MEETING OF THE

Clutha District Council

26 November 2026

Following the Risk & Assurance Committee meeting

At the Council Chambers

1 Rosebank Terrace

BALCLUTHA

CLUTHA DISTRICT COUNCIL

Notice is hereby given that a Meeting of the Clutha District Council will be held in the Council Chambers, 1 Rosebank Terrace Balclutha on Thursday 26 November 2026, following the Risk & Assurance Committee meeting.

Steve Hill
CHIEF EXECUTIVE OFFICER

Committee Members

Mayor: Jock Martin

Councillor Dane Catherwood
Councillor Roger Cotton
Councillor Larry Frost
Councillor Bruce Graham
Councillor Rachel Harrison
Councillor Michele Kennedy
Councillor Simon McAtamney
Councillor Dean McCrostie
Councillor Brendon Smith

CLUTHA DISTRICT COUNCIL

Thursday 26 November 2026

APOLOGIES
Councillor Rachel Harrison

DECLARATIONS OF INTEREST
None advised at the time of printing this agenda.

Item	Page #	Title
1	**4**	**Adoption of 2025/26 Annual Report and Annual Report Summary Report** *(For Council's Decision)* The 2025/26 Annual Report and Annual Report Summary are presented for adoption.

Clutha District Council

Item for DECISION

Report	Adoption of 2025/26 Annual Report and Annual Report Summary Report
Meeting Date	26 November 2026
Item Number	1
Prepared By	Sharon Jenkinson – Finance & Policy Group Manager
File Reference	1075690

REPORT SUMMARY

This report presents the 2025/26 Annual Report and Annual Report Summary for Council's consideration and adoption.

The Annual Report was considered by the Risk and Assurance Committee earlier today and has been reviewed by the Committee Chair. Mike Hawken, Council's audit partner from Deloitte, attended the Risk and Assurance Committee and provided his comments on the audit process and the Annual Report.

RECOMMENDATION

1 **That Council receives the 'Adoption of 2025/26 Annual Report and Annual Report Summary Report'.**

2 **That Council confirms the Risk & Assurance Committee Chair's clearance on the 2025/26 Annual Report and Annual Report Summary.**

3 **That Council adopts the Accounting Policies contained within the Annual Report 2025/26.**

4 **That Council adopts the 2025/26 Annual Report and Annual Report Summary.**

5 **That Council receives the Letter of Representation for the 2025/26 Annual Report.**

6 **That Council approves the Mayor and Chief Executive sign the Letter of Representation for the 2025/26 Annual Report.**

7 **That Council approves the Chief Executive to make minor editorial changes if required.**

REPORT

1 Background

The 2025/26 Annual Report and Annual Report Summary have been completed.

The auditors have substantively completed the audit of the 2025/26 Annual Report and Annual Report Summary.

The auditors will issue an unmodified audit opinion on the financial statements and performance information for the year ended 30th June 2026. The audit report will include an Emphasis of Matter relating to the Local Government Reforms aimed at simplifying local government. This will be issued following Council adopting the 2025/26 Annual Report and Annual Report Summary and the letter of representation being signed.

At the Risk & Assurance Committee meeting held earlier today, 26 November 2026, the following recommendations were made:

That the Risk & Assurance Committee receives the 'Annual Report for the year ended 30 June 2026 Report'.

That the Risk & Assurance Committee receives the Draft Annual Report and Draft Annual Report Summary for the year ended 30 June 2025/26.

That the Risk and Assurance Committee receives the Deloitte Report to Risk and Assurance Committee on the audit of the Annual Report for the year ended 30 June 2026.

That the Risk & Assurance Committee acknowledges the draft Annual Report and draft Annual Report Summary for the 30 June 2026 year are substantively complete and the Risk & Assurance Committee supports the recommendation of the report to Council for adoption subject to confirmation from the Risk & Assurance Committee Chairman that any proposed amendments are appropriate.

2 Attachments

Appendix 1: Draft Annual Report 2025/26.

Appendix 2: Draft Annual Report Summary 2025/26.

ANNUAL REPORT 2025/26

Our Place Clutha District

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Clutha District Council
www.cluthadc.govt.nz

COUNCIL'S REPORTING DOCUMENTS

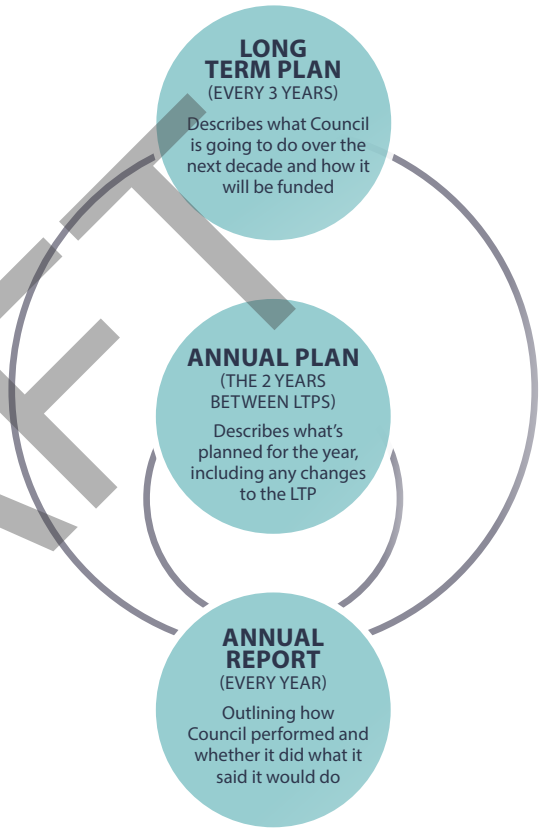
COUNCIL USES A NUMBER OF PLANNING PROCESSES TO REALISE ITS VISION FOR THE DISTRICT AND TO HELP PROVIDE ACCOUNTABILITY TO THE COMMUNITY.

All local authorities are required to prepare an Annual Report under Section 98 of the Local Government Act 2002.

Annual reports are part of a cycle which includes Long Term Plans (every three years) and Annual Plans in the two years between Long Term Plans.

The purpose of an annual report is:

- to compare Council's actual activities and performance during the year with the planned activities and performance for the year as set out in Council's 2024/34 Long Term Plan; and
- to promote Council's accountability to the community for the decisions made throughout the year.



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CONTENTS

Council's Reporting Documents	1
Message from the Mayor	3
Living and Working in Clutha	4
Major Infrastructure Projects	5
Financial Overview	6
Independent Auditor's Report	8
STATEMENT OF SERVICE PERFORMANCE	14
2025/26 In Detail	15
Community Leadership	16
Economic & Community Development	18
Transportation	20
Water Supply	22
Wastewater	31
Stormwater	33
Waste Management & Minimisation	35
Community Services	37
Regulatory & Emergency Services	41
Internal Services	45
FINANCIAL INFORMATION	47
About this Financial Section and Statement of Compliance and Responsibility	48
Statement of Comprehensive Revenue and Expenditure	49
Statement of Changes in Equity	50
Statement of Financial Position	51
Statement of Cash Flows	52
Reconciliation of Surplus for the year to Cash Inflow From Operating Activities	53
Statement of Accounting Policies	54
Section A: Results for the Year	55
Section B: Long Term Assets	70
Section C: Borrowings And Financial Instruments	77
Section D: Working Capital And Equity	83
Section E: Financial Risk Management	94
Section F: Other Disclosures	97
Section G: Financial Reporting and Prudence Benchmarks	103

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MESSAGE FROM THE MAYOR



Mayor
Jason (Jock) Martin

A Foundation of Accuracy for our Future

This past year has been one of the most challenging in recent memory for the Clutha District Council. As we present this 2025/26 Annual Report, I must first address our missed statutory deadline. We recognise that this delay carries reputational risk, but we have chosen precision over a calendar date.

Following our July 2025 migration to financial software system Datascape, we encountered significant and persistent integration issues. Total accuracy is imperative as we lead into our next Long-Term Plan (LTP); financial misinformation is a critical impediment to sound decision-making, and we refuse to build our district's future on a flawed foundation.

The Reality of Rates and the 'Deep Dive'

The 20.4% rates increase passed this year was a heavy burden—a weight every Councillor felt personally. Driven by a 'perfect storm' of inflation, interest rates, and infrastructure costs, we are determined not to repeat an increase of this magnitude.

To that end, Council and staff are undertaking a 'deep dive' into our operations to find genuine efficiencies. We are scrutinising every line item to protect the core services you rely on. We refuse to 'save' money today by neglecting the pipes and roads that would cost our grandchildren ten times more to fix tomorrow.

A Warning on Rates Caps

Regarding central government's proposed 4% rates cap: be careful what you wish for. While a cap sounds simple, it carries far-reaching consequences, often leading to a 'managed decline' of rural infrastructure and a mountain of hidden debt. Currently, 88% of our $147.3 million debt is dedicated to core services. Stripping a community's ability to fund its own requirements undermines local autonomy. Local problems require local solutions.

Delivering Results and Raising Our Voice

Amidst these challenges, we continue to deliver. A major highlight was completing the Balmoral Water Scheme. While meeting modern regulatory guidelines and escalating costs added significantly to the price tag, this is a vital investment in our district's resilience, ensuring high-quality water for our rural community for decades.

Furthermore, this Council is a proactive advocate. We are not passive observers; we are actively engaging in debates on national legislation to ensure the unseen complications of central mandates are exposed before they impact the Clutha District.

Looking Ahead

Our focus remains on making Clutha District a place to live, work, and invest. I am heartened by the growing optimism among our younger generations who see a future here. To realise that potential, we must ensure our decision-making is based on accurate data and lean spending.

Thank you to our staff for their tireless work during the software transition, and to our ratepayers for your continued patience.

Sincerely,

J K Martin

Your Mayor, Jason (Jock) Martin

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LIVING & WORKING IN CLUTHA UPDATE

Our Living & Working in Clutha Strategy is one of our key guiding documents. It explains how we're intending to promote the well-being of the Clutha District's communities. It focuses on priorities we think have a crucial part to play:

INVESTING IN INFRASTRUCTURE

We are focused on maintaining our key infrastructure for residents and future generations, and enabling investment where benefits are clear. We will also look to facilitate growth where there is potential for this, to help achieve our goal of growing the population and the rating base. Council is focused on maintaining the affordability of its infrastructure. For more details refer to the Infrastructure Strategy 2024/54.

FACILITATING MORE QUALITY HOUSING

Quality housing is a key aspect of liveability in the Clutha District. Having the security of a home that is safe, warm, dry and affordable is a key foundation to the wellbeing of our people.

However, Clutha District's housing market continues to be under pressure, with challenges to the availability of quality housing for both ownership and rental. Demand for social housing is also growing. We intend to play an active leadership role to enable housing solutions by continuing to build on partnerships with communities and central government. We will continue to facilitate residential development to add more quality housing in the district, whether that be residential subdivisions, or single houses and infill development in our towns.

FILLING OUR JOBS

Actions that help to enhance economic growth are critical to the ongoing sustainability and livability of the Clutha District. For this to be achieved we need to ensure job opportunities are filled and we have a vibrant and diverse workforce with the skills to meet the changing needs of the district. This will continue to be crucial to our success both now and into the future. For more information, refer to the Long Term Plan 2024/34.

REDUCING OUR ENVIRONMENTAL FOOTPRINT

We want to help promote a district that plans for a sustainable future, through effective planning of infrastructure, efficient delivery of services, along with protection, maintenance and enhancement of our natural and built environments. Focus areas include waste reduction, water conservation and quality, and protecting and enhancing habitats of local significance. Other initiatives include supporting infrastructure for electric vehicles and reducing greenhouse gas emissions.

ADDRESSING CLIMATE CHANGE

Climate change is presenting challenges and opportunities to the district. Council's Clutha District Climate Change Strategy provides an understanding of the climate change impacts in the Clutha District and how to help deliver resilient infrastructure services, and guide decision making.

HEALTHY AND SAFE COMMUNITIES

Clutha is a caring and supporting community, yet there are many challenges to health, safety and wellbeing. This includes a relatively small and aging population, social issues such as drugs and excess alcohol use, and public transport options are limited making connectivity and access to health services vital. Council is committed to supporting the community in this area through its community programs and other activities.

SUPPORTING CULTURE & HERITAGE

The preservation and celebration of cultural and heritage values is part of what makes Clutha a great place to live, work and play. We are looking to showcase our rich culture and heritage to better share and celebrate who we are. This includes sharing community stories, making historical objects and records more accessible; and incorporating our local history and culture into community facilities such as halls and public spaces.

LIVING & WORKING IN CLUTHA FRAMEWORK



KEY TO THE WHEEL

- Vision
- Community Outcomes
- Key Priority Area
- Key Strategies & Plans

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MAJOR INFRASTRUCTURE PROJECTS

UPDATING YOU ON OUR MAIN INFRASTRUCTURE PROJECTS FOR 2025/26

WASTEWATER UPGRADES

- $90k spent on Milton wastewater compliance improvements.
- $770k spent on Milton wastewater pipeline renewal.
- $160k spent on Balclutha wastewater treatment plant upgrade.
- $136k spent on urban wastewater network extension.
- $91k spent on Owaka wastewater compliance upgrades.

ROADING

- $1,038k spent on Milton mainstreet project.
- $3,113k spent on sealed road resurfacing.
- $3,006k spent on unsealed road metalling.
- $684k spent on drainage renewals.
- $497k spent on Balclutha main street streetscpe project.
- $397k spent on structures component replacements.

WATER IMPROVEMENTS

- $1,206k spent on Balmoral/Tuapeka rural water scheme.
- $667k spent on Milton-Tokoiti water extension network.
- $572k spent on Milton WTP membrance replacement.
- $402k spent on Lawrence AC pipeline renewals.
- $292k spent on Tapanui AC pipeline renewals.
- $273k spent on Richardson Clifton road mian renewals.
- $235k spent on Glenkenich main reservoir upgrade.

STORMWATER IMPROVEMENTS

- $418k spent on Balclutha stormwater network renewal.
- $565k spent on Milton pipeline renewal.

SOLID WASTE

- $41k spent on upgrades to Mt Cooee
- $10k was spent on closure of existing cell at Mt Cooee.

COMMUNITY FACILITIES

- $876k spent on Milton community library new facility.
- $3,434k spent on the Milton community pool new facility.
- $301k spent on the Kaka Point public toilets
- $300k spent on the Balclutha Centenial park playground stage 2.

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*Please note only what was deemed a major project above a certain threshold is shown

FINANCIAL OVERVIEW 2025/26

MAJOR VARIANCES TO BUDGET EXPLAINED

Council operates a diverse and complex business which is reflected in the items recorded against operating revenue and expenditure. After forecasting a $403k deficit in 2025/26, Council recorded a $24,477k deficit.

The operating loss for the year was $24,074k below budget which has been mainly caused by:

REVENUE

- Better Off Funding of $1.9m budgeted to be received in 2025/26 for the Elsie Stewart Community Pool Project in Milton will now be received in the 2026/27 financial year. $700k was received as grant funding from the Bruce Community Facilities Trust towards this project in 2025/26.
- Amova interest revenue was $697k with fund management fees of $149k deducted during the year. There was a net unrealised gain of $1,489k at fair valuation, giving an overall increase of $2,037k to the Amova fund from previous year.
- Operating interest of $145k, interest rate swaps income of $187k and LFGA interest of $102k was received during the year.
- Grants and subsidies were $11,386k lower than budget, mainly due to changes in timing to the Roading programme resulting in roading subsidies being $6,183k less than budgeted. Roading projects have been carried forward resulting in less roading work being done, therefore less subsidies received.

EXPENDITURE

- Water operational expenditure $2,929k above budget due to non routine expenditure.
- IT costs were $384k over budget due to implementation of software as a service projects such as M-Files integrations, Datascape ERP upgrade and records digitisation.
- Mount Cooee operational costs were $691k over budget.
- Depreciation is $12,334k over budget due to large increase in roading valuation as at 30 June 2024.
- Insurance was $136k under budget for 2025/26.

Refer to the Statement of Comprehensive Revenue and Expenditure and notes to the financial statements for further information.

	ACTUAL 30 JUNE 2026 ($,000)	BUDGET 30 JUNE 2026 ($,000)	ACTUAL 30 JUNE 2025 ($,000)
SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2026			
INCOME			
Rates Revenue	40,851	41,716	34,703
Other Operating Revenue	25,126	33,693	21,372
Total Operating Revenue	**65,977**	**75,409**	**56,075**
EXPENDITURE			
Employee Benefits Expense	13,977	14,815	13,794
Depreciation and Amortisation	29,739	17,405	29,065
Finance Costs	7,149	5,805	6,945
Other Expenditure	39,590	37,788	39,096
Total Operating Expenditure	90,455	75,812	88,900
Operating Surplus	**(24,478)**	**(403)**	**(32,825)**
Gain/(Loss) on unlisted shares	1	-	1
Gain on Property, Plant and Equipment Revaluation	141,422	116,381	-
Total Comprehensive Revenue and Expenditure for the year	116,945	115,978	(32,824)
SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2026			
Equity at the beginning of the year	1,770,374	1,290,525	1,803,198
Total Comprehensive Revenue and Expenditure for the year	116,945	115,978	(32,824)
Equity at the end of the year	**1,887,319**	**1,406,503**	**1,770,374**
EQUITY REPRESENTED BY:			
Accumulated Funds	130,601	177,391	161,895
Reserves	1,756,718	1,229,112	1,608,479
SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026			
Current Assets	42,869	42,626	36,615
Non Current Assets	2,027,714	1,567,258	1,891,049
Total Assets	2,070,583	1,609,884	1,927,664
Current Liabilities	58,174	44,830	48,616
Non Current Liabilities	125,091	158,552	108,674
Total Liabilities	183,265	203,381	157,290
Net Assets/Equity	**1,887,319**	**1,406,503**	**1,770,374**
SUMMARY STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2026			
Net Cashflows from Operating activities	1,860	(17,001)	(1,918)
Net Cashflows from Investing activities	(24,190)	(64,318)	(31,415)
Net Cashflows from Financing activities	22,903	39,351	22,896
Net Cashflows for the Year	**573**	**485**	**(10,437)**

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MAJOR VARIANCES TO COUNCIL'S FINANCIAL POSITION COMPARED TO 2025 ACTUALS

- $1,416k higher Waka Kotahi subsidy receivable due to roading projects being carried forward, resulting in more roading work being done. Therefore more subsidies received.
- $2,037k higher Nikko investment balance due to an improvement in the global share markets and interest rate movements.
- $110k lower development property balance due to sales of sections at Rosebank Industrial, Rosebank Terrace and Kaitangata development properties.
- $135m higher property, plant and equipment balance mainly caused by revaluation of infrastructural assets.
- Rates receivable were $826k higher at year-end.
- $22,915k higher borrowing to reflect capital program completion and funding.

Refer to the Statement of Financial Position and notes to the financial statements for further information.

FINANCIAL STRATEGY

In the 2024/34 Long Term Plan the Financial Strategy was determined to guide financial decisions. The following tables show our performance against these measures for the 2025/26 financial year.

RETURN ON INVESTMENTS

Investments include Councils Amova investment, borrower notes and derivative financial instruments. There have been no withdrawals from the fund for investment funded expenditure.

CHANGES IN INVESTMENTS 2025/26

($M)	ANNUAL PLAN 2025/26	LONG TERM PLAN 2025/26	ACTUAL 2025/26
OPENING	33.3	33.4	32.6
CLOSING	34.3	34.8	36.2
CHANGE	1	1.4	3.6
RETURN (%)	4.10	5.25	11.00

LIMITS ON NET DEBT

Council's limits on net debt are set in the financial strategy at 280% of annual revenue. Council is $16,800k below the limit and planned debt levels mainly due to less infrastructure projects completed against projections.

	ANNUAL PLAN 2025/26	LONG TERM PLAN 2025/26	ACTUAL 2025/26
NET DEBT ($M)	157.2	165.2	167.9
DEBT LIMIT($M)	210.3	196	184.7

LIMITS ON RATES AND RATE INCREASES

Rates are an important source of funding for Council services. The $40.9m collected in 2025/26 meant an increase on 2024/25 of $6.2m. This was below the rates cap of 20% or $42.5m in the 2025/26 Annual Plan.

Refer to the Statement of Comprehensive Revenue and Expenditure and notes to the financial statements for more information.

	ANNUAL PLAN 2025/26	LONG TERM PLAN 2025/26	ACTUAL 2025/26
FORECAST RATES ($M)	41.2	42.2	40.9
RATES LIMIT AT 20% ($M)	42.5	42.4	41.2

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Deloitte.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF CLUTHA DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2026

AUDITORS REPORT TO BE UPDATED

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Deloitte.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF CLUTHA DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2026

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AUDITORS REPORT TO BE UPDATED

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Clutha District Council

STATEMENT OF SERVICE PERFORMANCE

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ANNUAL REPORT 2025/26

2025/26 IN DETAIL

This section of the Annual Report includes detail about Council's achievements and performance in 2025/26 (known as Statement of Service Performance). It also includes information about the main achievements in each of Council's ten areas of work:

- Community Leadership
- Economic and Community Development
- Transportation
- Water
- Wastewater
- Stormwater
- Waste Management & Minimisation
- Community Services
- Regulatory and Emergency Services
- Internal Services

All of Council's work aims to contribute towards our long term goals, referred to as outcomes. How these link with Council's services is outlined below.

For each of the ten areas of Council, we include the following:

- What we do for each area, and why we do it.
- How we performed and whether we met our performance targets.
- What it cost, whether we met budgets, and an explanation for variances.

All performance measures were set in 2024 as part of the 2024/34 Long Term Plan. Performance is measured in a variety of ways, including independent annual surveys of Clutha District residents.

The Long Term Plan describes at least one performance measure and target for each activity. These measures and targets were selected to reflect the level of service being provided and the impact sought by the activity.

Considerations included national requirements (DIA measures) for measurement, whether there was any existing data to ascertain a baseline state and whether the measure and target were practical to monitor.

In terms of measuring, systems were established where no existing systems were in place for capturing the information. Disclosing of progress occurs every quarter through progress reporting on the Long Term Plan to Clutha District Council's Risk and Assurance Committee, along with the Annual Report.

Reporting incorporates a traffic light system that provides a dashboard or signal for the results for the year is as follows:

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SUMMARY OF NON-FINANCIAL PERFORMANCE MEASURES

	YEAR ENDING 30 JUNE 2026			YEAR ENDING 30 JUNE 2025		
SUMMARY OF KPI TARGETS BY ACTIVITY	MET	NOT MET	TOTAL	MET	NOT MET	TOTAL
Community Leadership	1	1	2	1	1	2
Economic Development	1	0	1	1	0	1
Transportation	3	4	7	5	2	7
Water: Urban	10	4	14	6	8	14
Water: Rural	10	2	12	8	4	12
Wastewater	9	2	11	7	4	11
Stormwater	7	1	8	7	1	8
Waste Management & Minimisation	3	0	3	3	0	3
Community Services	0	1	1	1	0	1
Regulatory and Emergency Services	3	2	5	4	1	5
Internal services	0	2	2	1	1	2
TOTAL	**47**	**19**	**66**	**44**	**22**	**66**
Total percentage	71%	29%	100%	67%	33%	100%

COMMUNITY LEADERSHIP

Our elected members represent the Clutha District and its communities, undertaking an important oath to make decisions in the best interests of the Clutha District.

WHAT WE DO

Clutha District Council comprises 9 Councillors and a Mayor.

The nine Councillors represent eight wards with one Councillor for each ward other than Balclutha, which has two Councillors. The wards are – Balclutha, Bruce-Waihola, Catlins, Clinton-Clydevale, Kaitangata-Matau, Lawrence-Tuapeka, Milton and West Otago. The number of Councillors was reduced from 14 to 9 as part of a 2024 Representation Review and the new Council was elected during the 2025 Local Government Election process.

Together the Councillors and the Mayor provide leadership for the district by setting an overall direction, determining priorities and making decisions about the scope and levels of service Council will provide. Decision making in an important part of their role, including what Council will do and how to pay for activities.

The Mayor and Councillors set the performance standards and oversee the performance of Council activities and assets to ensure the best operation, maintenance and use of community resources. Much of this work takes place in Council and Committee meetings.

The Mayor proposes and the Council approves the Council and Committee structure. This structure enables Council's decision-making processes to be implemented in an effective and efficient manner, and also allows for the delegation of certain powers.

An important part of elected members role also includes representing their community, including communicating with residents, informing them of the reasons for Council decisions and advocating on their behalf.

This activity also includes the conduct of elections, by-elections and review of representation arrangements.

COMMUNITY LEADERSHIP

	TARGET PER LTP 2026	TARGET PER LTP 2025	ACTUAL 2026	ACTUAL 2025
LEVEL OF SERVICE 1: PROVIDE EFFECTIVE LEADERSHIP, REPRESENTATION AND SERVICE TO RESIDENTS AND RATEPAYERS.				
Satisfaction with decision-making, leadership and planning of elected members (Council)	≥80%	≥80%	60[1]%	53%
LEVEL OF SERVICE 2: MONITOR RATES AFFORDABILITY AND PROVIDE PRUDENT, EFFECTIVE AND EFFICIENT FINANCIAL MANAGEMENT				
To stay within rates limits ($m) and year on year increase ≤20%	41.2m	36.3m	40.4m 17.44%	34.4m 12.86%

1. This has been identified as an area of improvement in the survey and in respect of potential Key Performance Indicator changes for the next Long Term Plan.

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WHAT IT COST FOR COMMUNITY LEADERSHIP IN 2025/26

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2026

	2025 LONG TERM PLAN	2026 LONG TERM PLAN	2026 ACTUAL
SOURCES OF OPERATING FUNDING	$(000)	$(000)	$(000)
General rates, UAGC's, rates penalties	1,505	1,563	1,670
Targeted rates (other than targeted rates for water supply)	326	353	348
Subsidies and grants for operating purposes	-	-	-
Fees, charges and targeted rates for water supply	50	-	80
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	60	61	-
TOTAL SOURCES OF OPERATING FUNDING (A)	1,941	1,959	2,098
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	932	954	1,090
Finance costs	63	61	47
Internal charges and overheads applied	784	829	978
Other operating funding applications	-	-	0
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	1,779	1,844	2,115
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	162	116	(17)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt (Internal debt)	(52)	(54)	(21)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	(52)	(54)	(21)
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	50	-	-
Capital expenditure to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	36
Increase (decrease) of investments	60	61	2
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	110	61	38
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(162)	(116)	17
FUNDING BALANCE (A - B) + (C - D)	-	-	-

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ECONOMIC & COMMUNITY DEVELOPMENT

Future growth and sustainability for our district means putting economic and community development at the forefront of our actions and decisions.

WHAT WE DO

Part of Council's leadership involves supporting the economy and communities through economic and community development functions.

The following functions and services are included in this activity group:

- Economic Development: leading and delivering activities that will support, sustain and grow the economy, including via the economic development agency – Clutha Development Incorporated and in implementing Council's Living and Working in Clutha Strategy.
- Destination marketing for the district, including being a Regional Tourism Organisation (RTO), provided via Clutha Development Inc.
- Community Development which involves providing support and facilitation for community-driven initiatives throughout the district, including implementing Council's Living and Working in Clutha Strategy via Community Plans.
- Youth development which involves part-funding the Clutha District Youth Development Programme, and providing coordination and support for the Clutha District Youth Council.
- Providing financial assistance through a range of community grants and funding schemes.

