrower from the NZ Local Government Funding Agency (NZ LGFA). Margins on the LGFA debt, above the 90 day bank bill rate, average 0.793% over 18 floating rate bonds.

Interest rate swap contracts with ANZ and Westpac are used to fix interest rates for longer terms - currently up to 5.3 years. This provides greater certainty of interest expense over the medium term - reduced risk of interest rate volatility impacting on Council's costs. Advice on the use of the various debt and interest rate hedging strategies is received from PwC.

At 30th June 2026, 66.7% of the external debt was subject to fixed interest rates using swaps (59.3% last year).

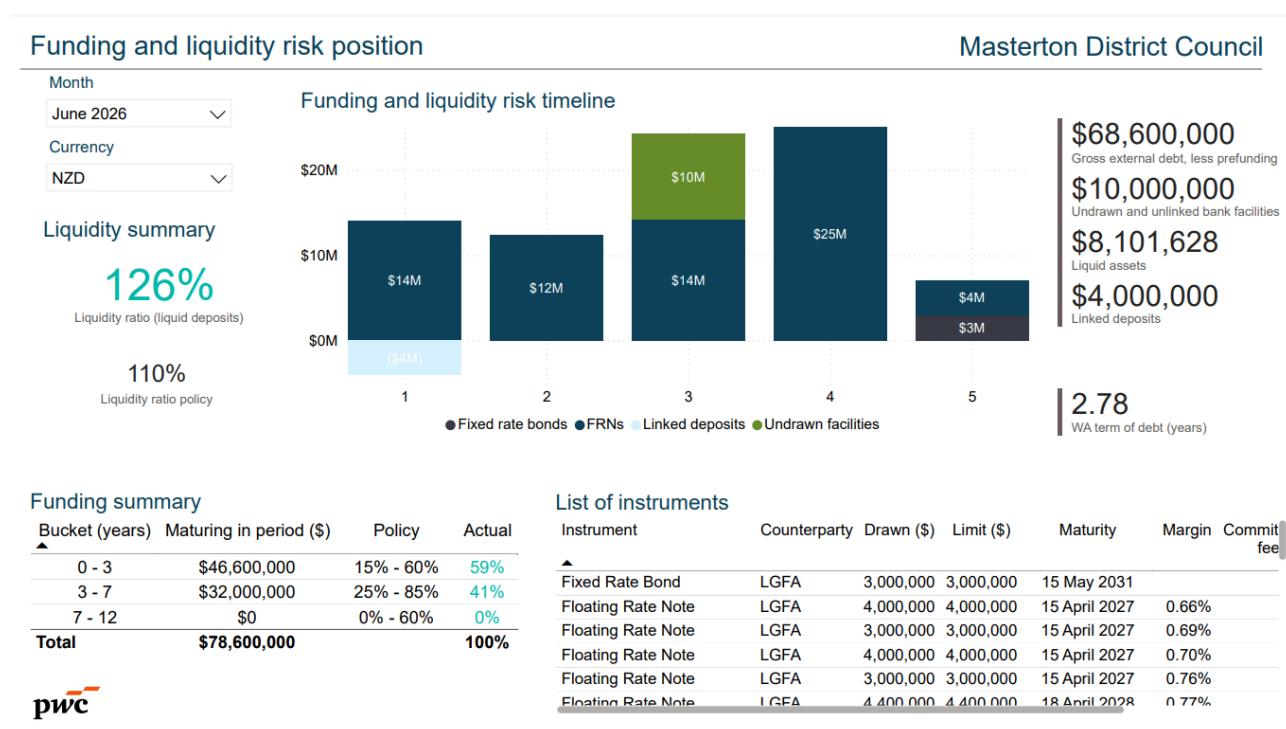
The following table summarises the Council's external Debt/Borrowing at 30 June 2025 and 2026

		30 June 2025	Bond Margin	30 June 2026	
		above 90 day rate			
Wpac	Multi-Option Credit Line (\$5m MOCL)	-		-	
ANZ	Cash Advance Facility (\$5m CAF)	-		-	
	LGFA stock - maturity Jul 2025	5,000,000	0.808%	-	
	LGFA stock - maturity Apr 2026	2,800,000	0.810%	-	
	LGFA stock - maturity Apr 2027	4,000,000	0.655%	4,000,000	
	LGFA stock - maturity Apr 2028	4,400,000	0.765%	4,400,000	
	LGFA stock - maturity Oct 2029	5,000,000	0.638%	5,000,000	
	LGFA stock - maturity Apr 2030	3,000,000	0.655%	3,000,000	
	LGFA stock - maturity Apr 2029	1,500,000	0.655%	1,500,000	
	LGFA stock - maturity Apr 2029	3,700,000	0.785%	3,700,000	
	LGFA stock - maturity May 2028	2,000,000	0.733%	2,000,000	
	LGFA stock - maturity Apr 2027	4,000,000	0.655%	4,000,000	
	LGFA stock - maturity Apr 2026	4,000,000	0.580%	-	
	LGFA stock - maturity May 2028	3,000,000	0.850%	3,000,000	
	LGFA stock - maturity Apr 2027	3,000,000	0.690%	3,000,000	
	LGFA stock - maturity Apr 2029	6,000,000	0.835%	6,000,000	
	LGFA stock - maturity May 2030	4,000,000	1.180%	4,000,000	
	LGFA stock - maturity Apr 2027	3,000,000	0.760%	3,000,000	
	LGFA stock - maturity Apr 2029	3,000,000	0.985%	3,000,000	
	LGFA stock - maturity May 2030	5,000,000	1.060%	5,000,000	
	LGFA stock - maturity May 2028		0.84%	3,000,000	fixed interest
	LGFA stock - maturity May 2030		0.95%	4,000,000	
	LGFA stock - maturity May 2030		0.73%	4,000,000	
	LGFA stock - maturity May 2031			3,000,000	
	LGFA stock - maturity May 2031		0.83%	4,000,000	
Total external debt		\$ 66,400,000	Ave 0.793%	\$ 72,600,000	
Current maturities					
Total internal debt		\$ 7,143,274		\$ 8,868,702	
		\$ 73,543,274		\$ 81,468,702	