ECONOMIC & COMMUNITY DEVELOPMENT

	TARGET PER LTP 2026	TARGET PER LTP 2025	ACTUAL 2025	ACTUAL 2024
LEVEL OF SERVICE 1: SUPPORT THE DISTRICT'S COMMUNITIES AND ECONOMY THROUGH COMMUNITY PLANNING, FACILITATION AND SUPPORT				
Percentage of projects and activities identified in Our Place Community Plans completed[1]	44%	40%	53.9%	51%

1. Calculated as a proportion of actions completed by the Project Manager of Community Plan Implementation

MĀORI PARTICIPATION IN DECISION-MAKING/IWI LIAISON

Clutha District Council has been progressing with their journey to proactively and genuinely engage with all Māori associated with the District. Internally, the Tautukunga Compliance Working Group has been established to lead on building connections and strengthening the relationship with iwi for the organisation, including providing support for staff working in this space. As part of this support, the working group has commenced developing a Clutha District Council Iwi Engagement Framework Strategy. The strategy focuses on the 3 key pillars of technical engagement (for resource consents), internal cultural capability, and governance. To further develop genuine relationships, Council staff have been liaising regularly with Aukaha and Te Ao Mārama Inc who each represent Rūnanga in the Clutha District, receiving positive feedback on Clutha District Council's willingness to connect in a meaningful way. A Service Level Agreement between Aukaha and Clutha District Council for the 2024/2025 year was established and Council staff have appreciated meeting kanohi ki te kanohi in the Ōtepoti Dunedin office, particularly regarding resource consent matters. Council also acknowledges the local rūnanga Waikoau Ngāi Tahu Rūnanga and liaises with them on matters that might be of relevance as well as staff and elected officials enjoying cultural tours learning about history in the Clutha District.

Alongside several other councils, Clutha District Council continues to fund and support Te Ao Mārama Inc, the agency approved by Te Rūnanga o Ngāi Tahu to act on iwi liaison matters in Murihiku/ Southland under the Resource Management Act 1991 and the Local Government Act 2002. The Papatipu Rūnanga and the participant councils meet quarterly at the Te Rōpū Taiao hui and are signatories of He Huarahi mō Ngā Uri Whakatupu, which is a Charter of Understanding endorsed by Te Rūnanga o Ngāi Tahu. This Charter is the foundation of enduring, authentic and mana-enhancing relationships between Ngāi Tahu ki Murihiku and Councils and the key focus of these meetings is on strategic matters and partnership. Clutha District Council looks forward to continuing building these relationships in the future.

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WHAT IT COST FOR ECONOMIC AND COMMUNITY DEVELOPMENT IN 2025/26

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2026

	20245LONG TERM PLAN	2026 LONG TERM PLAN	2026 ACTUAL
SOURCES OF OPERATING FUNDING	$(000)	$(000)	$(000)
General rates, UAGC's, rates penalties	1,627	1,603	1,786
Targeted rates (other than targeted rates for water supply)	-	-	-
Subsidies and grants for operating purposes	753	-	345
Fees, charges and targeted rates for water supply	-	-	10
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
TOTAL SOURCES OF OPERATING FUNDING (A)	2,380	1,603	2,141
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	2,082	1,295	1,980
Finance costs	84	81	63
Internal charges and overheads applied	163	173	229
Other operating funding applications	-	-	
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	2,329	1,549	2,272
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	51	54	(131)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt (Internal debt)	(51)	(54)	(49)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	(51)	(54)	(49)
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	-	-	-
Capital expenditure to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	271
Increase (decrease) of investments	-	-	(91)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	-	-	180
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(51)	(54)	131
FUNDING BALANCE (A - B) + (C - D)	-	-	-

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TRANSPORTATION

Transportation is a fundamental core service for Council. We have the third largest local roading network in the country.

WHAT WE DO

Within the Clutha District, roads are managed by two separate roading authorities. The New Zealand Transport Agency (Highway Network Operations) takes care of State Highways, while Clutha District Council maintains all other roads, known as local roads.

The Clutha District Council has the third largest local roading network in New Zealand, comprising 2,908km of local roads. Of this, 846km is sealed and 2,062km is unsealed. The roading network supports a resident population of around 18,900 people. Rural roads make up 95% of our network and form an important part of the export supply chain with the main land uses in the District being dairy, pastoral farming, forestry and horticulture. There are also key tourist routes through the District.

The roading assets administered by the Council include more than just roads. There are also footpaths, bridges, streetlights and other assets that are associated with transportation. The total depreciated replacement cost for Council's roading assets is $1,685 million.

HOW WE PERFORMED IN 2025/26

	TARGET PER LTP 2026	TARGET PER LTP 2025	ACTUAL 2026	ACTUAL 2025
ROADS				
LEVEL OF SERVICE 1: PROVIDE AN EFFECTIVE AND SUSTAINABLE LOCAL ROADING NETWORK				
Average quality of ride on the sealed road network (as per STE)	≥96%	≥96%	98%	96.3%
Percentage of the sealed local network that is resurfaced	≥6%	≥6%	3.7%[1]	3.8%
% of customer service for roads and footpaths responded to within timeframes	≥95%	≥95%	94.78%[2]	96.3%
LEVEL OF SERVICE 2: MONITOR SAFETY AND INVEST IN IMPROVING THE ROADING NETWORK				
Number of fatalities and serious injury crashes	≤10	≤10	12[3]	8
Average speed residents feel they can safely travel at on unsealed roads (km per hr)	60-70	60-70	68	70
FOOTPATHS				
LEVEL OF SERVICE 3: PROVIDE AN EFFECTIVE AND SUSTAINABLE NETWORK OF FOOTPATHS THROUGHOUT THE DISTRICT				
% of footpaths that are in good, very good or new / near new condition	≥94%	≥93%	95.17%	92.9%[2]
BRIDGES				
LEVEL OF SERVICE 4: PROVIDE A SAFE AND ECONOMIC NETWORK OF BRIDGES THROUGHOUT THE DISTRICT				
Percentage of bridges on key routes that meet heavy vehicle (50 Max) safety requirements.	≥94%	≥93%	93.63%[4]	93.4%

1. Working with our new Professional Services Provider has given us the opportunity to optimise our work programme and ensure investment is directed to where it is genuinely needed. The network validation identified that some roads previously programmed for resealing were still fit for purpose and did not require expenditure at that time. Rather than focusing on achieving a predetermined percentage of the network, our priority is to spend available funding wisely, based on condition, need and value. Following the full network assessment, we now have a clear, prioritised work programme being delivered this financial construction season.

2. During the October 2025 Wind event we received an influx of service requests. This lead to a decreased response time during the October and November months

3. While this is above the target, crash numbers fluctuate significantly from year to year. The accident investigations undertaken did not identify deficiencies in the road or Council-owned assets as contributing factors. Council continues to review crash information and target safety investment and interventions where the evidence identifies a network-related risk.

4. Bridges are inspected annually and their condition can deteriorate over time. No bridges have been replaced over the past two years; however, at least four bridge replacements are planned for 2026/27. These renewals are expected to increase the number of bridges on key heavy vehicle routes that meet 50MAX safety requirements and support Council in achieving the target.

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WHAT IT COST FOR ROADS AND FOOTPATHS IN 2025/26

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2026

	2025 LONG TERM PLAN	2026 LONG TERM PLAN	2026 ACTUAL
SOURCES OF OPERATING FUNDING	$(000)	$(000)	$(000)
General rates, UAGC's, rates penalties	4,781	5,647	-
Targeted rates (other than targeted rates for water supply)	2,850	3,173	7,761
Subsidies and grants for operating purposes	8,472	8,075	6,236
Fees, charges and targeted rates for water supply	934	934	533
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	148	137	-
TOTAL SOURCES OF OPERATING FUNDING (A)	17,186	17,966	14,530
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	10,542	9,833	9,968
Finance costs	350	555	361
Internal charges and overheads applied	3,251	3,388	2,896
Other operating funding applications	-	-	
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	14,143	13,776	13,225
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	3,043	4,190	1,305
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	6,159	8,780	4,978
Development and financial contributions	-	-	-
Increase (decrease) in debt (Internal debt)	3,915	(497)	1,039
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	10,074	8,283	6,017
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	443	-	1,550
Capital expenditure to replace existing assets	13,054	13,106	7,814
Increase (decrease) in reserves	(380)	(633)	185
Increase (decrease) of investments	-	-	(2,227)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	13,117	12,473	7,322
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(3,043)	(4,190)	(1,305)
FUNDING BALANCE (A - B) + (C - D)	-	-	-

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WATER SUPPLY

There are 22 water schemes that deliver water to 15 towns and more than 2,000 rural properties throughout the district, providing water for household consumption and stock water.

WHAT WE DO

Council supplies water via a number of urban and rural water supply schemes. While a portion of the water produced is used for stock consumption, all council water schemes, except for Waipahi Rural Water scheme, are treated to meet drinking water standards and are suitable for human consumption, with approximately a third of the water produced being for domestic consumption and the balance being largely used for stock water. Council's water supplies include:

- Seven urban water supplies servicing Balclutha, Kaitangata, Lawrence, Milton, Waihola, Owaka and Tapanui. With the exception of Owaka, which is a restricted supply, they provide an on demand supply of potable water for domestic, commercial and industrial use within each scheme area.
- Nine rural water schemes which primarily provide drinking water for stock. These are Balmoral/Tuapeka, Clydevale-Pomahaka, Glenkenich, Moa Flat, North Bruce, Richardson, South Bruce, Waipahi and Wangaloa. All schemes other than Waipahi also provide water for domestic consumption.
- Four smaller communities and townships are provided water in bulk from rural water schemes. These townships are Clinton (Clydevale-Pomahaka), Kaka Point (Richardson), Benhar (South Bruce/Stirling Treatment Plant), and Stirling (South Bruce/Stirling Treatment Plant). Most of these communities have restricted supplies to consumers, except for Benhar and Stirling which are both on-demand schemes and Stirling is also universally metered.

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HOW WE PERFORMED IN 2025/26

		TARGET PER LTP 2026	TARGET PER LTP 2025	ACTUAL 2026	ACTUAL 2025
URBAN WATER					
LEVEL OF SERVICE 1: WATER FROM COUNCIL URBAN SUPPLIES IS SAFE TO DRINK.					
Compliance with the DWQAR Standards for bacteriological compliance		100%	100%	98.5%[1]	95%[1]
Compliance with the DWQAR Standards protozoal compliance		100%	100%	97.5%[1]	98%[1]
LEVEL OF SERVICE 2: URBAN SUPPLIES PROVIDE A CONTINUOUS AND RELIABLE SOURCE OF WATER TO CONSUMER					
Number of drinking water complaints (Requests for Service) per 1000 connections about:	Clarity	≤17	≤17	23.02[2]	20.2[2]
	Taste	≤3	≤3	0.19	1.1
	Odour	≤2	≤2	0	0.2
	Pressure	≤5	≤5	7.11[3]	5.6[3]
	Continuity	≤30	≤30	17.59	19.5
	Council's response to any of these issues	≤14	≤14	0	0.2
Average consumption of drinking water per resident per day (litres per day)		≤650	≤650	465	535
LEVEL OF SERVICE 3: URBAN WATER SCHEMES ARE MANAGED EFFECTIVELY AND EFFICIENTLY					
Median response time (in hours) from notification of fault or unplanned interruption to when personnel reach the site:	Urgent (hours)	≤4	≤2	1.53	13.6[4]
	Non-urgent (hours)	≤24	≤24	15.04	24.7[4]
Median response time (in hours) from notification of fault or unplanned interruption to when personnel confirm resolution:	Urgent (hours)	≤12	≤12	3.81	15[4]
	Non-urgent (hours)	≤48	≤48	28.27	73.4[4]
Percentage of real water loss from Council's reticulation system		≤29%	≤29%	26.4%	26.4%

1. Council has engaged BECA to perform an independent evaluation of compliance with the Drinking Water Quality Assurance Rules 2022 (DWQAR) for all its 15 potable water supplies. Please see results and further explanation of this testing on page 24.
2. Council is working on a number of upgrades that will impact townships that are supplied. Council also actively sought feedback about clarity from the Milton community to identify areas of the network experiencing high colour caused by mineral build ups in pipes. Subsequently, targeted cleaning has been undertaken.
3. Reported incidents span several areas and cannot be attributed to a single cause.

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URBAN WATER COMPLIANCE WITH NZDW STANDARDS FOR BACTERIOLOGICAL AND PROTOZOAL COMPLIANCE

For the period 1 July 2025 to 30 June 2026, this assessment has been completed against the DWQAR. CDC has used the rules relating to bacterial and protozoal compliance that are essentially equivalent to those in the previous DWSNZ. The modules in the DWQAR used to assess bacterial and protozoal compliance depend on the size of the water supply and the modules nominated by the CDC. The results of this testing are as below.

An average of compliance with each relevant Rule from the DWQAR has been used to provide an overall compliance total percentage. Balmoral/Tuapeka WTP now supplies Lawrence, and the Lawrence WTP is excluded from this assessment.

Level 3 distribution compliance uses the total average compliance. We have also provided residual disinfection and microbiological compliance separately.

1 – Bacteriological Compliance 1 July 2025 to 30 June 2026

Name	*Treatment Plant*	*Population*	*Bacteriological Compliance 1 July 2025 – 30 June 2026*
Balclutha	Balclutha	4,818	T3 Treatment Plant: 99.97% - Comment a) D3 Residual Disinfection Rules: 100% D3 Microbiological Monitoring Rules: 100%
Clinton Township	Clydevale-Pomahaka	302	T3 Treatment Plant: 99.9% - Comment a) D3 Residual Disinfection Rules: 95.8% - Comment g) D3 Microbiological Monitoring Rules: 100%
Kaitangata Township	Kaitangata	782	T3 Treatment Plant: 99.0% - Comment b) D3 Residual Disinfection Rules: 100% D3 Microbiological Monitoring Rules: 100%
Kaka Point Township	Puerua	253	T3 Treatment Plant: 91.4% - Comments a), b), c), and e) D3 Residual Disinfection Rules: 87.5% - Comment g) D3 Microbiological Monitoring Rules: 100% - Comment h)
Lawrence	Lawrence	490	T3 Treatment Plant: 99.9% - Comment e) D3 Residual Disinfection Rules: 95.8% - Comment g) D3 Microbiological Monitoring Rules: 100%
Milton	Milton	2244	T3 Treatment Plant: 99.8% - Comment d) D3 Residual Disinfection Rules: 100% D3 Microbiological Monitoring Rules: 100%
OCF	Milton	600	T3 Treatment Plant: 99.8% - Comment d) D3 Residual Disinfection Rules: 95.8% - Comment f) D3 Microbiological Monitoring Rules: 100%
Owaka	Owaka	321	T3 Treatment Plant: 98.8% - Comments a), b), and c) D3 Residual Disinfection Rules: 95.8% - Comment g) D3 Microbiological Monitoring Rules: 100%
Stirling Township	Stirling	440	T3 Treatment Plant: 99.9% - Comment a) D3 Residual Disinfection Rules: 100% D3 Microbiological Monitoring Rules: 100% - Comment h)
Tapanui	Tapanui	817	T3 Treatment Plant: 99.8% - Comments d) and e) D3 Residual Disinfection Rules: 100% D3 Microbiological Monitoring Rules: 100%
Waihola Township	Milton	487	T3 Treatment Plant: 99.8% - Comment d) D3 Residual Disinfection Rules: 95.8% - Comment g) D3 Microbiological Monitoring Rules: 100%
Total		**11,554**	**T3 Treatment Plant: 98.7%** **D3 Distribution Zones: 98.5%**

a. The flow rate through the UV was above the reactor's certified flow range.
b. The UVI sensor check was not completed monthly.
c. The UV dose was not maintained for the required period to achieve compliance.
d. The chlorine dose rate and/or contact time were not maintained for the required period to achieve compliance.
e. The turbidity in the treated water exceeded the maximum allowable NTU.
f. The days between collected samples exceeded the maximum allowable interval.
g. Chlorine residual in the distribution zone was below the minimum requirement.
h. *E. coli* transgression(s) in the distribution zone.

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2 – Protozoa Compliance 1 July 2025 to 30 June 2026

Name	Treatment Plant	Population	Protozoal Compliance 1 July 2025 – 30 June 2026
Balclutha	Balclutha	4818	T3 Treatment Plant: 99.9% – Comments a) and b)
Clinton	Clydevale/ Pomahaka	302	T3 Treatment Plant: 98.8% – Comments a) and b)
Kaitangata	Kaitangata	782	T3 Treatment Plant: 99.5% – Comment c)
Kaka Point	Puerua	253	T3 Treatment Plant: 92.3% – Comments a), b), c), d), and e)
Lawrence	Balmoral/ Tuapeka	490	T3 Treatment Plant: 99.9% – Comments a) and e)
Milton/OCF/ Waihola	Milton	3331	T3 Treatment Plant: 91.1% – Comments a), e), f), and g)
Owaka	Owaka	321	T3 Treatment Plant: 99.1% – Comments a), b), c), and d)
Stirling	Stirling	440	T3 Treatment Plant: 100%
Tapanui	Tapanui	817	T3 Treatment Plant: 97.1% – Comments a) and e)
Total		**11,554**	**T3 Treatment Plant: 97.5%**

a. The protozoal barrier required to achieve compliance was not always provided.

b. The UV dose or UVT was not sufficient to achieve compliance.

c. The UVI sensor check was not completed monthly.

d. The flow rate through the UV was above the reactor's certified flow range.

e. The turbidity in the treated water exceeded the maximum allowable NTU.

f. The membrane unit did not complete the daily integrity test.

g. The recycle stream return rate exceeded 10% of the plant's inflow.

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HOW WE PERFORMED IN 2025/26

		TARGET PER LTP 2026	TARGET PER LTP 2025	ACTUAL 2026	ACTUAL 2025
RURAL WATER					
LEVEL OF SERVICE 1: WATER FROM COUNCIL RURAL SCHEMES IS SAFE TO DRINK					
Compliance with the DWQAR Standards for bacteriological compliance		100%	100%	96.3%[1]	86%
Compliance with the DWQAR Standards for protozoal compliance		100%	100%	96.7%[1]	85%
LEVEL OF SERVICE 2: RURAL SCHEMES PROVIDE A CONTINUOUS AND RELIABLE SOURCE OF WATER TO CONSUMERS					
Number of drinking water complaints (requests for service) per 1000 connections about:	Clarity	≤12	≤12	5.87	12.9
	Taste	≤5	≤5	1.17	0
	Odour	≤3	≤3	0	0
	Pressure	≤200	≤200	86.91	148
	Continuity	≤250	≤200	143.86	223.7
	Council's response to any of these issues	≤14	≤14	0	7.1
LEVEL OF SERVICE 3: RURAL WATER SCHEMES ARE MANAGED EFFECTIVELY AND EFFICIENTLY					
Median response time (in hours) from notification of fault or unplanned interruption to when personnel reach the site:	Urgent (hours)	≤4	≤4	2.11	4.2
	Non-urgent (hours)	≤24	≤24	18.45	20.5
Median response time (in hours) from notification of fault or unplanned interruption to when personnel confirm resolution:	Urgent (hours)	≤24	≤12	13.1	32.7[3]
	Non-urgent (hours)	≤48	≤48	23.41	43.2[3]

1. Council has engaged BECA to perform an independent evaluation of compliance with the Drinking Water Quality Assurance Rules 2022 (DWQAR) for all its 15 potable water supplies. Please see results and further explanation of this testing on page 27.

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RURAL WATER COMPLIANCE WITH NZ DRINKING WATER STANDARDS FOR BACTERIOLOGICAL AND PROTOZOAL COMPLIANCE

For the period 1 July 2025 to 30 June 2026, this assessment has been completed against the DWQAR. CDC has used the rules relating to bacterial and protozoal compliance that are essentially equivalent to those in the DWSNZ. The modules in the DWQAR used to assess bacterial and protozoal compliance depend on the size of the water supply and the modules nominated by the CDC. The results of this testing are as below.

An average of compliance with each relevant Rule from the DWQAR has been used to provide an overall compliance total percentage. Balmoral/Tuapeka WTP now supplies Balmoral 1, Balmoral 2, Tuapeka East and Tuapeka West, and the Waitahuna and Evans Flat WTPs are excluded from this assessment.

Level 3 distribution compliance uses the total average compliance. We have also provided residual disinfection and microbiological compliance separately.

1 – Bacteriological Compliance 1 July 2025 to 30 June 2026

Name	Treatment Plant	Population	Bacteriological Compliance 1 July 2025 – 30 June 2026
Balmoral 1	Balmoral/ Tuapeka	247	T3 Treatment Plant: 99.9% - Comment e) D3 Residual Disinfection Rules: 95.8% - Comment g) D3 Microbiological Monitoring Rules: 100%
Balmoral 2	Balmoral/ Tuapeka	399	T3 Treatment Plant: 99.9% - Comment e) D3 Residual Disinfection Rules: 79.2% - Comments g) and h) D3 Microbiological Monitoring Rules: 100% - Comment h
Clydevale-Pomahaka	Clydevale-Pomahaka	550	T3 Treatment Plant: 99.9% - Comment a) D3 Residual Disinfection Rules: 100% D3 Microbiological Monitoring Rules: 100%
Glenkenich	Glenkenich	705	T3 Treatment Plant: 99.4% - Comments d) and e) D3 Residual Disinfection Rules: 91.7% - Comments f) and g) D3 Microbiological Monitoring Rules: 100%
Moa Flat	Moa Flat	534	T3 Treatment Plant: 84.1% - Comments a), c), and e) D3 Residual Disinfection Rules: 100% D3 Microbiological Monitoring Rules: 100%
North Bruce	North Bruce	658	T3 Treatment Plant: 96.2% - Comments a), c), and e) D3 Residual Disinfection Rules: 91.7% - Comment g) D3 Microbiological Monitoring Rules: 100%
Richardson North	Whitelea Rd	312	T3 Treatment Plant: 99.8% - Comment d) D3 Residual Disinfection Rules: 95.8% - Comment g) D3 Microbiological Monitoring Rules: 100%
Richardson South	Puerua	469	T3 Treatment Plant: 91.4% - Comments a), b), c), and e) D3 Residual Disinfection Rules: 87.5% - Comment g) D3 Microbiological Monitoring Rules: 100%
South Bruce	Stirling	434	T3 Treatment Plant: 99.9% - Comment a) D3 Residual Disinfection Rules: 100% D3 Microbiological Monitoring Rules: 100%
Tuapeka East	Balmoral/ Tuapeka	276	T3 Treatment Plant: 99.9% - Comment e) D3 Residual Disinfection Rules: 70.8% - Comment g) D3 Microbiological Monitoring Rules: 100%
Tuapeka West	Balmoral/ Tuapeka	283	T3 Treatment Plant: 99.9% - Comment e) D3 Residual Disinfection Rules: 95.8% - Comment g) D3 Microbiological Monitoring Rules: 100%
Wangaloa	Kaitangata	50	T3 Treatment Plant: 99.0% - Comment b) D3 Residual Disinfection Rules: 100% D3 Microbiological Monitoring Rules: 100%
Total		**4,917**	**T3 Treatment Plant: 96.6%** **D3 Distribution Zones: 96.2%**

a. The flow rate through the UV was above the reactor's certified flow range.

b. The UVI sensor check was not completed monthly.

c. The UV dose was not maintained for the required period to achieve compliance.

d. The chlorine dose rate and/or contact time were not maintained for the required period to achieve compliance.

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e. The turbidity in the treated water exceeded the maximum allowable NTU.

f. The days between collected samples exceeded the maximum allowable interval.

g. Chlorine residual in the distribution zone was below the minimum requirement.

h. E. coli transgression(s) in the distribution zone.

2 - Protozoal Compliance 1 July 2025 to 30 June 2026

Name	Treatment Plant	Population	Protozoal Compliance 1 July 2025 to 30 June 2026
Clydevale-Pomahaka	Clydevale-Pomahaka	550	T3 Treatment Plant: 98.8% - Comments a) and b)
Glenkenich	Glenkenich	705	T3 Treatment Plant: 99.0% - Comments a), e), and f)
Wangaloa	Kaitangata	50	T3 Treatment Plant: 99.5% - Comment c)
Moa Flat	Moa Flat	534	T3 Treatment Plant: 85.2% - Comments a), b), d), and e)
North Bruce	North Bruce	658	T3 Treatment Plant: 95.9% - Comments a), b), d), and e)
Richardson South	Puerua	469	T3 Treatment Plant: 92.3% - Comments a), b), c), d), and e)
South Bruce	Stirling	434	T3 Treatment Plant: 100%
Balmoral 1/ Balmoral 2/ Tuapeka East/ Tuapeka West	Balmoral/ Tuapeka	1205	T3 Treatment Plant: 99.9% - Comments a) and e)
Richardson North	Whitelea Rd	312	T3 Treatment Plant: 99.8% - Comments a), e), and f)
Total		**4917**	**T3 Treatment Plant: 96.7%**

a. The protozoal barrier required to achieve compliance was not always provided.

b. The UV dose and/or UVT was not sufficient to achieve compliance.

c. The UVI sensor check was not completed monthly.

d. The flow rate through the UV was above the reactor's certified flow range.

e. The turbidity in the treated water exceeded the maximum allowable NTU.

f. The membrane unit did not complete the daily integrity test.

3 - Aluminium Compliance 1 February 2025 to 30 June 2026

Drinking Water Quality Assurance Rules require aluminium testing, which came into effect in November 2022. The rules stipulate a Maximum Allowable Value (MAV) of 1 mg/L for aluminium.

Aluminium levels exceeding the MAV continue to be detected in the North Bruce distribution. Of the 81 samples collected during the reporting period, ten were above the MAV.

Aluminium levels exceeding the MAV continue to be detected in the Moa Flat distribution. Of the 76 samples collected during the reporting period, 14 were above the MAV.

Aluminium levels exceeding the MAV continue to be detected in the Puerua distributions. Of the 130 samples collected during the reporting period, seven were above the MAV: five from Richardson South and two from Kaka Point.

One Aluminium MAV exceedance occurred in the Stirling distribution during the reporting period.

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4 - *E. coli* Transgressions

The water supply long-term boil water notices were lifted for Moa Flat, North Bruce, Balmoral 1, Balmoral 2, Tuapeka East and Tuapeka West during the 2025/26 reporting period.

E. coli transgressions occurred in the Stirling (1), Kaka Point (2) and Balmoral 2 (2) distributions during the 2025/26 reporting year.

Name	Date	Count	E. coli Result (cfu/100 ml)
Stirling	19/12/2025	1	1
Kaka Point	27/12/2025 & 09/01/2026	2	1
Balmoral 2	03/03/2026 & 05/03/2026	2	2

DRAFT

WHAT IT COST FOR WATER IN 2025/26

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2026

	2025 LONG TERM PLAN	2026 LONG TERM PLAN	2026 ACTUAL
SOURCES OF OPERATING FUNDING	$(000)	$(000)	$(000)
General rates, UAGC's, rates penalties	-	-	-
Targeted rates (other than targeted rates for water supply)	10,455	13,738	13,392
Subsidies and grants for operating purposes	-	-	-
Fees, charges and targeted rates for water supply	893	1,011	1,055
Internal charges and overheads recovered	2,345	3,131	-
Local authorities fuel tax, fines, infringement fees and other receipts	182	187	-
TOTAL SOURCES OF OPERATING FUNDING (A)	13,876	18,068	14,447
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	7,256	7,478	8,725
Finance costs	2,376	3,402	2,507
Internal charges and overheads applied	2,253	4,804	2,093
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	11,884	15,684	13,325
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	1,992	2,384	1,122
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt (Internal debt)	19,552	4,648	3,816
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	19,552	4,648	3,816
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure to meet additional demand	85	43	-
Capital expenditure to improve the level of service	16,436	4,108	6,033
Capital expenditure to replace existing assets	4,951	2,360	590
Increase (decrease) in reserves	72	520	(148)
Increase (decrease) of investments	-	-	(1,537)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	21,544	7,032	4,938
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(1,992)	(2,384)	(1,122)
FUNDING BALANCE (A - B) + (C - D)	-	-	-

DRAFT

WASTEWATER

Council protects environmental and public health by collecting, treating and disposing of treated effluent from 14 townships in the district, via 11 wastewater schemes.

WHAT WE DO

Council collects, treats and disposes of domestic wastewater and non-domestic liquid (trade waste) discharges via 11 public wastewater schemes. These schemes service the townships of Balclutha, Clinton, Heriot, Kaitangata, Kaka Point, Lawrence, Milton, Owaka, Stirling, Tapanui and Waihola. Extensions to the Balclutha and Milton schemes have been completed to serve the townships of Benhar and Tokoiti respectively. There is also a piped collection system for Pounawea, connected to the Owaka treatment plant that will service properties, if they wish to connect. For new properties in Pounawea, or significant changes to existing properties compulsory connection to this system is required under the Building Act.

HOW WE PERFORMED IN 2025/26

		TARGET PER LTP 2026	TARGET PER LTP 2025	ACTUAL 2026	ACTUAL 2025
LEVEL OF SERVICE 1: PROVIDE WASTEWATER SERVICES THAT EFFECTIVELY COLLECT AND DISPOSE OF WASTE					
Number of dry weather wastewater overflows expressed per 1,000 sewerage connections to that wastewater system		≤6	≤6	3.58	3
LEVEL OF SERVICE 2: WASTEWATER SCHEMES ARE MANAGED EFFICIENTLY AND EFFECTIVELY					
Median response time (in hours) from notification of fault to when personnel:	Reach the site (response)	≤2	≤2	1.03	17
	Confirm resolution of the blockage or other fault	≤12	≤12	5.32	59
Number of complaints per 1,000 connections about any of the following:	Waste odour	≤3	≤3	0.56	0.8
	Wastewater system faults	≤10	≤10	2.26	1.7
	Wastewater system blockages	≤8	≤8	6.97	4.5
	Council's response to any of these issues	≤5	≤5	0	0.4
Compliance with Council's resource consents for waste discharge, measured as number of:	Abatement notices	0	0	6[1]	6[2]
	Infringement notices	0	0	1[2]	8[3]
	Enforcement orders	0	0	0	0
	Convictions	0	0	0	0

DRAFT

CDC received six abatement notices and one infringement notice from the ORC during the 2025/26 reporting period. Notices were issued for the wastewater treatment plants in Waihola, Rosebank Industrial Park, Clinton, Kaitangata and Tapanui. CDC has ten active abatement notices that concern wastewater treatment plants.

1. Wastewater discharge issues concerning the Waihola, Rosebank Industrial Park, Clinton, Kaitangata and Tapanui wastewater treatment plants were identified during the reporting period. The wastewater discharged did not meet specific parameter limits stated in the discharge permits, or the daily discharge volumes exceeded the consented limits.
    a. The ORC issued Abatement Notice EN.RMA.25.0069 concerning non-compliant final effluent discharge limits from the Waihola WWTP was cancelled on 26 February 2026.
    b. The ORC issued Abatement Notice EN.RMA.26.0009 concerning the discharge of untreated wastewater to land from the Waihola wastewater network. CDC requested cancellation of this Abatement Notice on 7 September 2026.
    c. CDC must comply with Abatement Notice EN.RMA.25.146 concerning non-compliant daily discharge volume exceedances from the Rosebank Industrial Park until December 2026.
    d. CDC must demonstrate compliance with Abatement Notice EN.RMA.26.0033 concerning non-compliant daily discharge volume and final effluent discharge parameter limit exceedances from the Clinton WWTP by 30 September 2026. CDC requires an extension to demonstrate full compliance.

e. CDC must demonstrate compliance with Abatement Notice EN.RMA.26.0030 concerning non-compliant final effluent discharge parameter limit exceedances from the Kaitangata WWTP by 30 September 2026. CDC requires an extension to demonstrate full compliance.

f. CDC must demonstrate compliance with Abatement Notice EN.RMA.26.0049 concerning non-compliant final effluent discharge parameter limit exceedances from the Tapanui WWTP by 31 July 2027.

2. The Infringement Notice received during the 2025/26 reporting period was issued in relation to the Tapanui Abatement Notice EN.RMA.25.0059, which was cancelled on 31 July 2026.

WHAT IT COST FOR WASTEWATER IN 2025/26

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2026

	2025 LONG TERM PLAN	2026 LONG TERM PLAN	2026 ACTUAL
SOURCES OF OPERATING FUNDING	$(000)	$(000)	$(000)
General rates, UAGC's, rates penalties	-	-	-
Targeted rates (other than targeted rates for water supply)	2,556	3,639	3,057
Subsidies and grants for operating purposes	-	-	-
Fees, charges and targeted rates for water supply	270	276	374
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	254	225	-
TOTAL SOURCES OF OPERATING FUNDING (A)	3,079	4,140	3,431
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	2,089	2,167	2,125
Finance costs	358	512	389
Internal charges and overheads applied	(42)	760	977
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	2,404	3,439	3,491
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	675	701	(60)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt (Internal debt)	2,949	186	952
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	2,949	186	952
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure to meet additional demand	170	165	-
Capital expenditure to improve the level of service	3,080	-	686
Capital expenditure to replace existing assets	1,487	495	810
Increase (decrease) in reserves	(1,113)	226	148
Increase (decrease) of investments	-	-	(752)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	3,623	886	892
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(675)	(701)	60
FUNDING BALANCE (A - B) + (C - D)	-	-	-

DRAFT

STORMWATER

Council's stormwater drainage networks protect people and properties across many of the district's urban communities from the effects of flooding.

WHAT WE DO

There is a diverse range of towns and smaller settlements spread across the Clutha District, and they all bring their own specific demands and challenges, including how to collect and dispose of stormwater run-off.

Council currently provides for the drainage of stormwater via 13 community stormwater drainage schemes: in Balclutha, Clinton, Kaitangata, Kākā Point, Lawrence, Milton, Ōwaka, Heriot, Pounawea, Taieri Mouth, Stirling, Waihola and Tapanui. These systems manage the disposal of surface water and ground water flows to protect property and public health. Generally, piped systems are designed to cope with stormwater flows resulting from heavy rainfall such as a 1 in 5 year or 1 in 10 year event (20% or 10% probability of happening annually). However, when assessing and designing new systems, consideration is given to how flows from much larger events can be handled within the catchment i.e. overland flow paths, flood channels, diversions.

Rural stormwater issues are generally associated with roading and as such are funded as a roading activity.

HOW WE PERFORMED IN 2025/26

		TARGET PER LTP 2026	TARGET PER LTP 2025	ACTUAL 2026	ACTUAL 2025
LEVEL OF SERVICE 1: TO PROVIDE STORMWATER DRAINAGE THAT PROTECTS AGAINST THE EFFECTS OF FLOODING					
Flooding events to habitable floors due to overflows from a council stormwater system (per 1000 connected properties).		0	0	0	0
Number of flooding events that occur in a territorial authority district (i.e. an overflow from a Council stormwater system)		≤23	≤23	16	17
Number of complaints about performance of stormwater systems (per 1,000 connected properties)		≤10	≤10	4.65	8.38
Median response time (in hours) from notification of fault to when personnel reach the site		<12	<12	71.74[1]	37.4
Compliance with Council's resource consents for sewerage discharge, measured as number of:	Abatement notices	0	0	0	0
	Infringement notices	0	0	0	0
	Enforcement orders	0	0	0	0
	Convictions	0	0	0	0

1. Staff may not respond to some stormwater incidents because affected areas are flooded and unsafe to enter. We expect performance to improve as staff and contractors record these incidents with appropriate notes in future explaining why a response was not possible.

DRAFT

WHAT IT COST FOR STORMWATER IN 2025/26

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2026

	2025 LONG TERM PLAN	2026 LONG TERM PLAN	2026 ACTUAL
SOURCES OF OPERATING FUNDING	$(000)	$(000)	$(000)
General rates, UAGC's, rates penalties	-	-	-
Targeted rates (other than targeted rates for water supply)	1,058	1,695	1,584
Subsidies and grants for operating purposes	-	-	-
Fees, charges and targeted rates for water supply	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	(7)	(12)	-
TOTAL SOURCES OF OPERATING FUNDING (A)	1,051	1,683	1,584
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	463	474	211
Finance costs	324	397	265
Internal charges and overheads applied	(27)	485	614
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	760	1,355	1,090
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	291	328	494
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt (Internal debt)	1,393	986	547
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	1,393	986	547
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure to meet additional demand	85	43	-
Capital expenditure to improve the level of service	934	679	95
Capital expenditure to replace existing assets	833	550	1,025
Increase (decrease) in reserves	(167)	42	(262)
Increase (decrease) of investments	-	-	183
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	1,684	1,314	1,041
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(291)	(328)	(494)
FUNDING BALANCE (A - B) + (C - D)	-	-	-

DRAFT

WASTE MANAGEMENT & MINIMISATION

Effective and efficient waste management and minimisation is a key contributor to one of Council's key outcomes for a 'healthy sustainable environment.

WHAT WE DO

Council oversees the management and minimisation of solid waste within the district. These activities include:

- Operation and management of a sanitary landfill and a proposed resource recovery hub at Mt Cooee Landfill in Balclutha.
- Residential kerbside wheelie bin collections for waste and recycling to most townships across the District. The service is also available to households along service routes.
- Transfer stations for residential waste and recycling in Clinton, Lawrence, MacLennan, Milton, Owaka, and Tapanui.
- A key operated skip service for waste at Beaumont and a recycling drop off at Taieri Mouth.Monitoring and maintaining 19 closed tip sites throughout the district.
- Monitoring and maintaining some closed landfills throughout the district.
- Promotion of waste minimisation through community education programs and waste diversion facilities.
- Facilitation of the Enviroschools programme at 10 schools across the district.
- Delivery of the Zero Waste Education programme to 10 schools across the district.

HOW WE PERFORMED IN 2024/25

	TARGET PER LTP 2026	TARGET PER LTP 2025	ACTUAL 2026	ACTUAL 2025
LEVEL OF SERVICE 1: PROVIDE REFUSE & KERBSIDE RECYCLING COLLECTION THAT MEETS CUSTOMEREXPECTATIONS				
Resident satisfaction with refuse/recycling service	≥80%	≥80%	92%	92%
LEVEL OF SERVICE 2: MINIMISE THE AMOUNT OF WASTE TO LANDFILL				
Kilogrammes of waste per resident diverted from Mt Cooee landfill (kg)	≥59	≥59	61.3	61.3
Kilogrammes of waste per resident to Mt Cooee landfill (kg)	≤462	≤462	413.65	443.9

DRAFT

WHAT IT COST FOR SOLID WASTE IN 2025/26

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2026

	2025 LONG TERM PLAN	2026 LONG TERM PLAN	2026 ACTUAL
SOURCES OF OPERATING FUNDING	$(000)	$(000)	$(000)
General rates, UAGC's, rates penalties	-	-	282
Targeted rates (other than targeted rates for water supply)	2,073	2,249	2,078
Subsidies and grants for operating purposes	82	83	386
Fees, charges and targeted rates for water supply	2,000	2,040	1,503
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	(1)	(3)	-
TOTAL SOURCES OF OPERATING FUNDING (A)	4,154	4,370	4,249
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	3,235	3,300	3,975
Finance costs	21	109	94
Internal charges and overheads applied	743	773	839
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	3,999	4,182	4,908
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	155	188	(659)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt (Internal debt)	1,674	9,301	(116)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	1,674	9,301	(116)
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	131	2,966	51
Capital expenditure to replace existing assets	1,751	6,378	-
Increase (decrease) in reserves	(53)	145	107
Increase (decrease) of investments	-	-	(933)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	1,829	9,488	(775)
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(155)	(188)	659
FUNDING BALANCE (A - B) + (C - D)	-	-	-

DRAFT

COMMUNITY SERVICES

Council provides and supports a variety of community spaces and facilities throughout the district.

WHAT WE DO

Council provides various community facilities and services throughout the district. Financial and non-financial assistance is also provided to external organisations that provide community services.

LIBRARIES AND VISITOR INFORMATION CENTRES

LIBRARIES

This involves the provision of:

Clutha District Libraries is a network of five Community Libraries in Balclutha, Milton, Tapanui, Owaka and Lawrence. All provide an extensive range of resources, services and programmes that directly support council's strategic priorities as expressed through its Living and Working in Clutha Strategy:

- Clutha has vibrant rural towns and communities.
- Clutha is connected and collaborative.
- Clutha has a healthy and sustainable environment.

The following key focus areas, which are directly aligned to these priorities, provide the fundamental foundation for all library activities:

- Welcoming and inclusive spaces.
- A customer centric approach.
- A wide range of content that provides sources of inspiration, knowledge, and access to information.
- Programmes to support life-long learning through digital inclusion, social connectivity, creativity, and literacy.
- Collaborative community and customer engagement, partnerships, and the provision of access to a wide range of internal and external services.
- The collection, curation, and celebration of local heritage.

INFORMATION CENTRES

This involves

- An Information Centre in Balclutha, which handles nationwide bookings for tourists and locals.
- Supporting Lawrence/Tuapeka Information Centre/ Museum, Milton Information Centre/ Museum, the Catlins Historical Society through annual grants.
- Owaka also provides comprehensive visitor information.

OPEN SPACES

The Open Spaces activity is one of Council's most high profile and visible services. If the district is a customer offering, the open spaces activity is its shop window. People tend to value and have pride in their well maintained local park or reserve. These activities are:

- Parks and Reserves
- Sportsgrounds
- Public Conveniences
- Playgrounds

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- Campgrounds
- Cemeteries

The activities in this group ensure that all members of the community have opportunities to access a range of public spaces and facilities that provide for social and cultural wellbeing particularly through physical activities, leisure opportunities and recreation. They also ensure that the district has the facilities and services required to attract and retain residents.

PARKS, RESERVES & GROUNDS

This involves:

- Providing and maintaining 86 hectares of parks and reserves throughout the district, including 18 playgrounds and four sports grounds.
- Providing financial assistance for a further 19 hectares of reserves and sports grounds that are managed by local committees and sports groups.

CEMETERIES

This involves:

- Directly operating and maintaining 6 urban cemeteries - Balclutha (2), Fairfax (Milton), Kaitangata, Lawrence and Tapanui, and 8 rural cemeteries - Port Molyneux, Romahapa, Taieri Beach, Waihola, Waikoikoi, Waipahi, Waipori, and Waitahuna.
- Providing financial assistance to a further four cemeteries that are managed by trustees (Clinton, Crookston, Owaka, Tuapeka).
- Providing financial assistance towards the maintenance of war memorials throughout the district.

CAMPGROUNDS

This involves:

- Leasing Council-owned land to private campgrounds in a long-term arrangement at Waihola, Balclutha, Kākā Point, and Pounawea.
- Owning a Campground at Milton.

PUBLIC CONVENIENCES

This involves:

- Providing and maintaining 24 public toilets throughout the district.
- Providing and maintaining 6 public motor caravan dump stations in Balclutha, Clinton, Lawrence, Milton, Ōwaka and Tapanui.

OUR PLACE PLANS

This involves:

- The identification of locally desirable community projects.
- The encouragement of community leadership and community participation and supported delivery of such projects into reality.

SWIMMING POOLS

This involves:

- Clutha District Council promotes participation in swimming activities through two primary means.
- Council has two swimming pools that it operates and maintains directly. They are in Balclutha and Milton.

COMMUNITY DEVELOPMENT

This involves:

- Running a public grants process to support community projects.
- Supporting community development with advice and support for community organisations.

DRAFT

- Delivering youth services and support across the region, specifically; mentoring, youth programming and enterprise.
- Runing a Youth Council to engage with youth and reflect their aspiration for the region.
- Promoting and supporting local events.

COMMUNITY DEVELOPMENT

This involves:

- Delivery of Road safety education to increase youth safety, reduce speed, improve older drivers, reduce alcohol and drug impacts, encourage safety in children around roads, improve community engagement, reduce recidivist offences, and improve the use of car restraints.
- Delivery of school-based Enviro-schools education.
- Delivery of school based Zero Waste education.
- Delivery of public education to inform and reduce waste to landfill.

COMMUNITY HOUSING & OTHER PROPERTY

This involves:

- Owning and maintaining 98 one-bedroom housing units located in Balclutha, Clinton, Kaitangata, Lawrence, Milton, Owaka, Tapanui and Waihola.
- Other property is owned and maintained by Council for storage of materials and equipment.
- Property which is retained for renting and leasing at market rates with the income offsetting rates.

HALLS & COMMUNITY CENTRES

This involves:

- Providing management oversight and financial assistance for 11 committees which operate community centres throughout the district on Council's behalf. These are at Clutha Valley, Hillend, Kākā Point, Lovells Flat, Moneymore, Ōwaka, Paretai, Waihola, Waipahi, Waitahuna and Waiwera. Under the current funding model for Council owned halls, an annual budget is set for each hall. Community representatives are then able to apply for funds to spend on maintenance and operational costs as they best see fit.

CROSS RECREATION CENTRE

This involves:

- Funding of a $2.5 million loan towards the cost of constructing the multi-use Cross Recreation Centre in Balclutha and providing an annual operating grant.

TE POU Ō MATA-AU | CLUTHA DISTRICT WAR MEMORIAL & COMMUNITY CENTRE

This involves:

- Funding of a $7.5 million loan towards the cost of constructing the Te Pou Ō Mata-Au Clutha District War Memorial & Community Centre in Balclutha, and providing an annual operating grant.

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HOW WE PERFORMED IN 2025/26

	TARGET PER LTP 2026	TARGET PER LTP 2025	ACTUAL 2026	ACTUAL 2025
LEVEL OF SERVICE 1: OPERATE A NETWORK OF COMMUNITY FACILITIES THROUGHOUT THE DISTRICT INCLUDING LIBRARY / SERVICE / INFORMATION CENTRES, POOLS, HALLS, PLAYGROUNDS, SPORTSGROUNDS, PARKS AND RESERVES.				
Resident satisfaction with community facilities (weighted average)	>90%	>90%	89%[1]	92%

1 - Lower than usual scores were received for the Milton Pool, Public Toilets and Greenspaces. Milton Pool's score is reflective of the ongoing Elsie Stewart Library & Pool complex build. The October 2025 wind event and continued vandalism reflects a lower score for Public Toilets and Greenspaces. Scores are expected to improve in 2026/27.

WHAT IT COST FOR COMMUNITY SERVICES IN 2025/26

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2026

	2025 LONG TERM PLAN	2026 LONG TERM PLAN	2026 ACTUAL
SOURCES OF OPERATING FUNDING	$(000)	$(000)	$(000)
General rates, UAGC's, rates penalties	285	296	5,546
Targeted rates (other than targeted rates for water supply)	7,562	8,032	3,077
Subsidies and grants for operating purposes	-	-	690
Fees, charges and targeted rates for water supply	1,070	316	1,830
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	1,343	1,373	-
TOTAL SOURCES OF OPERATING FUNDING (A)	10,260	10,018	11,143
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	6,004	5,794	6,749
Finance costs	970	1,146	729
Internal charges and overheads applied	1,892	1,975	2,139
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	8,867	8,915	9,617
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	1,394	1,103	1,526
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt (Internal debt)	3,358	9,521	3,664
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	3,358	9,521	3,664
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	1,870	75	5,115
Capital expenditure to replace existing assets	2,841	10,335	380
Increase (decrease) in reserves	165	368	(438)
Increase (decrease) of investments	(125)	(154)	133
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	4,752	10,624	5,190
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(1,394)	(1,103)	(1,526)
FUNDING BALANCE (A - B) + (C - D)	-	-	-

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REGULATORY & EMERGENCY SERVICES

WHAT WE DO

PROPERTY FILE RECORDS MANAGEMENT

This involves:

- Providing Land Information Memoranda in accordance with the requirements of the Local Government Official Information and Meetings Act 1987.
- Keeping property files up to date and available for public inquiries.

RESOURCE MANAGEMENT

This involves:

- Providing advice on planning matters to prospective applicants, affected neighbours and other agencies.
- Promoting the sustainable management of natural and physical resources in the Clutha District via the District Plan.
- Processing resource consent applications (for land use and subdivision). Approximately 90-100 resource consents are processed annually.
- Carrying out monitoring, enforcement and prosecution when necessary.

BUILDING CONTROL

This involves:

- Providing advice and administering the Building Act 2004, including checking that building complies with the New Zealand Building Code.
- Processing applications for Project Information Memoranda (PIMS) and Building Consents, including on-site inspections at the building stage, and issuing code compliance certificates upon completion. Council processes around 500-550 building consents annually.
- Issuing building warrants of fitness and compliance schedules.
- Investigating complaints related to unauthorised building work.

ANIMAL CONTROL

This involves:

- Maintaining a register of the dogs in the district.
- Responding to complaints of wandering stock and dogs as well as barking and nuisance complaints.
- Providing impounding facilities, which are located in Balclutha.
- Providing education and advice to dog owners.
- Undertaking enforcement for non-compliance with dog control legislation and bylaws.

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ENVIRONMENTAL HEALTH

This involves:

- Registering and inspecting/auditing premises that prepare or sell food in accordance with the Food Act 2014 including the development and monitoring of food control plans.
- Registering and inspecting other controlled premises e.g. campgrounds.
- Promoting safe health practices through seminars and newsletters.
- Responding to noise complaints. Approximately 80 noise complaints are responded to annually.

CIVIL DEFENCE EMERGENCY MANAGEMENT

This involves:

- Work with other authorities to plan for hazards and maintain Emergency Management and Operational plans.
- Maintaining systems, communications and resources that can be used during an emergency.
- Providing training for a network of volunteers throughout the district.
- Promoting awareness and personal preparedness.
- Monitoring known hazards, for example, the Clutha and Pomahaka rivers.
- Responding when actual or potential emergencies arise.
- Assisting with recovery after an event.

ALCOHOL LICENSING

This involves:

- Controlling the sale and supply of alcohol.
- Processing applications for on, off, club and special licenses, processing manager's certificates and renewals, and monitoring licensed premises for compliance.
- Promoting the principle of alcohol harm reduction.
- Reviewing Council's liquor ban bylaw to allow appropriate enforcement.

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HOW WE PERFORMED IN 2025/26

	TARGET PER LTP 2026	TARGET PER LTP 2025	ACTUAL 2026	ACTUAL 2025
LEVEL OF SERVICE 1: TO PROVIDE AN APPLICATION PROCESSING SERVICE WHERE CONSENTS ARE PROCESSED WITHIN STATUTORY TIMEFRAMES IN AN EFFICIENT MANNER				
Building and Regulatory department applications lodged and processed within statutory timeframes	100%	100%	97.92%[1]	93.5%[1]
Planning team applications lodged and processed within statutory timeframes	100%	100%	100%	100%
LEVEL OF SERVICE 2: TO RETAIN REGISTRATION AS A BUILDING CONSENT AUTHORITY				
Current registration	100%	100%	100%	100%
LEVEL OF SERVICE 3: COMPLAINTS ARE PRIORITISED AND RESPONDED TO IN AN EFFICIENT MANNER				
Building and Regulatory department customer service requests are responded to within target timeframes	95%	95%	92.33%[2]	95.1%
Planning team customer service requests are responded to within target timeframes	95%	95%	98.97%	95.5%

1 - Due to a shortage of staff (unexpected sick leave), clearance of legacy applications and the introduction of new systems delayed some applications from being completed within the timeframe.

2 - Due to a shortage of staff (unexpected sick leave),and the introduction of new systems delayed some customer service requests from being completed within the timeframe.

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WHAT IT COST FOR REGULATORY & EMERGENCY SERVICES IN 2025/26

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2026

	2025 LONG TERM PLAN	2026 LONG TERM PLAN	2026 ACTUAL
SOURCES OF OPERATING FUNDING	$(000)	$(000)	$(000)
General rates, UAGC's, rates penalties	261	274	302
Targeted rates (other than targeted rates for water supply)	1,516	1,585	1,730
Subsidies and grants for operating purposes	-	-	-
Fees, charges and targeted rates for water supply	1,829	1,865	2,566
Internal charges and overheads recovered	-	-	
Local authorities fuel tax, fines, infringement fees and other receipts	6	7	-
TOTAL SOURCES OF OPERATING FUNDING (A)	3,612	3,731	4,598
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,835	1,877	2,128
Finance costs	14	13	10
Internal charges and overheads applied	1,742	1,818	2,123
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	3,590	3,708	4,261
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	22	22	337
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt (Internal debt)	(14)	(15)	(16)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	(14)	(15)	(16)
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	-	-	-
Capital expenditure to replace existing assets	-	-	-
Increase (decrease) in reserves	7	8	16
Increase (decrease) of investments	-	-	305
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	7	8	321
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(22)	(22)	(337)
FUNDING BALANCE (A - B) + (C - D)	-	-	-

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INTERNAL SERVICES

WHAT WE DO

Several internal services support our significant activities in delivering services to our communities. These include corporate management, human resources, policy and communications, district assets operations, regulatory operations, forestry, treasury, information services, geographic information systems (GIS) and the running and maintenance of our main office in Balclutha.

HOW WE PERFORMED IN 2025/26

	TARGET PER LTP 2026	TARGET PER LTP 2025	ACTUAL 2026	ACTUAL 2025
LEVEL OF SERVICE 1: WE HANDLE CUSTOMER REQUESTS FOR SERVICE EFFICIENTLY AND EFFECTIVELY				
Percentage of service requests resolved within timeframes	95%	95%	93.97%[1]	92.6%
LEVEL OF SERVICE 2: WE DELIVER ON OUR WORK PROGRAMMES				
Percentage of capital projects completed.	85%	82%	81.15%[2]	88.9%

1 - Majority of the failed callbacks were due to previous years backlog. Call back time for new service requests has improved.

2 - This is based on actual capital expenditure of $25.0m out of an adjusted Annual Plan 2025/26 budget of $28.9m. The original Annual Plan 2025/26 approved capital budget of $62.8m was reduced during the year by carry forwards of $33.6m and net project budget reductions of $286k. Of the $25.0m actual capital expenditure, $1.9m related to capital expenditure that was not included in the 2025/26 Annual Plan budget, mainly due to reactive capital work that was required in the 3 Waters area.

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WHAT IT COST FOR INTERNAL SERVICES IN 2025/26

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2026

	2025 LONG TERM PLAN	2026 LONG TERM PLAN	2026 ACTUAL
SOURCES OF OPERATING FUNDING	$(000)	$(000)	$(000)
General rates, UAGC's, rates penalties	(1,019)	(1,039)	96
Targeted rates (other than targeted rates for water supply)	-	-	35
Subsidies and grants for operating purposes	222	226	73
Fees, charges and targeted rates for water supply	178	181	241
Internal charges and overheads recovered	26,294	33,782	13,860
Local authorities fuel tax, fines, infringement fees and other receipts	1,290	1,430	163
TOTAL SOURCES OF OPERATING FUNDING (A)	26,965	34,580	14,468
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	16,651	17,003	17,929
Finance costs	1,681	2,403	7,533
Internal charges and overheads applied	17,880	21,909	-
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	36,213	41,314	25,462
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	(9,247)	(6,734)	(10,994)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt (Internal debt)	13,478	8,116	13,098
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	13,748	8,116	13,098
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	861	245	136
Capital expenditure to replace existing assets	290	245	354
Increase (decrease) in reserves	289	438	(116)
Increase (decrease) of investments	3,060	454	1,730
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	4,501	1,381	2,104
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	9,247	6,734	10,994
FUNDING BALANCE (A - B) + (C - D)	-	-	-

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FINANCIAL INFORMATION

Clutha District Council

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ANNUAL REPORT 2025/26

ABOUT THIS FINANCIAL SECTION

This section of the annual report contains the financial statements of Clutha District Council for the year ended 30 June 2026.

The Annual Report 2025/26 received an unmodified opinion on the audited information excluding statement of service performance.

The references to documents and information on Clutha District Council and other websites are provided solely for the convenience of the readers who may require more detailed information. None of the documents or other information on those websites form part of this Annual Report 2025/26.