The graphics below come from the PwC model which shows MDC's treasury position at 30 June 2026 and forecast forward versus policy limits. The third chart shows the projected position with water debt repaid on 1 July 2027.

The second chart shows debt without any change for Waters, with a non-compliance with interest rate risk policy (17% fixed interest beyond 4 years versus a policy minimum of 20%). This is not considered to be significant as the Waters debt change will change the make up of the debt portfolio.

The third chart shows interest rate risk position assuming the Waters debt transfers on 1 July 2027. The impact in the model is the Council being over-hedged from 1 July 2027. The expectation is that the hedging positions will be unwound from 1 July 2027 and that any cost associated with closing out swaps to come back into policy compliance will be funded by Waiti Waters.



Interest rate risk position

Masterton District Council

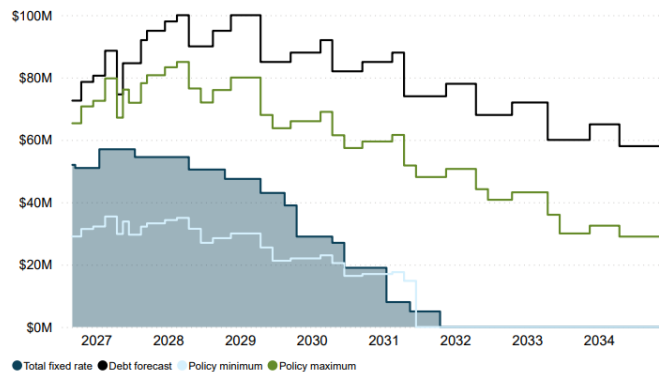
Month
June 2026

Currency
NZD

Interest rate summary

#	Bucket	Min	Max	Actual
1	0 - 1	40%	90%	71%
2	1 - 12	40%	90%	68%
3	12 - 24	35%	85%	58%
4	24 - 36	30%	80%	51%
5	36 - 48	25%	75%	38%
6	48 - 60	20%	70%	17%
7	60 - 72	0%	65%	2%
8	72 - 84	0%	60%	0%
9	84 - 96	0%	50%	0%
10	96 - 108	0%	50%	0%

Interest rate risk timeline



\$68,600,000
Gross debt less prefunding
\$51,400,000
Total fixed rate instruments
75%
Current hedged (%)

3.87%
Current WA fixed rate
3.50
WA fixed term (years)

List of instruments

Instrument	Counterparty	Notional (\$)	Start date	Maturity date	Interest rate
Swap	ANZ	1,000,000	22 February 2015	22 August 2026	3.63%
Swap	Westpac	2,000,000	24 August 2020	24 August 2026	3.95%
Swap	ANZ	1,000,000	22 December 2019	22 September 2026	3.85%
Swap	Westpac	2,500,000	30 April 2015	30 July 2027	3.96%

pwc

Interest rate risk position

Masterton District Council

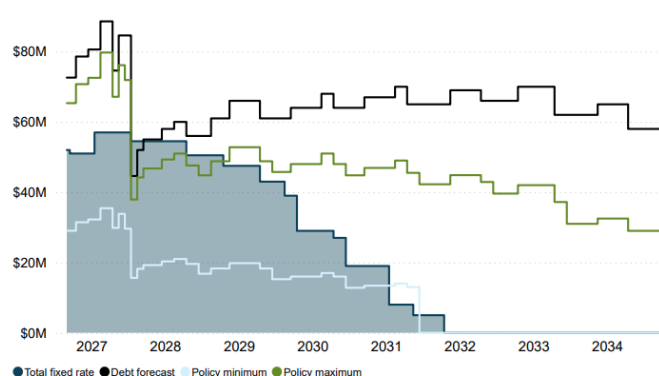
Month
June 2026

Currency
NZD

Interest rate summary

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2	1 - 12	40%	90%	68%
3	12 - 24	35%	85%	95%
4	24 - 36	30%	80%	77%
5	36 - 48	25%	75%	51%
6	48 - 60	20%	70%	21%
7	60 - 72	0%	65%	3%
8	72 - 84	0%	60%	0%
9	84 - 96	0%	50%	0%
10	96 - 108	0%	50%	0%

Interest rate risk timeline



\$68,600,000
Gross debt less prefunding
\$51,400,000
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75%
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Current WA fixed rate
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List of instruments

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pwc

ATTACHMENTS

Nil

7 PUBLIC EXCLUDED

RESOLUTION TO EXCLUDE THE PUBLIC

RECOMMENDATION

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
7.1 - Technology and Information Six Monthly Risk Report	s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
7.2 - 2025/2026 Quarter 4 Risk Management Update Report	s7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	s48(1)(a)(i) - 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