For the clarity and usefulness of this report, this section has the following sub-sections:

A – Results of the year

B – Long-term assets

C – Borrowings and financial instruments

D – Working capital and equity

E – Financial risk management

F – Other disclosures

G – Financial reporting and prudence benchmarks

The notes to the financial statements contain detailed financial information as well as the relevant accounting policies, explanation of significant variances against budget and local government disclosures.

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STATEMENT OF COMPLIANCE AND RESPONSIBILITY

COMPLIANCE

The Council and management of the Clutha District Council confirm that all the statutory requirements in relation to this annual report, as outlined in the Local Government Act 2002, have been complied with.

RESPONSIBILITY

The Council and management of the Clutha District Council accept responsibility for the preparation and completion of the financial statements and the judgements used in them, and hereby adopt the financial statements as presented.

The Council and management of the Clutha District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Clutha District Council, the annual report for the year ended 30 June 2026 presents fairly the financial performance, financial position, and service performance of the Clutha District Council.

J K Martin

Jason (Jock) Martin
Mayor
Date: 9 October 2025

Steve Hill
Chief Executive
Date: 9 October 2025

STATEMENT OF COMPREHENSIVE REVENUE & EXPENDITURE

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

REVENUE	NOTES	2026 ACTUAL $000	2026 BUDGET $000	2025 ACTUAL $000
Rates	A1	40,851	41,716	34,703
Grants, subsidies and donations	A1	12,872	24,258	11,727
Fees and user charges	A1	6,358	6,156	6,196
Interest revenue		1,134	1,301	1,630
Other revenue		1,836	1,709	794
Other gains/(losses)	A6	1,958	-	(1,171)
Sales of corporate and development property	A7	968	-	2,196
TOTAL REVENUE	**A1**	**65,977**	**75,409**	**56,075**
EXPENDITURE				
Other operating expenditure	A2	38,534	37,788	36,330
Employee benefits	A3	13,977	14,815	13,794
Depreciation and amortisation	A4	29,739	17,405	29,065
Finance costs	A5	7,149	5,805	6,958
Cost of sales of corporate and development property	A7	1,056	-	2,753
TOTAL EXPENDITURE	**A2**	**90,455**	**75,812**	**88,900**
SURPLUS (DEFICIT) FOR THE YEAR		**(24,478)**	**(403)**	**(32,825)**
Other Comprehensive Revenue and Expenditure Items that may be reclassified to surplus or deficit:				
Fair value on unlisted shares - gain/(loss)	D6	1	-	1
Items that will not be reclassified to surplus or deficit:				
Gain on property, plant, and equipment revaluation	D6	141,422	116,381	-
Total Other Comprehensive Revenue and Expenditure		141,423	116,381	1
TOTAL COMPREHENSIVE REVENUE AND EXPENDITURE FOR THE YEAR		**116,945**	**115,978**	**(32,824)**

Explanations of major variances against budget are included with the notes. The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

	ACCUMULATED FUNDS	RESERVES	TOTAL EQUITY	BUDGET
	$000	$000	$000	$000
BALANCE AS AT 1 JULY 2024	**200,972**	**1,602,226**	**1,803,198**	**1,302,729**
Surplus/(Loss)	(32,825)	-	(32,825)	(12,299)
Other comprehensive revenue	-	1	1	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	**(32,825)**	**1**	**(32,825)**	**(12,299)**
Transfers (from)/to reserves	(6,252)	6,252	-	-
BALANCE AS AT 30 JUNE 2025	**161,895**	**1,608,479**	**1,770,374**	**1,290,430**
BALANCE AS AT 1 JULY 2025	**161,895**	**1,608,479**	**1,770,374**	**1,290,430**
Surplus/(Loss)	(24,478)	-	(24,478)	(403)
Other comprehensive revenue	-	141,423	141,432	116,381
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	**(24,478)**	**141,433**	**116,945**	**115,978**
Net transfers (from)/ to reserves	(6,816)	6,816	-	-
BALANCE AS AT 30 JUNE 2026	**130,601**	**1,756,718**	**1,887,319**	**1,406,503**

Explanations of major variances against budget are included with the notes. The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

ASSETS	NOTES	2026 ACTUAL $000	2026 BUDGET $000	2025 ACTUAL $000
CURRENT ASSETS				
Cash and cash equivalents	D1	2,063	485	1,490
Receivables and prepayments	D2	7,724	5,379	3,884
Other financial assets	C3	30,138	34,285	28,102
Development property	D7	2.944	2,477	3,054
Assets held for sale		-	-	85
Total current assets		**42,869**	**42,626**	**36,615**
NON-CURRENT ASSETS				
Property, plant and equipment	B1	2,021,472	1,566,439	1,886,448
Intangible assets	B2	97	819	67
Other financial assets	C3	6,145	-	4,534
Total non-current assets		**2,027,714**	**1,567,258**	**1,891,049**
TOTAL ASSETS		**2,070,583**	**1,609,884**	**1,927,664**
LIABILITIES				
CURRENT LIABILITIES				
Payables and accruals	D3	9,809	10,846	7,904
Employee entitlements	D4	1,787	1,096	1,549
Borrowings	C1	46,578	31,606	39,163
Other		-	1,281	-
Total current liabilities		**58,174**	**44,830**	**48,616**
NON-CURRENT LIABILITIES				
Provisions	D5	2,305	1,232	1,727
Other liabilities - Mercer Trust		-	-	13
Borrowings	C1	122,300	157,307	106,800
Derivative financial instruments		486	-	134
Total non-current liabilities		125,091	**158,552**	**108,674**
TOTAL LIABILITIES		**183,265**	**203,381**	**157,290**
NET ASSETS		**1,887,319**	**1,406,503**	**1,770,374**
EQUITY				
RESERVES				
Restricted reserves	D6	62,854	44,044	56,037
Revaluation reserves	D6	1,693,864	1,185,068	1,552,442
RETAINED EARNINGS				
Retained earnings	D6	130,601	177,391	161,895
TOTAL EQUITY		**1,887,319**	**1,406,503**	**1,770,374**

Explanations of major variances against budget are included with the notes. The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

	2026 ACTUAL $000	2026 BUDGET $000	2025 ACTUAL $000
CASHFLOW FROM OPERATING ACTIVITIES			
Cash was provided from:			
Rates Revenue	40,251	42,226	34,306
Fees, Charges & Other Receipts	3,071	10,538	6,381
Interest Received	1,134	1,301	1,630
Grants and Subsidies	11,456	19,636	15,289
Other Revenue	1,814	1,709	586
Cash was provided from:	**57,726**	**75,409**	**58,192**
Cash was applied to:			
Payment to Staff & Suppliers	(49,318)	(52,602)	(53,410)
Înterest Paid	(6,548)	(5,805)	(6,700)
Cash was applied to:	**(55,866)**	**(58,407)**	**(60,110)**
NET CASH INFLOW FROM OPERATING ACTIVITIES	**1,860**	**(17,001)**	**(1,918)**
Net Cashflow from Investing Activities			
Cash was provided from:			
Proceeds from investment realised	-	-	-
Proceeds from disposal of development property	968	-	2,196
Proceeds from sale of property, plant and equipment	1,481	-	133
Cash was provided from:	**2,449**	**-**	**2,329**
Cash was applied to:			
Purchase of Property, Plant and Equipment	(23,269)	(62,789)	(29,357)
Purchase of Investments	(2,510)	(1,529)	(2,845)
Purchase of development property	(859)	-	(1,542)
Cash was applied from:	**(26,638)**	**(64,318)**	**(33,744)**
NET CASHFLOW FROM INVESTMENT ACTIVITIES	**(24,190)**	**(64,318)**	**(31,415)**
Net Cashflow From Finance Activities			
Cash was provided from:			
Proceeds from borrowing	22,903	43,334	22,896
Cash was provided from	**22,903**	**43,334**	**22,896**
Cash was applied to:			
Repayment of borrowings	-	(3,983)	-
Cash was applied to:			
NET CASHFLOW FROM FINANCE ACTIVITIES	**22,903**	**39,351**	**22,896**
Cash Balance			
Total cash resources at start of the year	1,490	485	11,927
Net Increase/(decrease in cash held)	573	-	(10,437)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**2,063**	**485**	**1,490**

Explanations of major variances against budget are included with the notes. The accompanying notes form part of these financial statements.

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RECONCILIATION OF SURPLUS FOR THE YEAR TO CASH INFLOW FROM OPERATING ACTIVITIES

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

	2026 ACTUAL $000	2025 ACTUAL $000
(DEFICIT) / SURPLUS FOR THE PERIOD ADD/(LESS) NON-CASH ITEMS	(24,478)	(32,825)
Depreciation and amortisation	29,739	29,064
(Reversal) impairment of development property	133	301
(Gain)/Loss on sale of property, plant and equipment	(369)	2,992
Bad-debt write-off	130	80
Discount unwind on landfill provision	601	258
Unrealised (gain)/loss on revaluation of other financial assets to fair value	(1,137)	(240)
Vested assets	(452)	(1,882)
	4,167	**(2,252)**
MOVEMENT IN WORKING CAPITAL:		
Trade and other receivables and prepayments	(7,033)	3,473
Trade other payments and accruals	4,968	(4,455)
Employee entitlements	238	47
Provisions	(23)	(65)
	(1,850)	**(1,000)**
ITEMS CLASSIFIED AS INVESTING ACTIVITIES:		
Movement in property, plant and equipment included in trade and other payables	(411)	777
Development properties non-operating activity included in surplus or deficit	45	557
	(456)	**1,334**
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES	**1,860**	**(1,918)**

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STATEMENT OF ACCOUNTING POLICIES

This section contains Council's significant accounting policies that relate to the financial statements as a whole. Significant accounting policies are also included in the related note disclosures.

REPORTING ENTITY

The Clutha District Council (Council) is a local authority domiciled in New Zealand and governed by the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002.

Council's principal address is 1 Rosebank Terrace, Balclutha New Zealand.

The primary objective of the Council is to provide services and facilities to the Clutha community for social benefit rather than make a financial return. Accordingly, the Council has designated itself as a public benefit entity (PBE) and applies New Zealand Tier 1 PBE Accounting Standards. These standards are based on International Public Sector Accounting Standards (IPSAS) with amendments for the New Zealand environment.

BASIS OF PREPARATION

The financial statements have been prepared:

- in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), the LGA 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014 and comply with Tier 1 PBE Accounting Standards;
- on a historical cost basis, except for certain financial instruments which have been measured at fair value (note C4) and certain classes of property, plant, and equipment (note B1) which have been subsequently measured at fair value;
- on the going concern basis and the accounting policies have been applied consistently throughout the period; and
- in New Zealand dollars (NZD) rounded to the nearest thousand dollars, unless otherwise stated.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires judgements, estimates and assumptions. Application is based on future expectations as well as historical experience and other factors, as appropriate to the particular circumstances. Judgements and estimates which are considered material to understanding the performance of council are found in the following notes:

- B1 Property, plant, and equipment - fair value of infrastructure assets
- D5 Provisions - landfill aftercare provision

CHANGES IN ACCOUNTING POLICIES

Accounting policies have been changed to incorporate all necessary changes as required by the new PBE standards. No changes to recognition /measurement were required.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

PBE Standard interpretations that have recently been issued or amended but are not yet effective and have not been adopted by Council for the annual reporting period 30 June 2026 are outlined below:

- PBE IFRS 17 Insurance Contracts; effective for periods commencing 30 June 2026

Council expects to adopt the above standard in the period in which it becomes mandatory. Council anticipates that the above standard is not expected to have a material impact on the financial statements in the period of initial application; however, a detailed assessment has not yet been performed.



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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All items in the financial statements are stated exclusive of Goods and Services Tax (GST), except for receivables and payables, which include GST.

The budget figures presented in the financial statements are those included in the 2024/34 LTP. Significant accounting policies are included in the notes to which they relate.

SECTION A: RESULTS FOR THE YEAR

This section focuses on the performance of Council during the year. It provides detail about rates and other revenue, and significant expenditure such as employee benefits, goods and services purchased, depreciation, amortisation, and other costs.

The notes in the section are as follows:

A1 Revenue

A2 Operating expenditure

A3 Employee benefits

A4 Depreciation and amortisation

A5 Finance costs

A6 Net other gains and losses

A7 Corporate and development property

A1 REVENUE

ACCOUNTING POLICY

Council receives its revenue from exchange and non-exchange transactions.

Exchange transactions revenue arises when Council directly provides goods or services to a third party and receive approximately equal value in return.

Non-exchange transaction revenue arises when Council receives value from another party without having to directly provide goods or services of equal value. Non-exchange revenue comprises rates and transfer revenue.

Transfer revenue includes grants and subsidies and fees and user charges derived from activities that are partially funded by rates.

The council's significant items of revenue are recognised and measured as follows on the next page:

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Type	Recognition and measurement
Rates	Rates are set annually by resolution of the council and relate to a particular financial year in accordance with the Local Government (Rating) Act 2002. Rates comprise general and targeted rates and are stated net of rates remissions. Rates revenue is recognised at the date of issuance of ratings notice and is measured at the present value of cash received or receivable.
Grants and subsidies	Grants and subsidies are recognised when they become receivable unless there is an obligation in substance to return the funds if conditions of the grants and subsidies are not met. If there is such an obligation, the grants and subsidies are initially recorded in the statement of financial position when received at fair value as grants and subsidies received in advance. As the conditions are satisfied, the carrying amount of the liability is reduced and an equal amount recognised as revenue.
Financial contributions	Financial contributions are charged for new property developments to contribute to council's costs of building supporting infrastructure such as stormwater, roads, and footpaths. Revenue is recognised at the later of the point when the council is entitled to issue an invoice to developers for the contribution in accordance with milestones set out in council's financial contributions policy, and the point at which the council can provide the service for which the contribution has been charged. The timing of the recognition is dependent on the type of consent granted and the nature of the development.
Vested assets	Vested asset revenue represents infrastructure received from property developers who construct the infrastructure as a condition of development. Vested asset revenue is recognised when control of the asset is transferred to the council and is measured at the fair value of the asset received.
Infringement fees and fines	When the infringement notice is issued.
Finance revenue	Finance revenue comprises interest revenue and realised gains from the early close-out of derivatives. Revenue is recognised using the effective interest method.
Dividend revenue	Dividend revenue is recognised when the council's right to receive the dividend has been established.

Type	Recognition and measurement
Water and wastewater user charges	Water and wastewater revenue comprises the amounts received and receivable at balance date for water supplied to customers or sewerage processed for customers in the ordinary course of business. Water and wastewater revenue includes estimated unbilled amounts for unread meters at balance date. As meter reading is cyclical, management applies judgement when estimating the daily water consumption of customers between readings. Unbilled amounts from the last bill reading date to the end of the month are recognised as revenue.
Consents	Building consents provide approval for specific building works on a specific site, and resource consents provide approval for projects that impact the environment or others. Consent revenue is recognised when consents are provided at fair value of the amount receivable.
Licence and permit fees	On receipt of application as these are non-refundable.
Entrance fees	Entrance fees are fees charged to users of Council's local facilities, such as the pools. Revenue from entrance fees is recognised upon entry to such facilities.
Landfill fees	Fees for disposing of waste at Council's landfill are recognised as waste is disposed by users.
Development property	On earliest of settlement of transaction or unconditional sale and purchase agreement.



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The split of exchange and non-exchange revenue is disclosed below:

	NOTES	2026 $000	2025 $000
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
REVENUE FROM RATES			
General		8,151	7,410
Targeted		33,062	27,566
Penalties		408	325
Internal		(770)	(598)
Total revenue from rates		**40,851**	**34,703**
REVENUE FROM EXCHANGE TRANSACTIONS			
Rental and lease revenue		1,402	1,433
Interest revenue and gain on changes in fair value		2,271	1,870
Otago Corrections Facility water		407	385
Development property sales	A7	968	2,196
Other revenue		1,526	1,404
Total revenue from exchange transactions		**6,574**	**7,288**
OTHER REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Grants and subsidies		12,872	11,727
Vested assets	A6	452	1,882
Swimming pool revenue		142	140
Building consents		1,176	999
Other revenue		3,910	(664)
Total other revenue from non-exchange transactions		**18,552**	**14,084**
TOTAL REVENUE		**65,977**	**56,075**

The annual rates revenue of the council for the year ended 30 June 2025 for the purposes of the Local Government Funding Agency Limited (LGFA) Guarantee and Indemnity Deed disclosure is $41,213 (2025: $34,976k). Refer to note F1 for further information on the LGFA guarantees and indemnities.

	2026 $000	2025 $000
TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:		
Community Leadership	348	324
Internal Services	35	32
Roads and Footpaths	7,761	7,409
Water supply	13,392	9,994
Stormwater	1,584	1,086
Wastewater	3,057	2,562
Solid waste	2,078	1,810
Community services	3,077	2,837
Regulatory and emergency services	1,730	1,511
	33,062	**27,566**
GRANTS AND SUBSIDIES:		
NZTA subsidy	11,204	10,736
3 Waters Support funding	-	225
Mayors' taskforce for jobs	345	260
Elsie Stewart facility	700	-
Other – PGF, NZLPP	623	506
	12,872	**11,727**

	2026 $000	2025 $000
FEES AND USER CHARGES		
Fees and charges	1,526	1,404
Permits and licenses	1,518	1,161
Other fees	1,912	2,198
Rental revenue	1,402	1,433
	6,358	**6,196**

EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET FOR THE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE

Total revenue

Revenue was lower than budget by $9,432k but within the different categories there was some variance:

- Grants and subsidies were $11,386k lower than budget, mainly due to changes in timing to the Roading programme resulting in roading subsidies being $6,183k less than budgeted. Roading projects have been carried forward resulting in less roading work being done, therefore less subsidies received.
- Better Off Funding of $1.9m budgeted to be received in 2025/26 for the Elsie Stewart Community Pool Project in Milton will now be received in the 2026/27 financial year. $700k was received as grant funding from the Bruce Community Facilities Trust towards this project in 2025/26.
- Investment surplus funding of $3m budgeted towards the Elsie Stewart Community Pool and Library project is yet to be withdrawn from the investment fund as the project is still being completed.
- Amova interest revenue was $697k with fund management fees of $149k deducted during the year. There was a net unrealised gain of $1,489k at fair valuation, giving an overall increase of $2,037k to the Amova fund from previous year.
- Operating interest of $145k, interest rate swaps income of $187k and LFGA interest of $102k was received during the year.
- Other gains are $1,958k due to vested assets of $452k, the fair value gain of $1,489k mentioned above, a net gain on disposal of property, plant and equipment of $369k and a net loss on fair value swaps of $352k.
- Corporate and development property now reflects the revenue of $968k instead of the net gain or loss position. Please refer to note A7 for details.

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LOCAL GOVERNMENT DISCLOSURES

Council's rating base information relating to the current and prior financial year is as follows:

	2026 $000	2025 $000
Number of rating units	11,554	11,371
Total Capital Value of rating units	10,532,873	10,467,217
Total Land Value of rating units	6,675,350	6,663,685

These values are as per the most recent QV valuation dated 1 September 2023.

Breakdown of summary revenue for group of activities

	2026 $000	2025 $000
REVENUE		
Roading	11,747	10,832
Water Services - water	1,055	1,300
Water Services - wastewater	374	488
Solid Waste	1,889	1,747
Community Services - libraries & information centres	143	91
Community Services - swimming pools	844	153
Community Services - parks/reserves/ sportsgrounds	41	44
Community Services - halls & community centres	27	37
Community Services - other council property	1,309	1,276
Community Services - cemeteries	152	123
Regulatory Services - Resource Management	629	291
Regulatory Services - Animal Control	418	428
Regulatory Services - Environmental Health	60	46
Regulatory Services - Building Control	1,370	1,222
Regulatory Services - Alcohol Licensing	89	70
Total activity revenue	**20,147**	**18,148**
ADD		
Rates	40,851	34,703
Other Gains/(Losses)	1,958	(1,171)
Sales of corporate and development property	968	2,196
Petrol Tax	163	131
Other revenue	1,890	2,068
	45,830	37,927
TOTAL REVENUE	**65,977**	**56,075**

A2 OPERATING EXPENDITURE

ACCOUNTING POLICIES

GRANTS AND SUBSIDIES

Discretionary grants and subsidies are recognised as expenses when the council has advised their decision to pay and when the attached conditions, if any, are satisfied.

Non-discretionary grants are recognised as expenses on receipt of an application that meets the specified criteria.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The initial measurement on property, plant and equipment and intangible assets are disclosed in Notes B1 and B2.

Intangible assets subsequently measured at cost that have indefinite useful life are tested annually for impairment. Property, plant and equipment and intangible assets subsequently measured at cost that have finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any indication exists, Council estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

An impairment loss is recognised in surplus or deficit in the statement of comprehensive revenue and expenditure for the amount by which the asset's carrying amount exceeds its recoverable amount.

Assets are considered cash generating if their primary objective is to provide a commercial return. The value in use for cash- generating assets is the present value of expected future cash flows.

For non-cash generating assets, value in use is determined using an approach based on a depreciated replacement cost (DRC).

Property, plant, and equipment that is measured at fair value, is not required to be separately tested for impairment.

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EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Expenditure

Expenditure was more than budget by $14,643k but within the different categories there was some variance.

Other operating expenditure is over budget by $746k. This includes:

- Water operational expenditure $2,929k above budget.
- Community grants $94k over budget.
- Contract and professional services $1,229k over budget.
- IT costs $384k over budget.
- Rent & lease fees $1,746k under budget.
- Mount Cooee operational costs $691k over budget.
- Insurance $136k under budget.
- Software licenses, stationery and telephone charges $221k under budget.

Personnel costs are $838k under budget.

Depreciation is above budget by $12,334k mainly due to the impact of significant valuation increases for infrastructural assets as of 30 June 2024.

Corporate and development property now reflects cost of sales and impairment losses of $1,056k instead of the net gain or loss position. Please refer to note A7 for details.

GROUP OF ACTIVITIES

The cost of service for each significant activity of Council has been derived using the cost allocation system outlined below. Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

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

There have been no changes to the cost allocation methodology during the year.

	2026 $000	2025 $000
EXPENDITURE		
Community Leadership - Governance	2,115	1,940
Community Leadership - Community Support	769	691
Community Leadership - Economic Development	1,226	1,173
Community Leadership - Culture & Heritage	276	261
Roading	33,884	31,513
Water Services - water	17,275	15,246
Water Services - stormwater	1,716	1,523
Water Services - wastewater	5,817	4,469
Solid Waste	4,908	4,238
Community Services - libraries & information centres	2,964	2,620
Community Services - swimming pools	1,936	1,624
Community Services - parks/reserves/ sportsgrounds	1,820	1,612
Community Services - halls & community centres	751	749
Community Services - other council property	1,662	1,182
Community Services - public conveniences	829	746
Community Services - cemeteries	392	328
Regulatory Services - Resource Management	870	834
Regulatory Services - Animal Control	536	484
Regulatory Services - Compliance	276	279
Regulatory Services - Environmental Health	144	112
Regulatory Services - Building Control	2,293	1998
Regulatory Services - Alcohol Licensing	108	85
Emergency Services - Civil Defence	35	78
Total activity expenditure	**82,602**	**73,785**
ADD		
Additional Depreciation	1,429	1,913
Cost of sales corporate and development property	1,056	2,753
Forestry Expenditures	8	6
Other Expenditure	6,130	11,041
Internal Rates	(770)	(598)
	7,853	15,115
TOTAL EXPENDITURE	**90,455**	**88,900**
OPERATING EXPENDITURES INCLUDE:		
Grants, contributions, and sponsorship	1,616	885
Impairment of receivables	130	80
Minimum lease payments for operating leases	100	54
Other operating expenditure	26,150	26,747
Roading repairs and maintenance	9,921	7,979
Fees paid to elected members	617	585
TOTAL OTHER OPERATING EXPENDITURE	**38,534**	**36,330**

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FEES TO AUDITORS

The following fees were charged for the services provided by the auditors of Council:

	2026 $000	2025 $000
Audit of financial statements and performance information	220	212
Debenture trust reporting	4	4
TOTAL FEES TO AUDITORS	**224**	**216**

A3 EMPLOYEE BENEFITS & RELATED PARTIES

ACCOUNTING POLICY

Employee entitlements for salaries and wages, annual leave, long service leave and other similar benefits are recognised as an expenditure and liabilities when they accrue to employees.

	2026 $000	2025 $000
Employee Benefits Expenditure		
Salaries and wages	13,933	13,932
Kiwisaver	387	358
Capitalised salary and wages to roading assets	(343)	(496)
TOTAL EMPLOYEE BENEFITS EXPENDITURE	**13,977**	**13,794**

EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Employee benefits expenditure

- Employee benefits expenditure of $13,977k has increased by $183k from 2025 due to negotiated wage increases.

Related parties include key management personnel, the elected representatives of the council and their close family members and entities controlled by them. Close family members include spouses or domestic partners, children and dependants.

Apart from the disclosure of key management personnel remuneration, transactions with related parties that are on an arm's length basis are not disclosed.

Key management remuneration comprises of the total remuneration paid to the mayor, councillors, community board members, chief executive, and senior leadership team.

	2026 $000	2025 $000
COUNCILLORS		
Remuneration	617	585
Full-time equivalent members	10	15
COMMUNITY BOARD MEMBERS		
Remuneration	50	50
Full-time equivalent members	12	12
SENIOR MANAGEMENT TEAM, INCLUDING CHIEF EXECUTIVE		
Remuneration	1,719	568
Full-time equivalent members	8	2

SEVERANCE PAYMENTS

For the year ended 30 June 2026 Council made $63,107 in severance payments (2025: $0).

REMUNERATION OF ELECTED MEMBERS

During the year to 30 June 2026, the total remuneration and value of other non-financial benefits received by or payable to the Mayor and other Elected Members were as follows:

His Worship the Mayor B A Cadogan	43	144
His Worship the Mayor Jock Martin	101	
Kevin Barron	-	12
Dane Catherwood	41	28
Roger Cotton	39	
Wayne Felts	10	28
Gaynor Finch	15	39
Larry Frost	30	
Bruce Graham	49	37
Rachel Harrison	32	
John Herbert	13	37
Michele Kennedy	62	35
Alison Ludemann	12	36
Dean McCrostie	41	28
Brent Mackie	11	28
Simon McAtamney	44	28
Jock Martin (As Councillor)	12	32
Brendon Smith	12	
Ken Payne	30	38
Bruce Vollweiler (including hearing fees)	20	35
Lawrence Tuapeka Community Board		
Anne Cheng	2	-
Roger Cotton	1	3
Lindy Chinnery	1	3
Geoff Davidson	7	7
Tim Dickey	3	3
Matthew Little	1	3
Ben Martin	2	-
Elizabeth Ritchie	2	-
Arna Smith	2	-
Suzanne Stephenson	1	3

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	2026 $000	2025 $000
West Otago Community Board		
Sandra Allan	3	-
Cecil Crawford	4	4
Mark Diamond	1	4
Barbara Hanna	5	8
Robert Kane	3	-
Sonia Richardson	4	4
Bruce Robertson	7	4
Linda Roulston	1	4

These amounts are set by the Remuneration Authority and vary according to the role.

Remuneration of Employees

At balance date Council employed 126 full time employees compared to 119 in 2025, with the balance of staff representing 21 full time equivalent employees (20 in 2025). A full time employee is determined based on a 37.5 hour working week.

Total annual remuneration by band for full and part time employees as at 30 June:

Salary band	2026 No of Employees	2025 No of Employees
<60,000	78	62
60,000-79,999	25	34
80,000-99,999	39	39
100,000-119,999	21	10
120,000-139,999	7	15
140,000-159,999	8	8
160,000-259,999	7	-
320,000-339,999	-	1
340,000-359,999	1	-

Chief Executive

The total remuneration (including any non-financial benefits) paid or payable to the Chief Executive was $349,695 (2025: $326,416).



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Other Transactions Involving Related Parties - 2026

RELATED PARTY ENTITY	RELATIONSHIP TO RELATED PARTY ENTITY	TOTAL PAID BY THE ENTITY TO THE COUNCIL $	TOTAL PAID TO THE ENTITY BY THE COUNCIL $	OUTSTANDING BALANCE OWED BY COUNCIL TO THE ENTITY $	OUTSTANDING BALANCE OWED TO COUNCIL BY THE ENTITY $
Jason (Jock) Keith Martin					
Balmoral/Tuapeka Rural Water Scheme Consumer Committees	Council Representative	4,986,591	3,454,099	-	-
Clutha District Sports Complex Joint Control Committee (South Otago A & P Society)	Council Representative	54	-	-	14
Clydevale/Pomakaha Rural Water Scheme Consumer Committees	Council Representative	1,551,199	1,136,885	-	-
Glenkenich Rural Water Scheme Consumer Committees	Council Representative	1,468,975	1,066,460	-	-
Jock Martin Management	Shareholder/ Director	300	-	-	-
Moa Flat Rural Water Scheme Consumer Committees	Council Representative	1,031,015	826,458	-	-
Richardson Rural Water Scheme Consumer Committees	Council Representative	1,508,424	1,249,759	-	-
South Bruce Rural Water Scheme Consumer Committees	Council Representative	378,315	412,278	-	-
Waipahi Rural Water Scheme Consumer Committees	Council Representative	273,178	235,821	-	-
Wangaloa Rural Water Scheme Consumer Committees	Council Representative	192,747	165,068	-	-
Allan Dean McCrostie					
Allandale Park Farm Ltd	Shareholder	2,110	-	-	410
Milton Area Promotions	Council Representative	-	3,300	-	-
Taieri Mouth Amenities Society	Council Representative	-	1,800	-	-
Waihola Hall	Council Representative	13,113	13,834	-	-
Waihola Looking Forward	Council Representative	596	3,745	-	-
Brendon Smith					
Clutha District Sports Complex Joint Control Committee (South Otago A & P Society)	Council Representative	54	-	-	-
Clutha Foundation	Council Representative	-	10,000	-	-
Clutha Recreation Centre	Council Representative	3,252	94,513	-	-
Te Pou Ō Mata-Au	Council Representative	3,006	174,314	-	-
Bruce Roger Graham					
Lovells Flat Community Centre	Council Representative	7,424	5,928	-	-
Otago Museum Trust Board	Council Representative	-	182,212	-	-
Wangaloa Rural Water Scheme Consumer Committees	Council Representative	192,747	165,068	-	-
Dane Joel Catherwood					
Kaka Point Community Centre	Council Representative	16,300	16,828	-	-
Kaka Point Community Group	Council Representative	225	3,300	-	-
Owaka Going Forward	Council Representative	92	-	-	-
Owaka Memorial Community Centre	Council Representative	40,268	46,653	-	-
Paretai Hall	Council Representative	9,920	8,085	-	-
Richardson Rural Water Scheme Consumer Committees	Council Representative	1,508,424	1,249,759	-	-
Kenneth Paul Payne					
Te Pukenga, Sit - Telford	Employee	178	-	-	-

DRAFT

RELATED PARTY ENTITY	RELATIONSHIP TO RELATED PARTY ENTITY	TOTAL PAID BY THE ENTITY TO THE COUNCIL $	TOTAL PAID TO THE ENTITY BY THE COUNCIL $	OUTSTANDING BALANCE OWED BY COUNCIL TO THE ENTITY $	OUTSTANDING BALANCE OWED TO COUNCIL BY THE ENTITY $
Larry Alan Frost					
Milton Area Promotions	Council Representative	-	3,300	-	-
Moneymore Community Centre	Council Representative	8,458	5,758	-	-
Michelle Lee Kennedy					
Clutha Health First	Trustee	424	683	-	-
Glenkenich Rural Water Scheme Consumer Committees	Council Representative	1,468,975	1,066,460	-	-
Moa Flat Rural Water Scheme Consumer Committees	Council Representative	1,031,015	826,458	-	-
Tapanui West Otago Promotions	Council Representative	80	-	-	-
Waipahi Community Centre	Council Representative	10,311	9,272	-	-
Waipahi Rural Water Scheme Consumer Committees	Council Representative	273,178	235,821	-	-
West Otago Health Trust	Council Representative	3,119	54,924	-	-
Rachel Harrison					
Clutha Parks Trust Committee	Council Representative	-	345,000	-	-
South Bruce Rural Water Scheme Consumer Committees	Council Representative	378,315	412,278	-	-
Te Pou Ō Mata-Au	Council Representative	3,006	174,314	-	-
Roger James Cotton					
Balmoral/Tuapeka Rural Water Scheme Consumer Committees	Council Representative	4,986,591	3,454,099	-	-
Clutha Development Inc	Council Representative	-	787,716	-	-
Glenkenich Rural Water Scheme Consumer Committees	Council Representative	1,468,975	1,066,460	-	-
Hillend Community Centre	Council Representative	13,237	12,564	-	-
Lawrence Chinese Camp Charitable Trust	Trustee	8,105	87,009	-	260
Lawrence Heritage & Cultural Charitable Trust	Chairman	14,922	3,450	-	-
Moa Flat Rural Water Scheme Consumer Committees	Council Representative	1,031,015	826,458	-	-
Simpson Park Sport Complex Inc	Council Representative	2,571	9,582	-	-
Waipahi Rural Water Scheme Consumer Committees	Council Representative	273,178	235,821	-	-
Waipori Goldfields Charitable Trust	Trustee	-	25,000	-	-
Waitahuna War Memorial Hall	Council Representative	27,015	16,123	-	-
Simon Joseph McAtamney					
Balmoral/Tuapeka Rural Water Scheme Consumer Committees	Council Representative	4,986,591	3,454,099	-	-
Clinton Community Committee	Council Representative	-	2,000	-	-
Clutha Valley Community Centre	Council Representative	25,717	26,482	-	-
Clydevale/Pomakaha Rural Water Scheme Consumer Committees	Council Representative	1,551,199	1,136,885	-	-
Glenkenich Rural Water Scheme Consumer Committees	Council Representative	1,468,975	1,066,460	-	-

DRAFT

RELATED PARTY ENTITY	RELATIONSHIP TO RELATED PARTY ENTITY	TOTAL PAID BY THE ENTITY TO THE COUNCIL $	TOTAL PAID TO THE ENTITY BY THE COUNCIL $	OUTSTANDING BALANCE OWED BY COUNCIL TO THE ENTITY $	OUTSTANDING BALANCE OWED TO COUNCIL BY THE ENTITY $
Simon Joseph McAtamney (continued)					
Moa Flat Rural Water Scheme Consumer Committees	Council Representative	1,031,015	826,458	-	-
Waipahi Rural Water Scheme Consumer Committees	Council Representative	273,178	235,821	-	-
Waiwera Community Centre	Council Representative	7,867	9,266	-	-
Wayne John Felts					
Clutha District Sports Complex Joint Control Committee (South Otago A & P Society)	Council Representative	212	-	-	-
John M Fraser & Company	Manager	-	1,216	-	-
Barbara Anne Hanna					
West Otago Community Centre Society	Council Representative	631	137,687	-	-
West Otago Theatrical Society	Committee Member	207	3,000	-	-
Robert Kane					
West Otago Community Centre Society	Council Representative	631	137,687	-	-
Sandra Allan					
West Otago Community Centre Society	Council Representative	631	137,687	-	-
Sonia Ann Richardson					
Avalon Farm Holdings	Shareholder/ Director	3,228	-	-	-
West Otago Health Ltd	Employee	1,230	-	-	-
Arna Smith					
Tuapeka Aquatic Centre Committee	Board Representative	13,801	20,933	-	-
Benjamin Bryce Martin					
Clutha Foundation	Council Representative	-	10,000	-	-
Tuapeka Aquatic Centre Committee	Chairman	13,801	20,933	-	-
Elizabeth Anne Ritchie					
Lawrence Heritage & Cultural Charitable Trust	Committee Member	14,525	3,450	-	-
Geoffrey Thomas Davidson					
Lawrence Chinese Camp Charitable Trust	Committee Member	8,105	87,009	-	-
Lawrence Golf Club	Committee Member	491	-	-	-
Suzanne Stephenson					
Tuapeka Community Health Company Ltd	Director	79	-	-	20
Timothy Russel Dickey					
Chapman Construction	Contractor	-	52,548	-	-
Fire And Emergency New Zealand	Employee	2	-	-	-

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Other Transactions Involving Related Parties - 2025

RELATED PARTY ENTITY	RELATIONSHIP TO RELATED PARTY ENTITY	TOTAL PAID BY THE ENTITY TO THE COUNCIL $	TOTAL PAID TO THE ENTITY BY THE COUNCIL $	OUTSTANDING BALANCE OWED BY COUNCIL TO THE ENTITY $	OUTSTANDING BALANCE OWED TO COUNCIL BY THE ENTITY $
Bryan Alexander Cadogan					
Clutha Recreation Centre	Council Representative	1,918	56,658	-	-
Gore/Clutha Woman's Refuge	Member of the Board	-	35,000	-	-
Alison Joan Ludemann					
Clutha Development Inc	Council Representative	-	617,317	117,200	-
Clutha Foundation	Council Representative	-	10,000	-	-
Clutha Recreation Centre	Council Representative	1,918	56,658	-	-
Allan Dean McCrostie					
Taieri Mouth Ameneties Society	Council Representative	-	1,439	-	-
Waihola Looking Forward	Council Representative	455	-	-	-
Brent John Mackie					
Waipahi Community Centre	Council Representative	7,298	7,452	-	-
Waipahi Rural Water Scheme Committee	Council Representative	224,852	118,091	-	-
Waiwera Community Centre	Council Representative	7,670	7,208	-	-
Bruce Peter Vollweiler					
North Bruce Rural Water Scheme Committee	Council Representative	860,656	609,594	-	-
Taieri Mouth Ameneties Society	Council Representative	-	1,439	-	-
Waihola Looking Forward	Council Representative	455	-	-	-
Bruce Roger Graham					
Lovells Flat Community Centre	Council Representative	7,227	5,281	-	-
Moneymore Community Centre	Council Representative	8,216	5,222	-	-
Wangaloa Rural Water Scheme Committee	Council Representative	192,635	156,698	-	-
Dane Joel Catherwood					
Catlins Property & Maintenance	Shareholder/ Director	365	-	-	-
Kaka Point Community Centre	Council Representative	15,789	11,042	-	-
Kaka Point Community Group	Council Representative	78	300	-	-
Owaka Going Forward	Council Representative	7,142	100	-	-
Owaka Memorial Community Centre	Council Representative	40,576	32,568	-	-
Richardson Rural Water Scheme Committee	Council Representative	923,806	885,716	-	-
Gaynor Doreen Finch					
Clutha Foundation	Council Representative	-	10,000	-	-
Milton Area Promotions	Council Representative	-	4,813	-	-
Otago Museum Trust Board	Council Representative	-	154,731	-	-
Taieri Mouth Ameneties Society	Council Representative	-	1,439	-	-
Waihola Looking Forward	Council Representative	455	-	-	-
Jason (Jock) Keith Martin					
Jock Martin Management	Shareholder/ Director	-	7,193	-	-
Tuapeka Rural Water Scheme	Council Representative	1,062,625	906,468	-	-
John Stephen Herbert					
Glenkenich Rural Water Scheme Committee	Council Representative	884,372	903,934	-	-
Moa Flat Rural Water Scheme Committee	Council Representative	753,381	587,897	-	-

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RELATED PARTY ENTITY	RELATIONSHIP TO RELATED PARTY ENTITY	TOTAL PAID BY THE ENTITY TO THE COUNCIL $	TOTAL PAID TO THE ENTITY BY THE COUNCIL $	OUTSTANDING BALANCE OWED BY COUNCIL TO THE ENTITY $	OUTSTANDING BALANCE OWED TO COUNCIL BY THE ENTITY $
Kenneth Paul Payne					
Clutha Community Hub	Council Representative	2,958	124,572	-	180
South Bruce Rural Water Scheme Committee	Council Representative	369,760	275,066	-	-
Kevin William Barron					
Balclutha Bowling Club	Council Representative	1,450	115	-	-
Clutha District Sports Complex Joint Control Committee (SOUTH OTAGO A & P SOCIETY)	Council Representative	178	-	-	-
Michelle Lee Kennedy					
Clutha Health First	Trustee	357	383	-	-
Glenkenich Rural Water Scheme Committee	Council Representative	884,372	903,934	-	-
Moa Flat Rural Water Scheme Committee	Council Representative	753,381	587,897	-	-
Tapanui West Otago Promotions	Trustee	996	-	-	-
Waipahi Rural Water Scheme Committee	Council Representative	224,852	118,091	-	-
West Otago Health Trust	Council Representative	456	17,000	-	-
Simon Joseph McAtamney					
Balmoral 1 Rural Water Scheme Committee	Council Representative	468,857	602,034	-	-
Balmoral 2 Rural Water Scheme Committee	Council Representative	1,081,100	1,191,782	-	-
Clutha Valley Community Centre	Council Representative	24,363	20,189	-	-
Clydevale/Pomahaka Rural Water Scheme Committee	Council Representative	1,151,407	844,225	-	-
Hillend Community Centre	Council Representative	12,919	6,446	-	-
Richardson Rural Water Scheme Committee	Council Representative	923,806	885,716	-	-
Wayne John Felts					
Clutha District Sports Complex Joint Control Committee (SOUTH OTAGO A & P SOCIETY)	Council Representative	225	-	-	-
Fraser ITM (John M Fraser & Company Limited)	Manager	178	9,348	682	-
Barbara Anne Hanna					
Tapanui West Otago Promotions	Council Representative	996	-	-	-
West Otago Community Centre Society	Council Representative	178	-	-	-
West Otago Theatrical Society	Committee Member	27	7,000	-	-

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RELATED PARTY ENTITY	RELATIONSHIP TO RELATED PARTY ENTITY	TOTAL PAID BY THE ENTITY TO THE COUNCIL $	TOTAL PAID TO THE ENTITY BY THE COUNCIL $	OUTSTANDING BALANCE OWED BY COUNCIL TO THE ENTITY $	OUTSTANDING BALANCE OWED TO COUNCIL BY THE ENTITY $
Geoffrey Thomas Davidson					
Lawrence Chinese Camp Charitable Trust	Trustee	16,252	6,925	-	-
Tuapeka Rural Water Scheme Committee	Council Representative	1,062,625	906,468	-	-
Roger James Cotton					
Lawrence Chinese Camp Charitable Trust	Trustee	16,252	6,925	-	-
Bellamy Station	Shareholder/ Director	4,161	-	-	-
Tuapeka Rural Water Scheme	Council Representative	1,062,625	906,468	-	-
Suzanne Stephenson					
Simpson Park Sport Complex Inc	Council Representative	2,123	8,920	-	-
Tuapeka Community Health Company Ltd	Director	83	1,766	-	-
Tuapeka Health Inc	Trustee	688	2,500	-	-
Timothy Russel Dickey					
Fire and Emergency New Zealand	Employee	7,521	-	-	-
Cecil James Crawford					
Glenkenich Rural Water Scheme Committee	Council Representative	884,372	903,934	-	-
Linda Rozel Roulston					
Moa Flat Rural Water Scheme Committee	Council Representative	753,381	587,897	-	-
Tapanui West Otago Promotions	Council Representative	996	-	-	-
Sonia Ann Richardson					
Tapanui West Otago Promotions	Council Representative	996	-	-	-
West Otago Health Ltd	Employee	261	-	-	909

Council undertakes transactions with related parties in the normal course of business on an arms-length commercial basis.



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A4 DEPRECIATION AND AMORTISATION

ACCOUNTING POLICY

Depreciation is provided on all property, plant and equipment except for land, land under forests, road formation and land under roads. Depreciation is calculated to write down the cost or revalued amount of the assets on a straight line basis over their useful economic lives (note B1).

Amortisation is provided on intangible assets, except rights to acquire, and is calculated to write down the cost of the assets on a straight line basis over their useful economic lives (Note B2).

Depreciation and Amortisation Expenditure

	NOTE	2026 $000	2025 $000
Depreciation of property, plant, and equipment	B1	29,706	29,032
Amortisation of intangibles	B2	33	33
TOTAL DEPRECIATION AND AMORTISATION		**29,739**	**29,065**

EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Depreciation and amortisation

- Depreciation is above budget by $12,335k, mainly due to the impact of significant valuation increases for infrastructural assets as of 30 June 2024.

LOCAL GOVERNMENT DISCLOSURES

Under the Local Government (Financial Reporting and Prudence) Regulations 2014, the council is required to disclose depreciation and amortisation by group of activities:

	2026 $000	2025 $000
Group of activity		
Roading	20,659	20,644
Water	3,950	3,630
Wastewater	2,326	2,261
Stormwater	626	617
Community Services	762	713
Solid waste management	573	382
Regulatory and emergency services	2	5
Internal Services	841	813
TOTAL DEPRECIATION AND AMORTISATION (NOTES B1 & A4)	**29,739**	**29,065**

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A5 FINANCE COSTS

ACCOUNTING POLICY

Finance costs include interest expense, amounts paid or payable on interest rate swaps, amortised borrowing costs, net realised losses on the early close-out of derivatives, the unwinding of discounts on provisions and financial assets and costs directly incurred in managing funding. Interest on debt is recognised using the effective interest rate method.

Finance costs

	2026 $000	2025 $000
Bank	43	-
Local Government Funding Agency	6,504	6,700
Discount unwind on landfill provision	601	258
TOTAL FINANCE COSTS	**7,149**	**6,958**

Refer to Note E1 about the description of interest rate risk and interest rate risk management.

A6 NET OTHER GAINS AND LOSSES

ACCOUNTING POLICY

Net other gains and losses on the sale of property plant and equipment, property intended for sale and financial assets are recognised when an unconditional contract is in place and it is probable that Council will receive the consideration due.

Net other gains and losses

	2026 $000	2025 $000
Vested assets	452	1,882
Net gain on disposal of property, plant and equipment	369	(3,293)
Net gain on changes in fair value of financial assets at fair value through surplus or deficit	1,137	240
TOTAL NET OTHER GAINS AND LOSSES	**1,958**	**(1,171)**

EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Net other gains and losses

- Vested assets amounted to $452k mainly due to wastewater, stormwater and water assets that were vested during 2025/26. Budget was zero.
- There was an unrealised gain of $1,137k due to the effect of improving global share market conditions on the Amova investment portfolio and fair value of interest rate swaps, as a result of oil prices and market volatility subsiding towards the end of the financial year, after much uncertainty during the period due to international conflicts.

A7 CORPORATE AND DEVELOPMENT PROPERTY

	2026 $000	2025 $000
REVENUE		
Proceeds Rosebank Industrial	-	95
Proceeds Rosebank Terrace	308	602
Proceeds Kaitangata Development Property	573	1,158
Proceeds Stirling Boyd St	-	52
Proceeds Other	87	289
TOTAL REVENUE CORPORATE AND DEVELOPMENT PROPERTIES	**968**	**2,196**
EXPENDITURE		
Cost of sales Rosebank Industrial – including impairment	133	277
Cost of sales Rosebank Terrace	274	597
Cost of sales Kaitangata Development property	560	1,096
Cost of sales Stirling Boyd St	-	52
Cost of sales Other - including impairment	89	731
TOTAL EXPENDITURE CORPORATE AND DEVELOPMENT PROPERTIES	**1,056**	**2,753**
GAIN / (LOSS) ON DISPOSAL OF CORPORATE AND DEVELOPMENT PROPERTIES		
Gain / (Loss) Rosebank Industrial	(133)	(182)
Gain / (Loss) Rosebank Terrace	34	5
Gain / (Loss) Kaitangata Development Property	13	62
Gain/ (Loss) Stirling Boyd St	-	-
Gain / (Loss) Other	(2)	(442)
TOTAL NET GAIN / (LOSS) ON DISPOSAL OF CORPORATE AND DEVELOPMENT PROPERTIES	**(88)**	**(557)**

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SECTION B: LONG TERM ASSETS

This section provides information about the investments Council has made in long-term assets to provide services and facilities to the people of the Clutha District. The long-term assets include physical assets such as infrastructure, land and buildings, parks and reserves and non-physical assets such as computer software.

The notes in this section are as follows:

B1 Property, plant, and equipment

B2 Intangible assets

B1 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

The property, plant and equipment consist of the Council are classified into three categories:

- Operational Assets
  Include property, plant and equipment used to provide core council services, either as a community service, for administration, or as a business activity. Other operational assets include landfills, motor vehicles, office equipment, library books and furniture and fittings.
- Infrastructural Assets
  Infrastructural assets include land under roads and systems and networks integral to the council's infrastructure. These assets are intended to be maintained indefinitely, even if individual assets or components are replaced or upgraded.
  - Roads, bridges and lighting.
  - Land under roads.
  - Stormwater.
  - Wastewater.
  - Water.
- Restricted Assets
  Include property and improvements where the use or transfer of title outside of the council is legally restricted.

INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

Property, plant, and equipment is initially recognised at cost, unless acquired through a non-exchange transaction, in which case the asset is recognised at fair value at the date of acquisition. The cost of third party constructed assets generally comprises the sum of costs invoiced by the third party. The cost of self-constructed assets comprises purchase costs, time allocations and excludes, where material, any abnormal costs, and internal surpluses.

Subsequent costs then extend or expand the asset's future economic benefits and service potential are capitalised. After initial recognition, certain classes of property, plant, and equipment are revalued. Work in progress is recognised at cost less impairment, if any, and is not depreciated.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

The method used by the council in revaluing its infrastructural assets as part of property, plant, and equipment, outlined below, is depreciated replacement cost (DRC). Operational land and buildings including land are not revalued.

DRC is calculated based on the replacement cost of infrastructure assets depreciated over their useful lives. This method takes into account the age and condition of the assets, estimated optimisation rates, and estimated remaining useful lives of those assets. The revaluation process involves physical inspection of selected assets at various sites to note aspects such as condition, use, replacement timing, and optimisation.

It is assumed that all asset classes have no residual value at the end of their useful lives.

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USEFUL LIVES

The useful lives used to calculate the depreciation of property, plant, and equipment are as follows:

Asset class	Estimated useful lives	Depreciation Rate
OPERATIONAL ASSETS		
Land	Not applicable	Not depreciated
Buildings	40-50	2% - 2.5%
Furniture and equipment	3-10	10% - 33.3%
Plant and motor vehicles	3-10	10% - 33.3%
Land under forest	n/a	Not depreciated
Library books	7	14.3%
INFRASTRUCTURAL ASSETS		
Roads - formation	Not applicable	Not depreciated
Roads - pavement (sealed)	2-100	1%-50%
Roads - pavement (unsealed)	35-100	1%-2.86%
Roads - other roading assets	20-150	0.6%-5%
Roads - other	10-50	2%-10%
Roads - bridges	50-150	0.6%-2%
Land under roads	Not applicable	Not depreciated
Stormwater	20-100	1-5%
Wastewater	20-100	1-5%
Water	20-100	1-5%
Restricted assets		
Reserves	Not applicable	Not applicable
Endowments	Not applicable	Not applicable
Other	Not applicable	Not applicable

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

DISPOSALS

Gains and losses on the disposal of property, plant, and equipment are recognised in surplus or deficit. Any amounts included in the asset revaluation reserve in respect of the disposed assets are transferred to accumulated funds on disposal.

IMPAIRMENT OF PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in surplus or deficit for the amount by which the carrying of property, plant, and equipment exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Assets are considered cash generating if their primary objective is to provide a commercial return. The value in use for cash-generating assets is the present value of the expected future cashflows.

For non-cash generating assets, value in use is determined using an approach based on depreciated replacement cost.

REVALUATION

Infrastructural assets (except land under roads) are revalued with sufficient regularity, and at least every three years to ensure that their carrying amounts do not differ materially from fair value.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then those asset classes are revalued. Revaluations are accounted for on a class of asset basis.

Net revaluation gains are recognised in other comprehensive revenue and expenditure and are accumulated in the asset revaluation reserve in equity for that class of asset. Revaluation losses that result in a debit balance in an asset class's revaluation reserve are recognised in surplus and deficit. Any subsequent gain on revaluation is recognised first in surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expenditure.



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PROPERTY, PLANT AND EQUIPMENT 2026

	Cost/ Valuation 1 July 2025 ($000)	Additions ($000)	Disposals ($000)	Transfers ($000)	Revaluation ($000)	Cost / Valuation 30 June 2026 ($000)	Accumulated depreciation charges 1 July 2025 ($000)	Impairment losses charged in Statement of Financial Performance ($000)	Depreciation expense ($000)	Accumulated depreciation reversed on disposal ($000)	Accumulated depreciation reversed on revaluation 30 June 2026 ($000)	Accumulated depreciation charges 30 June 2026 ($000)	Carrying amount 30 June 2026 ($000)
Operational Assets At Cost													
Land	**3,276**	-	**(348)**	-	-	**2,928**	-	-	-	-	-	-	2,928
Buildings	19,964	66	(91)	-	-	19,939	(6,513)	-	(399)	41	-	(6,871)	13,068
Land - restricted	1,925	-	-	-	-	1,925	-	-	-	-	-	-	1,925
Buildings - restricted	6,921	639	-	119	-	7,679	(1,977)	-	(144)	-	-	(2,121)	5,558
Furniture andd equipment	3,181	161	-	-	-	3,342	(1,979)	-	(271)	-	-	(2,250)	1,092
Plant and motor vehicles	11,044	368	(31)	38	-	11,419	(5,055)	-	(1,216)	31	-	(6,240)	5,179
Library Books	1,569	73	-	-	-	1,642	(1,164)	-	(116)	-	-	(1,280)	362
Work in progress	2,739	4,729	(87)	(262)	-	7,119	-	-	-	-	-	-	7,119
TOTAL OPERATIONAL ASSETS	**50,619**	**6,036**	**(557)**	**(105)**	-	**55,993**	**(16,688)**	-	**(2,146)**	**72**	-	**(18,762)**	**37,231**
Infrastructural Assets													
Roads - Formation	775,124	2	-	-	(14,095)	761,031	-	-	-	-	-	-	761,031
Roads - Pavements (sealed)	388,061	3,260	-	12	86,326	477,659	(10,483)	-	(10,489)	-	20,972	-	477,659
Roads - Pavements (unsealed)	110,333	3,042	-	-	(8,477)	104,898	(2,900)	-	(2,906)	-	5,806	-	104,898
Roads - other roading assets	87,601	860	-	-	(14,427)	74,034	(2,328)	-	(2,330)	-	4,658	-	74,034
Roads - other	10,774	253	-	-	(841)	10,186	(826)	-	(827)	-	1,653	-	10,186
Roads - Bridges	217,206	397	-	-	39,578	257,181	(4,107)	-	(4,107)	-	8,214	-	257,181
Land under roads	7,833	-	-	-	-	7,833	-	-	-	-	-	-	7,833
Stormwater	30,626	469	(139)	178	(1,688)	29,446	(923)	-	(626)	98	1,451	-	29,446
Sewerage	80,890	659	(280)	248	7,161	88,678	-	-	(2,326)	151	2,175	-	88,678
Water	148,621	5,770	(1,382)	14,979	(4,596)	163,392	(4,440)	-	(3,950)	836	7,554	-	163,392
Work in Progress	21,451	4,225	(462)	(15,312)	-	9,902	-	-	-	-	-	-	9,902
TOTAL INFRASTRUCTURAL ASSETS	**1,878,520**	**18,937**	**(2,263)**	**105**	**88,941**	**1,984,240**	**(26,007)**	-	**(27,561)**	**1,085**	**52,483**	-	**1,984,240**
TOTAL PROPERTY, PLANT AND EQUIPM	**1,929,139**	**24,973**	**(2,820)**	**-**	**88,941**	**2,040,233**	**(42,695)**	**-**	**(29,707)**	**1,157**	**52,483**	**(18,762)**	**2,021,471**

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PROPERTY, PLANT AND EQUIPMENT 2025

	Cost/ Valuation 1 July 2024 ($000)	Additions ($000)	Disposals ($000)	Transfers ($000)	Revaluation ($000)	Cost / Valuation 30 June 2025 ($000)	Accumulated depreciation charges 1 July 2024 ($000)	Impairment losses charged in Statement of Financial Performance ($000)	Depreciation expense ($000)	Accumulated depreciation reversed on disposal ($000)	Accumulated depreciation reversed on revaluation 30 June 2025 ($000)	Accumulated depreciation charges 30 June 2025 ($000)	Carrying amount 30 June 2025 ($000)
Operational Assets At Cost													
Land	**3,019**	**257**	**-**	**-**	**-**	**3,276**	**-**	**-**	**-**	**-**	**-**	**-**	3,276
Buildings	19,488	267	(8)	217	-	19,964	(6,120)	-	(394)	1	-	(6,513)	13,451
Land - restricted	1,815	110	-	-	-	1,925	-	-	-	-	-	-	1,925
Buildings - restricted	6,505	270	(30)	176	-	6,921	(1,844)	-	(134)	1	-	(1,977)	4,944
Furniture andd equipment	2,398	697	-	86	-	3,181	(1,776)	-	(203)	-	-	(1,979)	1,202
Plant and motor vehicles	8,661	1,993	(220)	610	-	11,044	(4,181)	-	(1,034)	160	-	(5,055)	5,989
Library Books	1,456	113	-	-	-	1,569	(1,049)	-	(115)	-	-	(1,164)	405
Work in progress	3,521	1,669	(793)	(1,658)	-	2,739	-	-	-	-	-	-	2,739
TOTAL OPERATIONAL ASSETS	**46,863**	**5,376**	**(1,051)**	**(569)**	**-**	**50,619**	**(14,970)**	**-**	**(1,880)**	**162**	**-**	**(16,688)**	**33,931**
Infrastructural Assets													
Roads - Formation	775,124	-	-	-	-	775,124	-	-	-	-	-	-	775,124
Roads - Pavements (sealed)	384,054	4,007	-	-	-	388,061	-	-	(10,483)	-	-	(10,483)	377,578
Roads - Pavements (unsealed)	108,139	2,194	-	-	-	110,333	-	-	(2,900)	-	-	(2,900)	107,433
Roads - other roading assets	86,363	1,238	-	-	-	87,601	-	-	(2,328)	-	-	(2,328)	85,273
Roads - other	10,438	336	-	-	-	10,774	-	-	(826)	-	-	(826)	9,948
Roads - Bridges	216,371	835	-	-	-	217,206	-	-	(4,107)	-	-	(4,107)	213,099
Land under roads	7,833	-	-	-	-	7,833	-	-	-	-	-	-	7,833
Stormwater	29,380	1,070	(95)	271	-	30,626	(380)	-	(617)	74	-	(923)	29,703
Sewerage	83,340	2,810	(6,774)	1,514	-	80,890	(1,669)	-	(2,261)	3,930	-	-	80,890
Water	143,519	3,714	(1,397)	2,785	-	148,621	(1,669)	-	(3,630)	859	-	(4,440)	144,181
Work in Progress	15,708	10,377	(64)	(4,570)	-	21,451	-	-	-	-	-	-	21,451
TOTAL INFRASTRUCTURAL ASSETS	**1,860,269**	**26,581**	**(8,330)**	**-**	**-**	**1,878,520**	**(3,718)**	**-**	**(27,152)**	**4,863**	**-**	**(26,007)**	**1,852,513**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**1,907,132**	**31,957**	**(9,381)**	**(569)**	**-**	**1,929,139**	**(18,688)**	**-**	**(29,032)**	**5,025**	**-**	**(42,695)**	**1,886,444**

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ESTIMATING THE FAIR VALUE OF INFRASTRUCTURE ASSETS

- The most recent valuation of infrastructural assets effective 30 June 2026 was performed as follows:
- Stormwater, sewerage, and water infrastructural assets were revalued at 30 June 2026 by Rationale Limited.
- The roading infrastructural assets (excluding land under roads) were revalued at 30 June 2026 by Zing Industries Limited.

There are several estimates and assumptions exercised when valuing infrastructural assets which include:

ESTIMATING THE UNIT RATES

- The unit rate review sourced data from recent Council physical works contract payments, and unit rates from surrounding districts. These rates were analysed to:
  - Benchmark Council's 30 June 2026 unit rates against surrounding areas and recent project work.
- **Estimates of the remaining useful life over which the asset will be depreciated.**
  Each asset is depreciated over its total useful life. An asset's total useful life defaults to its standard life except where its economic or physical life has been assessed. The economic or physical life of particular reticulation assets has not been assessed; therefore, the standard life has been applied in all instances.
- **Asset Optimisation**
  Water supply, wastewater and stormwater line replacement costs have been optimised for material type. Further optimisation of reticulation assets has not occurred. Excess asset capacity, obsolescence and surplus assets are not considered a significant issue.
- **Roading**
  Due to the volume of traffic movements across the Clutha District, the useful life of many of our asset classes are significantly longer than the national benchmark, consequentially, the value of these assets have significantly increased.
  On top of which following the 2024 Roading Valuation conducted, the following recommendations were made:
  - The extra widths and assumed layer depths for the Treatment Group asset group Pavement Structures are reviewed and
  configured in the valuation module such that the need to maintain non-standard data in the treatment length table is removed
  To align to Apopo NZ Best Practice the latest valuation has used actual width and depth data from current pavement replacement/rehab contracts, which has provided factual widths and depths for our local road network within in our district. Which in turn has had a flow on effect of increased values.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

CLASSIFICATION OF PROPERTY

Council owns properties held to provide social housing. The receipt of market-based rental from these properties is incidental to holding them.

These properties are held for service delivery objectives as part of Council's social housing policy. The properties are therefore accounted for as property, plant, and equipment rather than investment property.

RESTRICTIONS

Various properties held by the council have restrictions on the use of proceeds generated from them including the sales proceeds. These proceeds may only be applied to specified purposes, generally being to benefit the Clutha region.

The carrying value of the classes of property, plant, and equipment where restrictions apply follow:

	2026 $000	2025 $000
Land and buildings, including parks and reserves	7,483	6,869
TOTAL	**7,483**	**6,869**

SECURITY OVER PROPERTY, PLANT AND EQUIPMENT

Other than property, plant, and equipment subject to finance leases, no other property, plant, and equipment is pledged as security for liabilities of the Council. (2025: $nil)

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LOCAL GOVERNMENT DISCLOSURES

CORE ASSETS

Under the Local Government (Financial Reporting and Prudence) Regulations 2014, Council is required to disclose information about Council's core assets.

Included within the infrastructure assets are the following core assets:

		Closing book value 30 June 2026 $000	Additions constructed by Council $000	Additions transferred to Council $000	Estimated replacement cost $000
Water supply	Treatment plants and facilities	61,169	17,869	-	83,941
Water supply	Other assets (such as reticulation systems)	102,224	2,564	316	181,551
Wastewater	Treatment plants and facilities	33,609	561	-	48,594
Wastewater	Other assets (such as reticulation systems)	55,069	260	86	111,905
Stormwater/drainage		29,446	596	51	60,484
Roads and footpaths		1,692,822	7,814	-	2,175,331

Estimated replacement cost is stated as per most recent valuations for Water (30 June 2026) and Roading (30 June 2026).

INSURANCE OF ASSETS

Under the LGA 2002, the Council is required to disclose the following information on insurance of assets as at 30 June 2026:

	2026 Actual $000	2025 Actual $000
Total value of all assets of the local authority that are covered by insurance contracts	116,460	106,226
Maximum amount to which they are insured	189,640	192,516
Total value of all assets of the local authority that are covered by financial risk sharing arrangements.	-	-
Maximum amount available to the local authority under those arrangements	-	-
Total value of all assets that are self-insured (underground assets)	190,315	174,539
TOTAL VALUE OF FUNDS MAINTAINED FOR SELF-INSURED ASSETS (UNDERGROUND ASSETS)	**611**	**598**

Roads are uninsured. However, subject to meeting defined criteria, the cost associated with the immediate response, reopening and/or restoration of these assets as a result of a short natural event such as earthquake or tsunami, could be subsidised by Waka Kotahi NZTA.

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B2 INTANGIBLE ASSETS

ACCOUNTING POLICY

INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

Purchased intangible assets are initially recognised at cost. For internally generated intangible assets, the cost includes direct employee costs, a reasonable portion of overhead, and other direct costs that are incurred within the development phase of the asset. Intangible assets acquired at no cost are initially recognised at fair value where they can be reliably measured. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

USEFUL LIVES

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

Computer software	3 to 5 years	20% to 33.3%

DISPOSALS

Gains and losses from the disposal of intangible assets are recognised in surplus or deficit.

IMPAIRMENT

Intangible assets are assessed annually for indicators of impairment. An impairment loss is recognised in surplus or deficit for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Computer Software	$000
Gross carrying amount	
Balance at 1 July 2024	**212**
Additions	-
Transfer from Work in Progress	4
Disposals	-
Intangibles Expensed during the year	-
Balance at 1 July 2025	**216**
Additions	50
Transfer from Work in Progress	12
Disposals	-
Intangibles Expensed during the year	-
Balance at 30 June 2026	**278**
Accumulated Amortisation	
Balance at 1 July 2024	**116**
Amortisation Expenditure	33
Disposals	-
Balance at 1 July 2025	**148**
Amortisation Expenditure	33
Disposals	-
Software assets written off during the year	-
Balance at 30 June 2026	**181**
Net book value	
As at 30 June 2025	67
As at 30 June 2026	**97**

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SECTION C: BORROWINGS AND FINANCIAL INSTRUMENTS

This section provides details of Council's borrowings, a major source of funding used to deliver the services to the people of the Clutha District. It also includes information about the council's financial instruments that are used to manage the risks associate with borrowings. The notes in the section are as follows:

C1 Borrowings

C2 Financial instruments

C3 Other financial assets

C4 Fair value and classification of financial instruments

C1 BORROWINGS

ACCOUNTING POLICY

Borrowings are initially recognised at face value plus transaction costs. Interest due on borrowings is subsequently accrued and added to the borrowings balance.

External Borrowings

	2026 $000	2025 $000
Current		
LGFA	45,578	39,163
Westpac Multi Option Credit Line	1,000	-
Non-Current		
LGFA	122,300	106,800
Westpac Multi Option Credit Line	-	-
TOTAL	**168,878**	**145,963**

LGFA Lending Covenants

FINANCIAL COVENANT	REQUIRED PERFORMANCE (%)	ACTUAL PERFORMANCE (%)
Net Debt: Total Revenue	<285%	206%
Net Interest: Total Revenue	<20%	10%
Net interest: Annual Rates	<30%	15%
Available Financial Accommodation: External Indebtedness	>110%	122%

These covenants are set by LGFA in order to comply with their lending requirements.

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Date Borrowed	Date Maturing	Amount $000	Interest Rate	Fixed/ Float	Accrued Interest $000
May 2021	April 2027	2,500	3.28%	Float	17
May 2021	May 2028	2,500	3.38%	Float	11
July 2021	April 2027	2,000	3.12%	Float	13
March 2022	May 2028	2,500	3.90%	Fixed	12
June 2022	April 2027	2,000	3.19%	Float	13
June 2022	May 2028	2,000	5.21%	Fixed	13
October 2022	April 2029	5,000	3.48%	Float	34
January 2023	April 2029	3,000	3.42%	Float	20
April 2023	May 2028	3,000	5.11%	Fixed	20
April 2023	April 2027	3,000	3.32%	Float	21
June 2023	April 2029	3,500	5.50%	Fixed	38
June 2023	April 2027	3,500	3.28%	Float	24
July 2023	May 2028	2,000	5.60%	Fixed	14
October 2023	April 2027	3,000	6.30%	Fixed	40
December 2023	April 2029	4,000	5.32%	Fixed	42
March 2024	April 2027	4,000	3.35%	Float	28
March 2024	May 2030	4,000	5.42%	Fixed	28
April 2024	May 2030	6,000	5.51%	Fixed	42
May 2024	May 2030	4,000	5.52%	Fixed	28
June 2024	May 2030	8,000	5.12%	Fixed	52
October 2024	May 2028	5,000	3.42%	Float	22
December 2024	April 2027	5,000	3.25%	Float	34
March 2025	October 2030	3,500	4.72%	Fixed	35
April 2025	May 2028	8,000	3.47%	Float	36
April 2025	April 2029	10,300	3.44%	Float	70
April 2025	May 2028	5,500	3.48%	Float	25
July 2025	April 2027	4,000	3.12%	Float	26
July 2025	April 2029	3,500	3.32%	Float	23
October 2025	May 2028	3,000	3.33%	Float	13
October 2025	April 2029	3,000	3.29%	Float	19
March 2026	May 2028	10,000	3.18%	Float	41
March 2026	April 2029	12,500	3.07%	Float	76
April 2026	May 2030	8,500	3.33%	Float	36
June 2026	September 2026	15,610	2.82%	Fixed	-
TOTAL		**166,910**	**3.80%**		**968**

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Interest Rate Swaps

An interest rate swap is an agreement between two parties to exchange one stream of interest payments for another over a set period of time.

Council uses interest rate swaps to stay within the benchmarks set in our liability management policy. They convert our floating rate borrowings into fixed rate borrowings.

Swaps Summary

	LESS THAN 1 YEAR $000	1-2 YEARS $000	3-5 YEARS $000	5+ YEARS $000	TOTAL $000
Council 2026					
Interest rate swaps - not hedge accounted	-	-	-	-	-
Nominal amount	13,500	13,000	17,000	29,000	72,500
Fair value	(23)	(67)	(204)	(192)	(486)
Average fixed rate	3.07%	3.68%	3.82%	3.85%	3.67%
Council 2025					
Interest rate swaps - not hedge accounted	-	-	-	-	-
Nominal amount	6,000	13,500	30,000	5,000	54,500
Fair value	158	34	(306)	(20)	(134)
Average fixed rate	0.57%	3.07%	3.76%	3.73%	3.23%

Interest rates

The weighted average cost of funds for the council's borrowings as at 30 June 2026 is 3.80% (2025: 4.46%). Refer to Notes A5 and E1 for the net finance costs during the period and the interest rate risk analysis, respectively.

LOCAL GOVERNMENT DISCLOSURES

Internal borrowings

Internal borrowing occurs when an activity borrows from reserve funds held for another purpose. Internal borrowings are eliminated and not recorded in the financial statements.

In relation to each group of activities, Council has incurred internal borrowings during the financial year to 30 June 2026, as reflected below:

Internal borrowings	Opening Balance 2025	Borrowed during the Year	Funds Repaid in the Year	Interest Paid in the year (for information)	Closing Balance 2026 $000
	$000	$000	$000	$000	
Administration	22,626	5,637	588	928	27,676
Community Services	18,118	4,227	601	743	21,744
Community Leadership	1,760	38	80	72	1,718
Economic Development	1,538	-	49	63	1,489
Emergency Services	62	-	3	3	59
Water	61,152	5,719	1,903	2,507	64,960
Sewerage	9,481	1,274	322	389	10,433
Stormwater	6,451	758	211	265	6,999
Regulatory	180	-	13	7	167
Solid Waste	2,300	-	116	94	2,184
Roading	8,809	1,536	496	361	9,855
TOTAL	**132,478**	**19,189**	**4,382**	**5,432**	**147,283**

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C2 FINANCIAL INSTRUMENTS

ACCOUNTING POLICIES

Financial assets and financial liabilities are recognised on the statement of financial position when Council becomes a party to contractual provisions of the Instrument. Council is party to financial instruments as part of its normal operations.

At initial recognition, Council measures a financial asset or financial liability at its fair value, plus or minus directly attributable transactions costs, in the case of a financial asset or financial liability not at fair value through surplus of deficit.

Financial assets are classified as either:

1. Amortised cost

2. Fair value through surplus or deficit (FVTSD), or

3. Fair value through other comprehensive revenue and expense (FVTOCRE)

The classification of a financial asset depends on its cash flow characteristics and the Council's management model for managing them. A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AT AMORTISED COST

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Where applicable, interest accrued is added to the investment balance. Instruments in this category include cash and cash equivalents, trade and other receivables, term deposits and borrower notes.

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AT FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except expected credit losses (ECL) and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. The Council does not hold any debt instruments in this category. Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council designates into this category all unlisted equity investments that are not included in its investment fund portfolio, and if they are intended to be held for the medium to long-term.

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AT FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue. Instruments in this category include the Council's derivative financial instruments and its managed investment portfolio.

EXPECTED CREDIT LOSS ALLOWANCE (ECL)

Council recognizes an allowance for ECL for all financial assets not classified as FVTSD. ECLs are the probability weighted estimate of credit losses, measured at the present value of cash shortfalls which is the difference between cash flows due to Council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognized in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12 month ECL). However if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial assets (lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, Council considers reasonable and supportable information that is relevant without undue cost of effort. This includes analysis based on Council's historical experience and information credit assessment and forward looking information.

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Council considers a financial asset to be in default when the financial asset is more than 90 days past due.

FINANCIAL LIABILITIES

Financial liabilities are classified as either:

1. Amortised cost

2. Fair value through surplus or deficit

Financial liabilities are generally classified and measured at amortised cost, unless they meet the criteria for classification at FVTSD.

A financial liability is classified as FVTSD if it meets one of the following conditions:

- It is held for trading, or
- It is designated as at FVTSD

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of re-purchasing in the near term or
- On initial recognition it is part of a portfolio or identified financial instruments that are managed together and for which there is evidence of recent actual pattern of short term profit taking, or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective.

AC – Amortised cost; FVTSD – Fair value sale through surplus and deficit, FVTOCRE - Fair value through other comprehensive revenue and expense.

DERIVATIVE FINANCIAL INSTRUMENTS

The Council uses derivative financial instruments, such as interest rate swaps to mitigate risks associated with interest rate fluctuations. The council does not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Any gains or losses arising from changes in the fair value of derivatives are taken directly to surplus or deficit. Council has not elected to adopt hedge accounting.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Derivative assets and derivative liabilities are classified as current when the maturity is 12 months or less from balance date or non-current when the maturity is more than 12 months from balance date.

FINANCIAL ASSETS	2026 $000	2025 $000
Cash and cash equivalents (AC)	2,063	1,490
Trade and other receivables (AC)	7,724	3,963
Other Financial Assets	-	-
Fair value through surplus or deficit (FVTSD)	30,138	28,101
Borrower Notes in LGFA	6,113	4,502
Unlisted shares (FVTOCRE)	32	32
FINANCIAL LIABILITIES		
Bank overdraft (AC)	-	-
Trade and other payables (AC)	9,809	7,904
LGFA Borrowings (AC)	167,878	145,963
Westpac Multi Option Credit Facility (AC)	1,000	-
Other Liabilities (AC)	-	13
Derivative Financial Liabilities (FVTSD)	486	134

AC – Amortised cost; FVTSD – Fair value sale through surplus and deficit, FVTOCRE - Fair value through other comprehensive revenue and expense.

C3 OTHER FINANCIAL ASSETS

ACCOUNTING POLICY

The council's other financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in surplus or deficit.

Other financial assets of the council include wholesale managed (Nikko) funds, borrower notes and unlisted shares.

The accounting policies on classification of these financial assets for the purpose of measurement are outlined in Note C4.

BORROWER NOTES

Borrower notes are subordinated convertible debt instruments that the council subscribes for in an amount equal to 2.5% of the total borrowing from LGFA. LGFA will redeem borrower notes or convert to equity under specific circumstances when the council's related borrowings are repaid or no longer owed to LGFA.

UNLISTED SHARES

The council has investments of $32k (2025: $32k) in Civic Financial Services Limited. The fair values are determined by reference to the council's share of net asset backing as there is no market information on the value of the organisations' shares.

At fair value through surplus or deficit (FVTSD)	2026 $000	2025 $000
CURRENT		
Wholesale NZ Bond Fund – Unit Trusts - Amova	3,879	3,658
Wholesale NZ Cash Fund – Unit Trusts - Amova	975	1,089

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Wholesale Core Equity Fund – Unit Trusts – Amova	2,851	2,704
Wholesale Global Bond Fund – Unit Trusts – Amova	9,171	8,870
Wholesale Multi Strategy Fund – Amova	2,186	2,062
Wholesale Multi Strategy Fund – MAR20	-	8
Wholesale Global Equity Unhedged Fund – Unit Trusts – Amova	5,007	4,182
Wholesale Global Equity Hedged Fund – Unit Trusts – Amova	4,683	4,198
Wholesale Property Fund – Unit Trusts – Amova	1,384	1,331
	30,138	**28,102**
A fair value through other comprehensive revenue and expense		
NON-CURRENT		
Unlisted shares - Civic	32	32
LGFA borrower notes	6,113	4,502
	6,145	**4,534**
Disclosed in the financial statements as:		
Current	30,138	28,101
Non-current	6,145	4,534
	36,283	**32,635**

There are no impairment provisions for other financial assets.

C4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS

ACCOUNTING POLICY

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

The carrying amount of financial assets and financial liabilities are recorded at amortised cost in the financial statements which approximates their fair values.

Fair value measurements recognised in the Statement of Comprehensive Revenue and Expenditure.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, reconciled into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data unobservable inputs).

Refer to Note C2 and C3 for the valuation techniques used to value derivative financial instruments and other financial assets, respectively.

The fair value hierarchy for Council is as follows:

	Total	Quoted Market Price 2026	Observable Inputs 2026	Significant Non Observable Inputs 2026
		$000	$000	$000
FINANCIAL ASSETS - FAIR VALUE THROUGH SURPLUS AND DEFICIT				
Wholesale NZ Bond Fund – Unit Trusts - Amova	3,879	-	3,879	-
Wholesale NZ Cash Fund – Unit Trusts - Amova	975	-	975	-
Wholesale Core Equity Fund – Unit Trusts – Amova	2,851	-	2,851	-
Wholesale Global Bond Fund – Unit Trusts – Amova	9,171	-	9,171	-
Wholesale Multi Strategy Fund – Amova	2,186	-	2,186	-
Wholesale Multi Strategy Fund – MAR20	-	-	-	-
Wholesale Global Equity Unhedged Fund – Unit Trusts –Amova	5,008	-	5,008	-
Wholesale Global Equity Hedged Fund – Unit Trusts – Amova	4,683	-	4,683	-
Wholesale Property Fund – Unit Trusts	1,384	-	1,384	-
Derivative financial assets	(486)		(486)	
FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE				
Unlisted shares Civic Assurance	32	-	-	32

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The fair value 2025 hierarchy for Council is as follows:

	Total	Quoted Market Price 2025	Observable Inputs 2025	Significant Non Observable Inputs 2025
		$000	$000	$000
FINANCIAL ASSETS - FAIR VALUE THROUGH SURPLUS AND DEFICIT				
Wholesale NZ Bond Fund – Unit Trusts - Nikko AM	3,658	-	3,658	-
Wholesale NZ Cash Fund – Unit Trusts - Nikko AM	1,089	-	1,089	-
Wholesale Core Equity Fund – Unit Trusts – Nikko AM	2,704	-	2,704	-
Wholesale Global Bond Fund – Unit Trusts – Nikko AM	8,870	-	8,870	-
Wholesale Multi Strategy Fund – Nikko AM	2,061	-	2,061	-
Wholesale Multi Strategy Fund – MAR20	8	-	8	-
Wholesale Global Equity Unhedged Fund – Unit Trusts – Nikko AM	4,182	-	4,182	-
Wholesale Global Equity Hedged Fund – Unit Trusts – Nikko AM	4,198	-	4,198	-
Wholesale Property Fund – Unit Trusts	1,331	-	1,331	-
Derivative financial assets	(134)		(134)	
FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE				
Unlisted shares Civic Assurance	32	-	-	32

For the purpose of measurement, the council's financial assets and liabilities are classified into categories. The classification depends on the purpose for which the financial assets and liabilities are held. Management determines the classification of financial assets and liabilities and recognises these at fair value at initial recognition.

Council does have financial assets for purposes of trading. Council has listed investments in managed funds and unit trusts that are designated on initial recognition at fair value through surplus or deficit. This is because the performances of these groups of assets are managed, and performance evaluated, on a fair value basis, in accordance with Council's investment management policy. Derivatives are, by their nature, categorised as held for trading unless they are designated into a hedge relationship for which hedge accounting is applied.

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when offset is legally enforceable and there is an intention to settle on a net basis. Revenue and expenditures arising as a result of financial instrument earnings or fair value adjustments are recognised as a net result for like items.

Derivatives are, by their nature, categorised as fair value through surplus or deficit unless they are designated into a hedge relationship for which hedge accounting is applied.

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when offset is legally enforceable and there is an intention to settle on a net basis. Revenue and expenses arising as a result of financial instrument earnings or fair value adjustments are recognised on a net-basis for like items.

Fair Value Reconciliation for level 3 shares

Unlisted shares in Civic Assurance	2026 $000	2025 $000
Balance 1 July	32	31
(Losses)/gains recognised in other comprehensive revenue and expense – Civic	-	1
TOTAL	**32**	**32**

SECTION D: WORKING CAPITAL AND EQUITY

This section provides information about the operating assets and liabilities available to Council's day-to- day activities. This section also contains analysis of the net assets of Council, accumulated funds, and restricted reserves.

The notes included in the following section are as follows:

D1 Cash and cash equivalents

D2 Receivables and prepayments

D3 Payables and accruals

D4 Employee entitlements

D5 Provisions

D6 Ratepayer equity

D7 Development property

D1 CASH AND CASH EQUIVALENTS

ACCOUNTING POLICY

Cash and cash equivalents are made up of cash on hand, on-demand deposits and other short-term highly liquid investments, net of bank overdraft classified under current liabilities. The carrying value of cash at bank and short-term deposits with original maturities less than three months approximates their fair value.

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	2026 $000	2025 $000
Cash and cash equivalents	2,063	1,490
Term deposits with maturities of less than three months at acquisition	-	-
TOTAL CASH AND CASH EQUIVALENTS	**2,063**	**1,490**

The total value of cash and cash equivalents that can only be used for a specific purpose as outlined in the relevant trust deeds is $0k (2025: $13k).

D2 RECEIVABLES AND PREPAYMENTS

ACCOUNTING POLICY

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

	2026 $000	2025 $000
Trade and other receivables	1,181	464
Rates receivable	2,751	1,925
Subtotal	3,932	2,388
Allowance for credit loss	(483)	(353)
Net trade and other receivables	**3,449**	**2,035**
NZTA subsidy	2,769	1,353
GST Refundable	1,506	495
Total receivables and prepayments	**7,724**	**3,883**
Disclosed in the financial statements as:		
Current	7,724	3,884
Total receivables and prepayments	**7,724**	**3,884**
Receivables from non-exchange transactions: This includes outstanding amounts for rates, grants, infringements and fees and charges That are partly subsidised by rates:	4,258	3,773
Receivables from exchange transactions:This includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	3,466	110
	7,724	**3,884**

Most receivables are non-interest bearing and the carrying value approximates fair value. In relation to rates receivable, ratepayers may apply for payment plan options in special circumstances, which defers the balance to non-current where applicable.

ASSESSMENT FOR UNCOLLECTABILITY

RATES RECEIVABLES

Council does not normally provide for any uncollectability on rates receivable, as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow Council to commence legal proceedings to recover any rates that remain unpaid four months after due date for payment. If payment has not been made within three months of the Court's judgment, then Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

Council provides for impairment on rates receivables only for abandoned land and properties at rating sales with little chance of recovery.

Council applies the simplified Expected Credit Loss (ECL) model of recognizing lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due.

A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected. Receivables are generally short-term and non-interest bearing. Therefore, the carrying value of receivables approximates their fair value.

All past due balances are considered collectable (except those specific debtors identified as requiring an impaired credit loss) however Council applies a simplified approach to measuring expected credit losses.

Council holds no other collateral as security or other credit enhancements over receivables that are either past due or uncollectable.

All receivables more than 30 days in age are considered to be past due.

Other than NZTA, Council has no significant concentration of credit risk, as it has a large number of credit customers, mainly ratepayers. Council believes no further credit provision is required in excess of the credit loss allowance.

The chief executive approved the write-off of rates receivable during the year under the LG(R)A 2002 as follows:

- Section 90A: nil (2025 : nil)
- Section 90B: nil (2025 : nil)

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D3 PAYABLES AND ACCRUALS

ACCOUNTING POLICY

Current payables and accruals represent amounts payable within 12 months of balance date and are recognised at cost. Current payables and accruals are non-interest bearing and normally settled on 30-day terms; therefore, the carrying value approximates fair value.

Non-current payables and accruals represent amounts payable more than 12 months from balance date and are measured at the present value of the estimated future cash outflows.

Payables and accruals

	2026 $000	2025 $000
Payables and accruals under exchange transactions		
Trade and sundry payables	7,235	5,439
Rates in advance	723	587
Deposits and retentions	1,818	1,851
Deferred revenue	35	27
Payables and accruals under non-exchange transactions		
Trade and sundry payables	-	-
TOTAL PAYABLES AND ACCRUALS	**9,809**	**7,904**

The average credit period on purchases is 30 days.

D4 EMPLOYEE ENTITLEMENTS

ACCOUNTING POLICY

Employee entitlements to be settled within 12 months of balance date are reported at the amount expected to be paid within current liabilities. The liability for long-term employee entitlements is measured at the present value of estimated future cash outflows and is reported within non-current liabilities.

Employee entitlements

	2026 $000	2025 $000
Salary and wage accrual	555	503
Annual leave	1,194	1,009
Retirement gratuities	38	37
TOTAL EMPLOYEE ENTITLEMENTS	**1,787**	**1,549**

D5 PROVISIONS

ACCOUNTING POLICY

Provisions are recognised in the statement of financial position where the council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be estimated reliably.

Provisions are measured at the present value of the expected future cash outflows required to settle the obligation. The increase in the provision due to the passage of time is recognised as finance cost in surplus or deficit.

JUDGEMENTS AND ESTIMATES

The consent for the Mt. Cooee landfill expired in September 2023, prompting a new consent application to the Otago Regional Council (ORC). The Council has budgeted for the future extension of the landfill by designing a new landfill area adjacent to the current one, as well as the construction of a transfer station in 2026/27.

It's estimated that it will be more cost-effective to continue landfilling waste at Mt. Cooee for as long as possible. However, operational costs, landfill gas capture, and central government policy on landfill tax and emissions trading will all influence how long this remains viable.

Council has also set targets to divert as much waste as possible from landfill, increased diversion may impact the financial viability of the Mt. Cooee landfill due to reduced throughput.

The cash outflows for closed landfills are not expected to occur until 2027. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 5.16% (2025: 5.34%).

Other assumptions made in the calculation of the provision are:

- CDC will only maintain the liability for closed landfills in its ownership, or as part of the sales agreement where a liability is retained. No major capital improvements are required should resource consents be needed.
- The Mt Cooee Landfill will remain cost effective up until the point, bulking, transfer, delivery and disposal becomes cheaper at alternative locations, including landfills outside of the Clutha boundary.

Landfill aftercare provision

	2026 $000	2025 $000
Balance at beginning of year	1,727	1,534
Finance costs – Discount unwind	601	258
Amounts used	(23)	(65)
BALANCE AT END OF YEAR	**2,305**	**1,727**

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D6 RATEPAYER EQUITY

ACCOUNTING POLICY

Ratepayer equity is the community's interest in the council.

Ratepayer equity has been classified into various components to identify those portions of equity held for specific purposes:

- Accumulated funds;
- Restricted reserves;
- Property revaluation reserve; and
- Fair value through other comprehensive revenue and expenditure reserve.

RESTRICTED RESERVES

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Restricted reserves include those subject to specific conditions accepted as binding by Council and which may not be revised by Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

PROPERTY REVALUATION RESERVE

This reserve relates to the revaluation of property, plant, and equipment to fair value.

FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE RESERVE

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expenditure.

CAPITAL MANAGEMENT

For the purpose of the council's capital management, the council's capital is its ratepayer equity, which comprises contributed equity, reserves, and accumulated funds. Equity is represented by net assets. The Local Government Act 2002 (the LGA 2002) requires the council to manage revenue, expenses, assets, liabilities, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities, and general financial dealings.

In addition, the Local Government (Financial Reporting and Prudence) Regulations 2014 sets out a number of benchmarks for assessing whether the council is managing revenue, expenses, assets, and liabilities prudently. Refer to Section G for the financial reporting and prudence benchmarks of the council for the year ended 30 June 2026.

The objective of managing the council's capital is to achieve intergenerational equity, which is a principle promoted in the LGA 2002 and applied by the council. Intergenerational equity requires today's ratepayers to meet the cost of using the council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations.

To achieve this objective, the council have asset management plans in place for major classes of assets detailing renewal and maintenance programmes to minimise the likelihood of ratepayers in future generations being required to meet the costs of deferred renewals and maintenance.

An additional objective of capital management is to ensure that the expenditure identified in the 10-year budget and annual budget are met in the manner set out in these budgets. The LGA 2002 requires the council to make adequate and effective provision in the 10-year budget and annual budget to meet the expenditure needs identified in those budgets. It sets out factors that the council is required to consider when determining the most appropriate sources of funding for each of the council's activities.

The sources and levels of funding are set out in the funding and financial policies of the 10-year budget. The council monitors actual expenditure incurred against the 10-year budget and annual budget.

No changes were made in the objectives, policies, or processes for managing capital of the council during the years ended 30 June 2026 and 30 June 2025.

Reserves

	2026 $000	2025 $000
Fair value through other comprehensive revenue and expenditure revenue reserve (a)	(46)	(45)
Asset revaluation reserve (b)	1,693,864	1,552,442
Trust Funds (c)	455	449
Reserves (d)	62,445	55,635
BALANCE AT END OF YEAR	**1,756,718**	**1,608,479**

(a) Fair value through other comprehensive revenue and expenditure reserve.

	2026 $000	2025 $000
Balance at beginning of year	(45)	(46)
Valuation gain/(loss) recognised	1	1
Equity securities	-	-
BALANCE AT END OF YEAR	**(45)**	**(45)**

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The reserve arises on the revaluation of unlisted equity securities. Where a revalued financial asset is sold, the portion of the reserve which relates to that financial asset, and is effectively realised, is recognised in the Statement of Comprehensive Revenue and Expenditure. Where a revalued financial asset is impaired that portion of the reserve which relates to that financial asset is recognised in the Statement of Comprehensive Revenue and Expenditure.

(b) Asset Revaluation Reserve

	2026 $000	2025 $000
Balance at beginning of year	1,552,442	1,552,442
Revaluation (decrease) / increase		
Equity securities		
- Roading revaluation	129,367	-
- Stormwater revaluation	(239)	-
- Wastewater revaluation	9,337	-
- Water revaluation	2,956	-
BALANCE AT END OF YEAR	**1,693,863**	**1,552,442**

The asset revaluation reserve arises on the revaluation of infrastructural assets. Where a revalued asset is sold, the portion of the asset revaluation reserve which relates to that asset, and is effectively realised, is transferred directly to accumulated funds.

Reconciliation of Revaluation Reserve

	Roading $000	Stormwater $000	Wastewater $000	Water $000	Total $000
Balance at 30 June 2024	1,401,391	15,453	57,075	78,523	1,552,442
Revaluation increase / (decrease)	-	-	-	-	-
Balance at 30 June 2025	**1,401,391**	**15,453**	**57,075**	**78,523**	**1,552,442**
Revaluation increase / (decrease)	129,367	(239)	9,337	2,956	141,421
BALANCE AT 30 JUNE 2026	**1,530,758**	**15,214**	**66,412**	**81,479**	**1,693,863**

(c) Trust Funds (restricted)

Fund	Type/ Purpose	Opening Balance 2025 $000	Transfers into the reserve $000	Interest Allocated $000	Transfers out of the reserve $000	Closing Balance 2026 $000
Trust Funds						
Tapanui Domain Trust	Trust	17	-	-	-	18
Butler Trust	Trust	-	-	-	-	1
Milton Brass Band	Trust	1	-	-	-	1
O'Hara Sports Trust	Trust	2	-	-	-	2
JD Swan Estate	Trust	11	-	-	-	11
George Melville Estate	Trust	128	-	3	-	131
Kate Leslie Trust	Trust	124	-	2	3	123
Elderly Citizens Trust (Lawrence)	Trust	26	-	1	-	26
TLCC	Trust	37	-	1	1	37
Clinton Endowment Land	Trust	103	-	2	-	105
TOTAL TRUST FUNDS		**449**	**-**	**9**	**3**	**455**

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(d) Reserves Funds

FUND *(All rounded to $000s)	TYPE/ PURPOSE	OPENING BALANCE 2025 *($000s)	TRANSFERS INTO THE RESERVE *($000s)	INTEREST ALLOCATED *($000s)	TRANSFERS OUT OF THE RESERVE *($000s)	CLOSING BALANCE 2026 *($000s)
INTERNAL SERVICES						
Information Technology	Depn	(890)	85	(16)	-	(821)
Office Computer Equipment	Spec	102	-	2	-	104
Rosebank Terrace Main Office	Depn	79	53	3	8	126
Underground Insurance	Spec	598	-	12	-	611
Human Resources	Spec	22	-	-	-	22
Cars	Spec	447	-	4	246	205
Gratuities	Spec	86	-	2	-	88
GIS	Spec	143	-	3	-	146
District Assets Infrastructure	Spec	2	-	-	-	2
Policy and Communications	Spec	177	-	4	-	181
COMMUNITY LEADERSHIP AND ECONOMIC AND COMMUNITY DEVELOPMENT						
Lawrence Tuapeka Community Board	Spec	61	8	1	-	70
West Otago Community Board	Spec	30	14	1	-	46
Tuapeka Bursary	Spec	22	-	-	3	20
Economic Development	Spec	148	-	3	-	151
Clutha Gold Trail	Spec	28	-	1	-	28
Opportunities Fund	Spec	82	-	2	-	84
Signage	Spec	9	-	-	-	9
Welcome to Signage	Spec	5	-	-	-	5

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FUND *(All rounded to $000s)	TYPE/ PURPOSE	OPENING BALANCE 2025 *($000s)	TRANSFERS INTO THE RESERVE *($000s)	INTEREST ALLOCATED *($000s)	TRANSFERS OUT OF THE RESERVE *($000s)	CLOSING BALANCE 2026 *($000s)
COMMUNITY SERVICES						
Libraries	Depn	164	115	4	73	210
Service Centres	Depn	152	-	3	-	155
Service Centres	Spec	265	-	5	-	270
Balclutha Pool	Depn	74	47	2	-	124
Kaitangata Pool	Depn	155	-	-	155	-
Lawrence Pool	Depn	(1)	1	-	-	-
Lawrence Pool	Spec	53	-	1	-	54
Milton Pool	Depn	153	10	3	-	165
Reserve Contributions	Spec	87	15	2	-	104
Parks and Reserves	Depn	42	73	2	10	108
Sports Grounds	Depn	295	-	6	24	277
Grandstand 2000	Depn	173	-	4	-	177
Cemetery	Depn	96	2	2	4	97
Cemeteries	Spec	559	-	11	-	570
Kaitangata Cemetery	Spec	16	-	-	-	17
Lawrence Cemetery	Spec	33	-	1	-	34
Public Conveniences	Depn	153	45	4	-	202
Balclutha Town Hall	Depn	91	-	2	-	93
Balclutha Town Hall	Spec	63	-	1	-	65
Milton Civic Centre	Depn	17	-	-	-	18
Kaitangata Hall	Depn	-	-	-	-	-
Clutha Valley Hall	Depn	-	3	-	-	3
Hillend Hall	Depn	75	5	2	-	82

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FUND *(All rounded to $000s)	TYPE/ PURPOSE	OPENING BALANCE 2025 *($000s)	TRANSFERS INTO THE RESERVE *($000s)	INTEREST ALLOCATED *($000s)	TRANSFERS OUT OF THE RESERVE *($000s)	CLOSING BALANCE 2026 *($000s)
Kaka Point	Depn	90	3	2	-	96
Lovells Flat	Depn	26	-	1	-	27
Moneymore Hall	Depn	26	-	1	-	26
Paretai Hall	Depn	7	-	-	-	7
Owaka Hall	Depn	28	7	1	9	26
Waihola Hall	Depn	13	1	-	-	14
Waipahi Hall	Depn	18	1	-	16	3
Waitahuna Hall	Depn	352	3	7	-	362
Waiwera Hall	Depn	2	2	-	-	5
Various Halls	Depn	200	2	4	-	206
Clinton Hall	Depn	28	-	1	-	29
Naish Park Camping Ground	Depn	110	-	2	-	112
Kaka Point Camping Ground	Depn	83	-	2	-	85
Taylor Park Camping Ground	Depn	9	87	2	11	87
Pounawea Camping Ground	Depn	17	-	-	-	17
Waihola Camping Ground	Depn	19	-	-	-	20
Community Housing	Depn	97	70	1	104	65
Endowment Land	Spec	684	-	14	-	697
Depots	Depn	406	-	8	-	414
Other Property	Depn	144	-	3	-	147
Dunrobin Recreation Reserve Board	Spec	81	-	2	-	83
Parkhill Rec Reserve Board	Spec	4	-	-	-	4
Waikoikoi Domain Board	Spec	19	-	-	-	19

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FUND *(All rounded to $000s)	TYPE/ PURPOSE	OPENING BALANCE 2025 *($000s)	TRANSFERS INTO THE RESERVE *($000s)	INTEREST ALLOCATED *($000s)	TRANSFERS OUT OF THE RESERVE *($000s)	CLOSING BALANCE 2026 *($000s)
FUNDS NOT SPECIFICALLY ALLOCATED TO AN ACTIVITY GROUP						
General Funds	Spec	13,938	-	5,656	-	19,594
Serdel - Externally Invested	Spec	4,773	-	-	-	4,773
Forestry Fund - Externally Invested	Spec	6,569	-	89	-	6,659
Investment Fund Balance	Spec	1,668	-	-	-	1,668
Rates Disbursement Reserve	Spec	6,494	-	826	-	7,320
Treasury Return to Balance Reserve	Spec	2,837	-	645	-	3,481
Education Fund	Spec	16	-	-	-	16
Land and Buildings	Spec	232	-	5	-	237
Emergency Fund	Spec	3,849	-	73	269	3,653
Capital Works and Purchases	Spec	163	-	3	-	166
Bulb Growing/Project	Spec	4	-	-	-	4
Momona Airport Refund	Spec	32	-	1	-	32
REGULATORY & EMERGENCY SERVICES						
Animal Control	Depn	31	1	1	-	33
Regulatory Reserve	Depn	97	-	2	-	99
Civil Defence and Emergency	Depn	35	-	1	-	36
Rural Fire	Depn	2	-	-	-	2
ROADING						
Roading - Bridge Lights	Spec	49	-	1	-	50
Roading	Depn	1,990	416	47	118	2,334
Balclutha Main Street	Spec	66	-	1	-	68
Deferred Roading	Depn	2,909	2	59	-	2,970

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FUND *(All rounded to $000s)	TYPE/ PURPOSE	OPENING BALANCE 2025 *($000s)	TRANSFERS INTO THE RESERVE *($000s)	INTEREST ALLOCATED *($000s)	TRANSFERS OUT OF THE RESERVE *($000s)	CLOSING BALANCE 2026 *($000s)
WASTE MANAGEMENT						
Solid Waste	Depn	101	148	-	-	148
Waste Minimisation	Spec	1,305	11	29	52	1,293
WATER						
Urban Water	Depn	364	308	1	600	74
Urban Water	Spec	30	-	1	-	30
Balmoral Tuapeka	Depn	161	140	2	200	103
Clydevale / Pomahaka	Depn	42	57	2	-	101
Glenkenich	Depn	100	67	2	70	100
Glenkenich Rural Water Scheme Renewal	Spec	1	-	-	-	1
Moa Flat	Depn	105	65	2	70	102
North Bruce	Depn	61	56	2	-	120
Richardson	Depn	(431)	74	(8)	50	(416)
Richardson Rural Water Scheme Renewal	Spec	503	-	10	-	513
South Bruce	Depn	14	13	1	-	28
Waipahi	Depn	22	11	1	-	33
Wangaloa	Depn	105	6	2	-	114
Stirling Treatment Plant	Depn	(13)	25	0	-	12
Stirling Water Treatment Plant	Spec	33	-	1	-	34
Kaitangata Treatment Plant	Depn	34	19	1	-	54
Wangaloa Plant Renewal	Spec	18	-	-	-	18
Telemetry	Depn	113	-	2	-	115
Telemetry	Spec	167	-	3	-	170

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FUND *(All rounded to $000s)	TYPE/ PURPOSE	OPENING BALANCE 2025 *($000s)	TRANSFERS INTO THE RESERVE *($000s)	INTEREST ALLOCATED *($000s)	TRANSFERS OUT OF THE RESERVE *($000s)	CLOSING BALANCE 2026 *($000s)
Wastewater						
Urban	Depn	(529)	499	(8)	350	(388)
Tapanui Works Infrastructure Fund	Spec	9	-	-	-	9
Balclutha Sewerage	Spec	751	-	15	-	766
Kaitangata Sewerage	Spec	55	-	1	-	56
Kaka Pt Sewerage Renewal	Spec	92	-	2	-	94
Stirling Sewerage Plant	Spec	3	-	-	-	4
Waihola Sewerage	Spec	119	-	2	-	121
Stormwater						
Urban Stormwater	Depn	290	138	1	400	28
Milton Stormwater	Spec	26	-	1	-	27
UNRESTRICTED RESERVES		**55,635**	**2,709**	**7,608**	**3,507**	**62,445**

*Council holds funds on behalf of 3 Recreation Reserve/Domain Boards.

Accumulated Comprehensive Revenue and Expenditure

	2026 $000	2025 $000
Balance at beginning of year	161,895	200,972
Net (Loss) / Surplus for the year	(24,478)	(32,825)
Transfer from/(to)		
- Transfer from Reserves	3,507	4,698
- Transfer from Trust Funds	3	10
- Transfer to Reserves to balance investments	(7,617)	(7,856)
- Transfer to Reserves	(2,709)	(3,104)
- Transfer to Trust Funds		-
BALANCE AT END OF YEAR	**130,601**	**161,895**



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D7 DEVELOPMENT PROPERTY

ACCOUNTING POLICY

Development Properties are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for the development properties less all estimated costs to make the sale.

	2026 $000	2025 $000
ROSEBANK INDUSTRIAL SITE		
Opening Balance	228	345
Plus: Additions in current year	105	160
Less: Amounts expensed due to sale	-	(95)
Less: Impairment loss	(133)	(182)
Closing Balance	**200**	**228**
ROSEBANK TERRACE SUBDIVISION		
Opening Balance	1,868	2,016
Plus: Additions in current year	42	449
Less: Amounts expensed due to sale	(274)	(597)
Closing Balance	**1,636**	**1,868**
STIRLING SUBDIVISION		
Opening Balance	451	503
Plus: Additions in current year	-	-
Less: Amounts expensed due to sale	-	(52)
Closing Balance	**451**	**451**
KAITANGATA HOUSE AND LAND PACKAGE		
Opening amount capitalised	502	667
Plus: Additions in current year	711	931
Less: Amounts expensed due to sale	(560)	(1,096)
Less: Impairment loss	-	-
Closing Balance	**651**	**502**
KEITHMORE ROAD		
Opening amount capitalised	4	4
Plus: Additions in current year	-	-
Closing Balance	**4**	**4**
	2,944	**3,053**

SECTION E: FINANCIAL RISK MANAGEMENT

This section provides information on how the Council is exposed to a variety of financial risks and how these risks are managed.

The council's core policies relating to financial risk are contained in the Treasury Management Policy (TMP). The TMP meets the requirements of the LGA 2002 and sets out the council's policies on how it will manage its key financial risks including risks associated with borrowing, interest rates, foreign exchange, counterparty credit, liquidity, and investment.

Any changes to the TMP require the approval of the Council.

The significant financial risks to the council are set out below. Within each subsection a definition and explanation of the risk is detailed (risk definition) and then an explanation of how council manages each financial risk (risk management).

The following are the financial risks significant to Council:

E1 Interest rate risk

E2 Equity price risk

E3 Credit risk

E4 Liquidity risk

E5 Foreign exchange risk

E1 INTEREST RATE RISK

RISK DEFINITION

Interest rate risk is the risk that the Council is exposed to adverse changes in interest rates which may result in net financing costs exceeding annual budget or 10-year budget forecasts. The council is exposed to interest rate risk on all debt obligations and cash investments.

RISK MANAGEMENT

The council seeks to limit interest rate risk by:

- actively managing interest rates using a mix of derivatives and fixed rate debt; and
- managing interest rates on both current and forecast debt.

The council manages interest rates on a portfolio basis. The council's risk management approach aims, over the long term, to:

- minimise volatility and provide certainty of interest costs thereby reducing the likelihood that adverse movements in interest rates will materially impact the operating surplus;
- minimise the cost of borrowings within acceptable risk parameters; and
- manage the divergence between the council's effective interest rate and prevailing market interest rates.

Mechanisms used to manage interest rate risk are:

- matching the interest rate risk profile of the council's financial assets and liabilities; and
- fixing rates through fixed rate borrowings or interest rate hedging instruments to fix rates on floating rate borrowings.

The council measures the risk through sensitivity analysis which is based on possible movements of 10% in the interest rate. The impact on potential surplus or deficit and equity (excluding accumulated funds) calculated using the council's financial instrument exposures at balance date are as follows:

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- LGFA debt impact - a 10% increase in interest rate would have a $638k (2025: $408k) decrease in surplus and a $638k (2025: $408k) increase in surplus with a 10% decrease in interest rate.
- The sensitivity analysis below has been determined based on the exposure to interest rate risks at the reporting date.
- Surplus would (decrease) / increase by $218k (2025: $275k). This is mainly attributable to Council's exposure to interest rates on its investments within its managed funds held with Nikko Asset Management.
- Other equity reserves would remain unaffected.
- Council's sensitivity to interest rates has changed due to investment in Amova funds.

E2 EQUITY PRICE RISK

At reporting date, if equity prices had been 10% higher or lower and all other variables were held constant, Council's:

- Surplus would increase / decrease by $2,627k (2025: $2,446k) as the equity investments are classified as fair value through surplus or deficit.

Council's sensitivity to equity prices has increased with the move to the Nikko investment.

RISK EXPOSURE

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Council is exposed to price risks arising from managed funds investments held within Unit Trusts with Nikko AM. Council also holds unlisted equity securities.

RISK MANAGEMENT

This price risk is managed by diversification of Council's investment portfolio in accordance with the limits set out in the treasury management policy.

MEASUREMENT OF RISK

Council measures the risk through sensitivity analysis which is calculated based on a reasonably possible movement in the relevant unit price and unlisted held by the entity.

E3 CREDIT RISK

RISK DEFINITION

Credit risk is the risk that a third party will default on its obligation to the council, causing the council to incur a loss. Credit risk may arise from cash and cash equivalents, deposits with banks, credit exposures to receivables, related party loans, financial guarantees as well as derivative financial instruments and other financial assets.

The council's maximum credit risk exposure for each class of financial assets is the carrying amount of these financial assets which is presented in Note C4 under the category of financial instruments.

The Council is exposed to credit risk as a guarantor of all the LGFA's borrowings. Information about this exposure is explained in note F1.

RISK MANAGEMENT

The council seeks to limit counterparty exposure by:

- only transacting with counterparties with acceptable credit ratings;
- avoiding concentrations of credit exposure to one counterparty by spreading exposures amongst many counterparties;
- executing Credit Support Annex's (CSAs) with selected counterparties to manage derivative risk; and
- having netting provisions in International Swaps and Derivatives Association (ISDA) arrangements.

Acceptable credit standings are determined with reference to long term credit ratings published by S&P Global Ratings (or similar international credit rating agency).

The council are not exposed to material concentrations of credit risk around rates and other receivables from non-exchange transactions as there is a large number of ratepayers and customers, and the council has a statutory right to recover outstanding funds under the Local Government (Rating) Act 2002. Refer to Note D2.

Rates and other receivables

Receivables mainly arise from the council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of receivables with reference to internal and external credit rating.

Maturity Profiles of Financial Liabilities excluding derivatives

The following tables detail Council's remaining contractual maturity for its non-derivative financial liabilities. The tables below have been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be earned on those liabilities except where Council anticipates that the cash flow will occur in a different period.

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2026	Weighted Average Effective Interest Rate %	Fixed Maturity Dates: Less than 1 year $000	1-2 years $000	2-3 years $000	3-4 years $000	4-5 years $000	5+ years $000	Non Interest Bearing $000	Total $000
Financial liabilities:									
Trade and other payables	-	-	-	-	-	-	-	9,809	9,809
Borrowings	3.80	46,578	43,500	44,800	34,000	-	-	-	168,878
Other Liabilities	-	-	-	-	-	-	-	-	-
TOTAL		**46,578**	**43,500**	**44,800**	**34,000**	**-**	**-**	**9,809**	**178,687**

2025	Weighted Average Effective Interest Rate %	Fixed Maturity Dates: Less than 1 year $000	1-2 years $000	2-3 years $000	3-4 years $000	4-5 years $000	5+ years $000	Non Interest Bearing $000	Total $000
Financial liabilities:									
Trade and other payables	-	-	-	-	-	-	-	7,904	7,904
Borrowings	4.46	39,163	25,000	30,500	25,800	25,500	-	-	145,963
Other Liabilities	-	-	-	-	-	-	-	-	-
TOTAL		**39,163**	**25,000**	**30,500**	**25,800**	**25,500**	**-**	**7,904**	**154,867**

The above table also represents the maturity dates of the underlying securities.

The Council is exposed to credit risk as a guarantor of all the LGFA's borrowings. Information about this exposure is explained in note C1.



E4 LIQUIDITY RISK

RISK DEFINITION

Liquidity risk is the risk that the council is unable to meet its obligations as they fall due.

The council is exposed to liquidity risk whenever it refinances existing debt or when it is contractually committed to make cash payments.

RISK MANAGEMENT

The council seeks to limit liquidity risk by:

- maintaining sufficient unutilised committed funding facilities;
- ensuring investments are short term and liquid in nature; and
- maintaining longer term cash flow forecasts to recognise potential future financing pressures early, allowing time for a financing strategy to be planned and implemented.

In addition, the council seeks to limit financing risk by:

- spreading financing over a range of maturities, to minimise the risk of large concentrations of debt having to be refinanced in periods where credit margins are high for reasons beyond the council's control. This includes the spreading of short-term debt where practical and economic;
- maintaining a mixture of short-term facilities (which generally have lower credit margins and flexibility) and long- term facilities to achieve an effective funding mix, balancing the requirements of cost minimisation and limiting re-financing risk;
- not giving financial covenants in respect of any borrowing except for a most favoured lender clause and those already given to the LGFA;
- complying with borrowing covenants imposed by the LGFA; and
- reviewing funding principles every three years in line with the 10-year budget.

The Council has a multi option credit line facility of $3m which expires 31 July 2027 and a business MasterCard facility with a limit of $20k. Interest is charged on a daily basis.

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OVERDRAFT FACILITY	2026 $000	2025 $000
Amount used	-	-
Amount unused	250	250
Multi Option Credit Facility with Westpac Banking Corporation (secured by a negative pledge over rates):		
Amount used	1,000	-
Amount unused	2,000	3,000
	3,000	**3,000**

The Council is exposed to liquidity risk as a guarantor of all the LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note C1.

E5 FOREIGN EXCHANGE RISK

RISK DEFINITION

Foreign exchange risk is the risk that costs materially exceed budget due to adverse movements in foreign exchange rates. Council is not exposed to currency risk, as it does not enter into foreign currency transactions.

SECTION F: OTHER DISCLOSURES

This section provides other financial information that will enhance clarity and understanding of this financial report. Required disclosures such as the remuneration of Clutha's mayor, councillors and local board members are presented under Related party transactions.
The notes included in this section are as follows:

F1 Contingencies, commitments, and subsequent events

F2 Funding Impact Statement

F1 CONTINGENCIES, COMMITMENTS, AND SUBSEQUENT EVENTS

ACCOUNTING POLICY

The council does not recognise contingent liabilities and contingent assets in the financial statements due to their uncertainty or the fact that they cannot be reliably measured.

Disclosures are provided for as follows:

- Contingent liabilities are disclosed unless the possibility that these will crystallise is remote; and
- Contingent assets are only disclosed when it is probable that they will crystallise.

Contingent liabilities and assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

CONTINGENT LIABILITIES AND ASSETS

At 30 June 2026 the following matters were outstanding:

WAIHOLA WASTEWATER TREATMENT PLANT

ORC prosecuted under the RMA 1991 relating to unlawful discharges and breach of an abatement notice that occurred in January 2025 (duck obstruction/ manual override of discharge valve over 4 days), and alleged tidal timing breaches allowing unlawful discharge between February – June 2025 at the Waihola Wastewater Treatment Plant. As a result of a meeting on 22 June 2026 between the CE's of CDC and ORC, ORC advised that it would withdraw all charges and enter a diversion agreement subject to some conditions:

a. Donate to an agreed environmental project

b. Reimburse ORC to offset its administrative and legal costs associated with responding to the alleged offending.

c. Install permanent guards at the Discharge Outlet Pipe situated within the wetland cells of the Waihola Wastewater Treatment Plant's pond to prevent debris from entering the pipe.

d. Participate in a meeting with ORC and mana whenua representatives to discuss a new resource consent for the Waihola Wastewater Treatment Plant and a long-term solution to Waihola wastewater treatment prior to 3 November 2026 (meeting scheduled for 2 November 2026).

With completion of the last matter being the scheduled meeting, the Court has advised on 5 November that the charges have been withdrawn.

MILTON WASTEWATER TREATMENT PLANT

On Monday 25 May 2026, Council received charging documents and a Summary of Facts relating to the alleged discharge of a contaminant from the Milton Wastewater Treatment Plant (Milton WWTP) between 4 April 2025 and 1 May 2025. The prosecution relates to two representative charges under the Resource Management Act 1991: one alleging breach of resource consent conditions, and the other alleging breach of an abatement notice. In June 2026, Council was advised that lawyers acting for Council's insurer, QBE, would manage this matter.

On 20 July 2026, through its legal representatives, ORC confirmed that it would withdraw the charge alleging failure to comply with the abatement notice if CDC entered a guilty plea to the remaining charge of contravening, or permitting a contravention of, section 15(1)(a) of the Resource Management Act 1991. The Summary of

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Facts was amended to reflect this change. At the Court hearing on 4 August 2026, a guilty plea was entered in response to the remaining charge.

A decision on sentencing on 4 November 2026 in the Christchurch District Court was reserved by the judge. Council is covered by insurance for costs associated with defending the matter but not for any fine.

PHOENIX DAM

On 17 December 2025 Council was advised that a Notice of Claim against Clutha District Council had been lodged in the High Court Invercargill on 12 December on behalf of Port Blakely Ltd. The claim is for negligence and misstatement.

On 28 July 2026 Council made a counter claim and a settlement offer. The offer has not been replied to. The matter is still before the court.

ONGOING OBLIGATION RELATING TO NEW ZEALAND MUTUAL LIABILITY RISKPOOL SCHEME

Clutha District Council previously obtained public liability and professional indemnity insurance cover as a member of the New Zealand Mutual Liability Riskpool scheme until 30 June 2016 Riskpool operated as a mutual fund where each member made an annual contribution to obtain cover, however should claims exceed contributions then calls can be made on the members of that fund year, for the shortfall amount. The scheme is in wind-down. Clutha District Council has an on-going obligation to contribute to the scheme should a funding call be made in respect of historical claims (to the extent those claims are not covered by reinsurance or where reinsurance recovery is delayed), and to fund the on-going operations of the scheme. Ongoing litigation involving other Council members of Riskpool has introduced a high level of uncertainty about both the level of Clutha District Councils potential financial exposure and its timing. At this stage, Riskpool cannot quantify the total potential liability associated with these matters.

GUARANTEES

New Zealand Local Government Funding Agency (LGFA)

Clutha District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a local currency rating from Standard and Poor's of AAA and a foreign currency rating of AA+. LGFA has a local currency rating from Fitch of AA+.

As at 30 June 2025, Clutha District Council is one of 77 local authority guarantors of the NZLGFA. When aggregated with the uncalled capital of other shareholders, $20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Clutha District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2025, NZLGFA had borrowings totalling $28,427m (2025: $26,338m).

Clutha District Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Financial reporting standards require Clutha District Council to initially recognise the guarantee liability by applying the 12 month expected credit loss model (as fair value could not be reliably measured) and subsequently at the higher of the provision for

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impairment at balance date determined by the ECL model and the amount initially recognised.

At the end of financial year, the council have assessed the 12-month expected credit losses of the guarantee liability, based on market information of the underlying assets held by the NZLGFA. The estimated 12-month expected credit losses are immaterial due to the extremely low probability of default by the NZLGFA in the next 12 months, and therefore, the council have not recognised a liability.

ANZ

The Council has issued stock security certificates of $750k (2025: $750k) in favour of ANZ Bank.

Commitments

Commitments relate to obligations which the council has committed to. This specifically relates to work that is yet to commence and the expenditure that is yet to be incurred. The council's commitments are as follows:

Expenditure commitments - Non-cancellable contracts

	2026 $000	2025 $000
Not later than 1 year	29,530	25,921
Later than 1 year, less than 5 years	9,708	24,337
Later than 5 years	-	-
	39,239	**50,258**

Subsequent events

FUTURE DELIVERY OF WATER SERVICES: SOUTHERN WATERS LTD

The Local Government (Water Services) Act 2025 establishes the enduring framework for the delivery of water servcices on new Zealand under the Governments Local Water Done Well programme. Under this framework, Clutha District Council (the Council), together with Central Otago District Council, Gore District Council and Waitaki District Council (the Shareholder Councils), has resolved to deliver drinking water, wastewater and stormwater services through a jointly owned water organisation, Southern Waters Ltd (Southern Waters).

The Shareholder Councils' Joint Water Services Delivery Plan was accepted by the Secretary for Local Government on 3 October 2025. Waitaki District Council, which had withdrawn from the arrangement in July 2025, resolved to rejoin on 24 February 2026 and, following approval by the other three Shareholder Councils, adopted the Shareholders' Agreement, Constitution and Commitment Agreement on 14 April 2026.

Southern Waters is a council-controlled organisation under the Local Government Act 2002 and a water organisation under the Local Government (Water Services) Act 2025. Southern Waters Ltd was incorporated on 1 May 2026. There are two types of shareholdings:

• A Shares: (voting) Each Shareholder Council holds an equal shareholding and equal voting rights.

• B Shares: (non-voting) will be issued to Shareholding Councils on completion of their Transfer Agreement based on the principle of allocation proportional to the Net Asset Value of a Shareholding Council's assets that have been transferred to the Company pursuant to the Transfer Agreement. The allocation of B Shares will be reviewed on the admission of any new Shareholding Council in line with this principle.

The company will be governed by an independent board, with shareholder expectations set and performance monitored through a Stakeholders' Representative Group comprising two representatives from each Shareholder Council, together with mana whenua and rural water representation.

TRANSFER OF WATER SERVICES

Southern Waters is expected to assume responsibility for the delivery of water services across the four districts from 1 July 2027. The Council's water supply, wastewater and stormwater assets are expected to transfer to Southern Waters on or about that date, together with associated liabilities, employees, contracts and other rights and obligations. The legislation prevents the privatisation of these assets, which will remain in public ownership through the Shareholder Councils' shareholdings.

The terms of the transfer agreement, the principle of allocation proportional to the Net Asset Value of a Shareholding Council's assets will be transferred to the Southern Waters Limited. Net transfer will consider assets and liabilities that will be transferred. The consideration to be received by the Council will be limited to the borrowings transferred to Southern Waters. This in turn will require cash reserves to be transferred from the Council to Southern Waters (where in surplus), cash reserves that are in deficit will be treated as borrowings. These matters are being developed through a transfer agreement between the Shareholder Councils and Southern Waters and remain subject to negotiation, legislative requirements and, where applicable, approval by the Local Government Funding Agency and other lenders.

EFFECT ON THE FINANCIAL STATEMENTS

The financial statements have been prepared on the basis that the Council continues to own and operate its water services assets at 30 June 2026. No adjustments have been made to the recognition, classification or measurement of assets, liabilities, revenue or expenses as a result of the proposed transfer. The assets, liabilities and reserves that are to be transferred to Southern Waters from the shareholder councils, and their values, are still to be agreed.

Extracts from the Annual Report 30 June 2026 relating directly to water services activities are as follows: For the current year revenue and expenses and cashflows of water services operations, refer to the respective funding impact statements on pages:

• **Drinking Water** – page 30
• **Wastewater** – page 32
• **Stormwater** – page 34

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	WATER ADMIN $(000)	WATER SUPPLY $(000)	WASTEWATER $(000)	STORMWATER $(000)
3 WATERS ASSETS				
Infrastructure Assets	-	71,393	88,678	29,446
Under Construction	-	1,821	968	749
TOTAL	-	73,214	89,646	30,195
3 WATERS BORROWING				
TOTAL	21,257	64,960	1,274	10,433
3 WATERS RESERVES				
TOTAL	-	1,306	661	55

ESTABLISHMENT COSTS

On 17 December 2025, Central Otago District Council agreed to act as lead council for the establishment of Southern Waters under a Deed of Amendment and Cost Sharing with Clutha District Council and Gore District Council.

Waitaki District Council became a party to the deed by Deed of Accession on 14 April 2026. Under the deed, Council funds all establishment costs of Southern Waters until the company is established and operational, and the Shareholder Councils share those costs in equal parts. The deed contains repayment events under which the other Shareholder Councils must immediately repay their pro-rata share to Council. The Shareholder Councils intend that the costs will ultimately be recovered from Southern Waters once it is established, but no agreement to that effect can be entered into until the company is incorporated. Establishment costs were estimated by Morrison Low at approximately $8.8 million. This estimate is indicative and actual costs may differ.

Central Otago District Council has incurred $1,557,590 of costs during the 2026 year in relation to the establishment of Southern Waters. These costs have been recognised by Central Otago District Council as a loan to Southern Waters Limited and is interest bearing.

UNCERTAINTIES

Significant uncertainties remain regarding: • the final value and composition of assets, liabilities and reserves to transfer, and the accounting consequences for the Council; • the extent to which existing Council debt will be transferred, novated or repaid, and the impact on the Council's borrowing capacity and compliance with financial covenants;

• the number of employees who will transfer to Southern Waters on terms satisfying the Schedule 1 exemption, and the Council's resulting redundancy exposure;

• the financial impact on ratepayers of the transition from rates-funded water services to charges set by Southern Waters, which will be subject to economic regulation by the Commerce Commission; • the impact on Council's remaining organisation, including shared services, overheads and staffing, once water services transfer;

• recovery of establishment costs funded by Central Otago District Council as lead council, should Southern Waters not proceed;

• any changes to the timing of transfer or the composition of the Shareholder Councils.

The Council will consider these matters in preparing its 2027–2037 Long-term Plan.

At the time of adopting the Long-term Plan 2024-2034, the future service delivery arrangements for our 3Waters services had yet to be determined by the Council. To meet the requirements of the Local Government (Water Services Preliminary Arrangements) Act 2024, Councillors were required to consult with the community on their preferred service delivery option and consider community views with an open mind before making a final decision.

As Community views had not yet been considered, to avoid pre-empting a decision, the financial information in the LTP was prepared with the assumption that the 3Waters services remained with the Council. The decision to transition the 3Waters services into a council controlled organisation from 1 July 2027 was made on 10 July 2025. The financial information from 2027 onwards will look materially different from that presented in the 2024-2034 Long-term Plan.

There were no other material events subsequent to balance date. (2025: Nil)

DISCLOSURE - LOCAL GOVERNMENT PROPOSED REFORMS

In 2026, the New Zealand Government introduced the Head Start reform programme as part of its wider local government reform agenda (Simplifying Local Government). The programme provides a voluntary pathway for councils to propose alternative governance structures, including the potential establishment of unitary authorities, with the objective of simplifying local government, reducing duplication, and improving service delivery and regional planning. The Government has advised that wider structural reforms are expected to occur ahead of the 2028 local government elections.

In addition, the Government has indicated that a backstop pathway will apply to regions that do not progress through the voluntary Head Start process. Under the backstop pathway, a compulsory reorganisation process would be applied, with further reform details and governance arrangements to be confirmed through legislation expected in 2027. The backstop reforms are intended to take effect following the 2028 local elections.

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The Otago Mayoral Forum commissioned a report that detailed various options for the Otago region. During the process Waitaki District Council resolved to consider options outside the Otago region. Council submitted a Head Start proposal that would see Clutha District Council, Central Otago District Council and Queenstown Lakes District Council amalgamate. This was submitted jointly with Clutha District Council, but without the support of Queenstown Lakes District Council. Queenstown Lakes District Council and Dunedin City Council put in a Head Start proposal that would see Dunedin City Council and Clutha District Council amalgamate, and Central Otago District Council and Queenstown Lakes District Council amalgamate. This was submitted without the support of Central Otago District Council and Clutha District Council.

No Head Start proposal in the country has been approved through to the next stage. As announced on 24 September 2026, Cabinet is expected to consider these proposals in early 2027. If the proposals are endorsed by Cabinet, they will be developed in detail and considered for final approval later in 2027, with Head Start changes intended to be in place ahead of the 2028 local government elections.

The Council continues to monitor developments and assess any potential implications for its governance, operations, assets, liabilities, and service delivery. At balance date, the nature, timing, and financial implications of any changes that may affect the Council remain uncertain. Accordingly, no financial impact has been recognised in these financial statements, and as such they have been prepared on a going concern basis.

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F2 FUNDING IMPACT STATEMENT – WHOLE OF COUNCIL

For the Year ended 30 June 2026

(ALL IN $000S)	ANNUAL PLAN 2026 $000	ACTUAL 2026 $000	LONG TERM PLAN 2025 $000	ACTUAL 2025 $000
SOURCES OF OPERATING FUNDING				
General rates, UAGC's, rates penalties	8,381	8,559	7,441	7,735
Targeted rates	33,334	33,062	28,396	27,566
Subsidies and grants for operating purposes	15,650	7,731	9,529	6,724
Fees and charges	6,156	8,191	7,223	7,130
Interest and dividends from investments	1,301	1,134	1,601	1,630
Fuel tax, infringement fees and other receipts	1,709	163	1,675	131
TOTAL SOURCES OF OPERATING FUNDING (A)	**61,204**	**58,840**	**55,865**	**50,916**
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	52,603	53,907	51,089	52,066
Finance costs	5,805	6,548	6,240	6,715
Other operating funding applications	-	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**58,408**	**60,445**	**57,329**	**58,781**
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	**8,124**	**(1,615)**	**(1,464)**	**(7,865)**
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	8,878	4,978	6,159	4,863
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	47,316	22,915	46,473	22,896
(Debt repayments)	-	-	-	-
Gross proceeds from sale of development property	-	-	-	-
Other dedicated capital funding	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	**56,194**	**27,893**	**52,631**	**27,759**
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	720	-	340	2
Capital expenditure to improve the level of service	18,492	13,666	23,805	17,800
Capital expenditure to replace existing assets	43,128	10,973	25,207	12,269
(Increase) decrease in reserves	(799)	(815)	(1,180)	6,252
(Increase) decrease of investments	2,327	2,454	2,995	(16,429)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**64,318**	**26,278**	**51,167**	**19,894**
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	**(8,124)**	**1,615**	**1,464**	**7,865**
FUNDING BALANCE (A - B) + (C - D)	**-**	**-**	**-**	**-**

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SECTION G: FINANCIAL REPORTING AND PRUDENCE BENCHMARKS

Annual Report disclosure statement for the year ending 30 June 2025.

What is the purpose of this statement?

The purpose of this statement is to disclose the Clutha District Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Unless prescribed by the regulations, the quantified limit for the current year benchmark is calculated using financial information disclosed in the long term plan 2024/34 including the prospective financial statements.

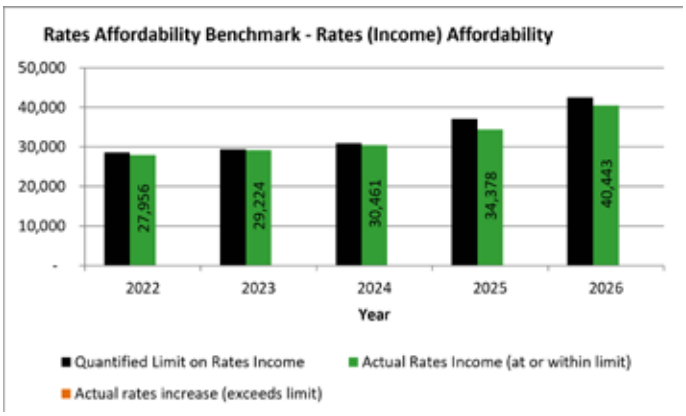
RATES (REVENUE) AFFORDABILITY BENCHMARK

Council meets the rates affordability benchmark if:

- Its actual rates revenue equals or is less than each quantified limit on rates; and
- Its actual rates revenue increases equal or are less than each quantified limit on rates increases.

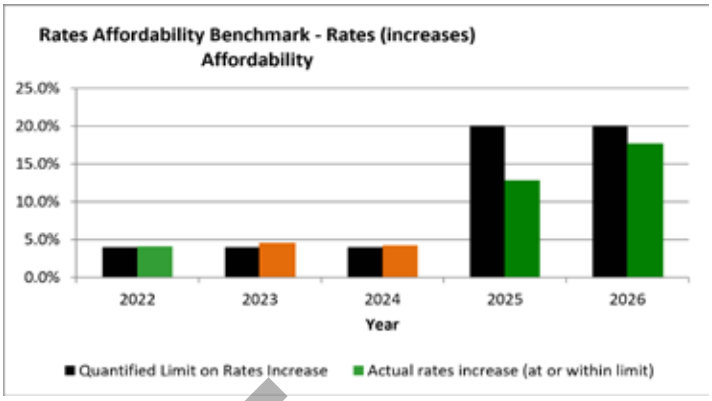
The following graph compares Council's actual rates revenue with a quantified limit on rates contained in the financial strategy included in Council's long term plan. The quantified limits are 2022 $28,500, 2023 $29,400 2024 $30,900, 2025 $37,090 and 2026 $42,500

Council rates have not exceeded the rates revenue limits set.



RATES (INCREASES) AFFORDABILITY

The following graph compares Council's actual rates increase percentages with a quantified limit on rates percentage increases included in the financial strategy. The quantified limit is 20%.

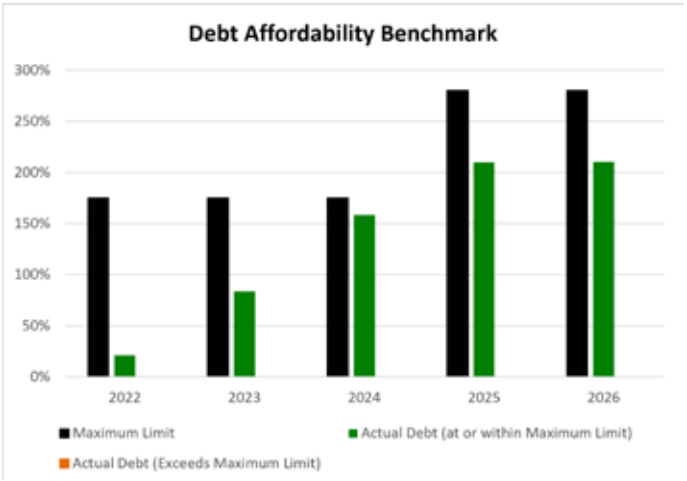


Council has exceeded the percentage increase limit set due to additional separately used or inhabited parts (SUIPS) being identified, in 2022 and 2023 and budgeting a rates increase of 5.22% in 2024, in the 2024/34 LTP council lifted this limit from 4% to 20%.

DEBT AFFORDABILITY BENCHMARK

Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in Council's long term plan. The quantified limit for the years 2022-2024 is that net debt will not exceed 175% of revenue (per the 2021/31 LTP) and the quantified limit for the 2025 and 2026 years is that net debt will not exceed 280% of revenue (per the 2024/34 LTP).



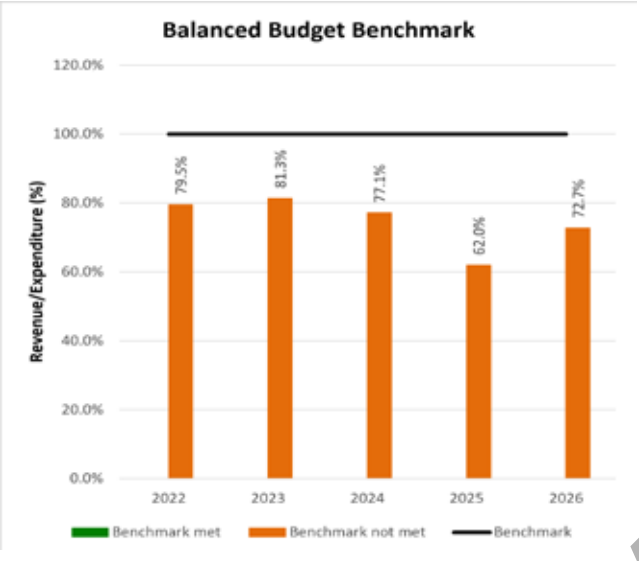
Council has complied with its debt affordability benchmark.

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BALANCED BUDGET BENCHMARK

The following graph displays Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenditures (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

Council meets this benchmark if its revenue equals or is greater than its operating expenditures.

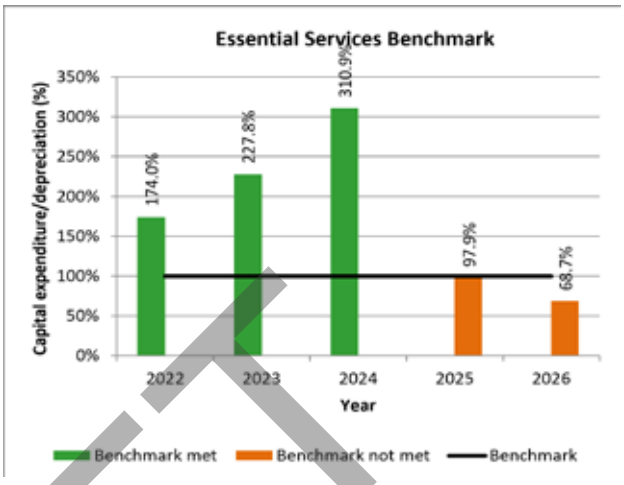


Council did not meet this benchmark in 2022 as a budgeted grant was paid to Clutha Community Hub Trust of $7.5M, in 2023 & 2024 additional costs relating to the Three Waters contract and subsequently bringing Three Waters operations back in house. In the 2025 and 2026 year council borrowed to smooth the impact of increased three waters operational costs. This was included in the 2024/34 LTP where borrowing is used in the first two years and repaid in the following years.



ESSENTIAL SERVICES BENCHMARK

The following graph displays Council's capital expenditure on network services as a proportion of depreciation on network services. Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Network services means infrastructure related to water services and roading.

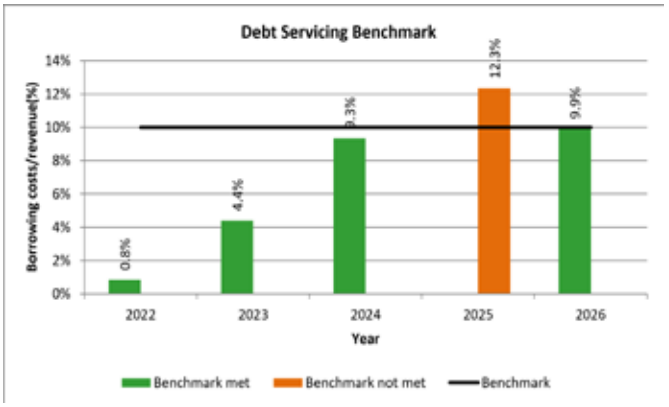


Council did not meet this benchmark for 2025 and 2026 due to a significant uplift in roading depreciation resulting from the 2024 revaluation.

DEBT SERVICING BENCHMARK

The following graph displays Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



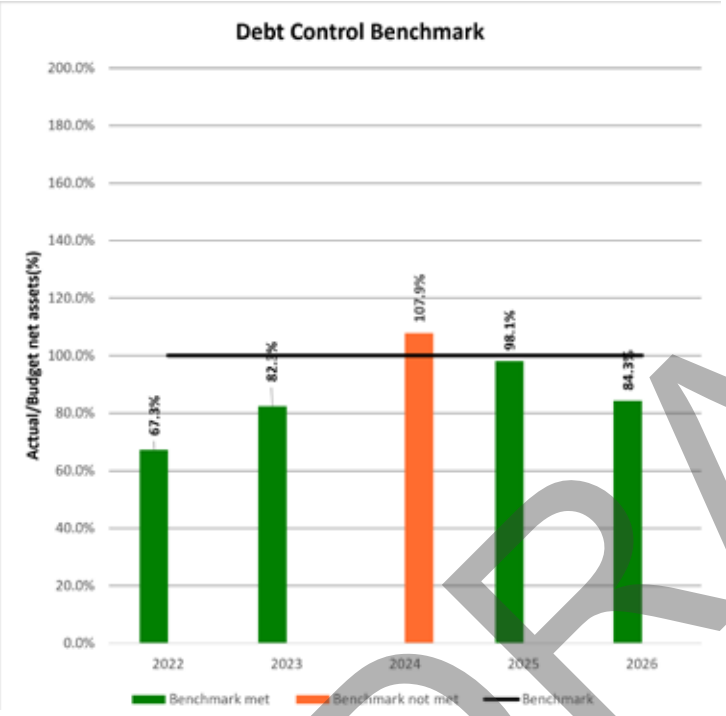
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DEBT CONTROL BENCHMARK

This benchmark is intended to report Council's performance in relation to net debt, which is defined in the regulations as financial liabilities less financial assets (excluding Trade and Other Receivables).

The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

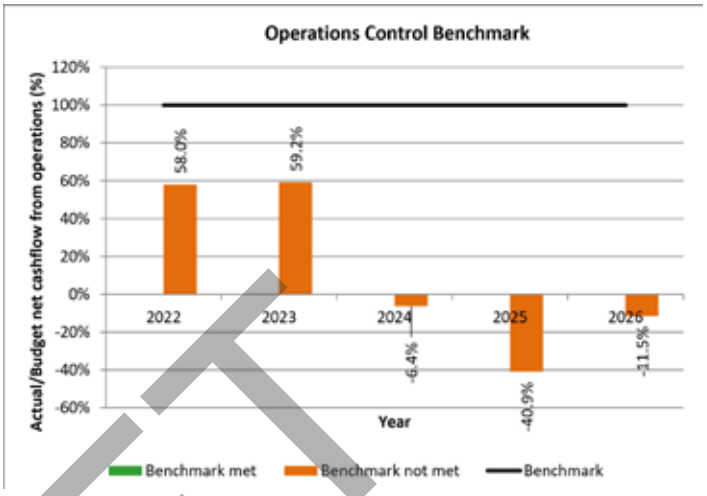
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



OPERATIONS CONTROL BENCHMARK

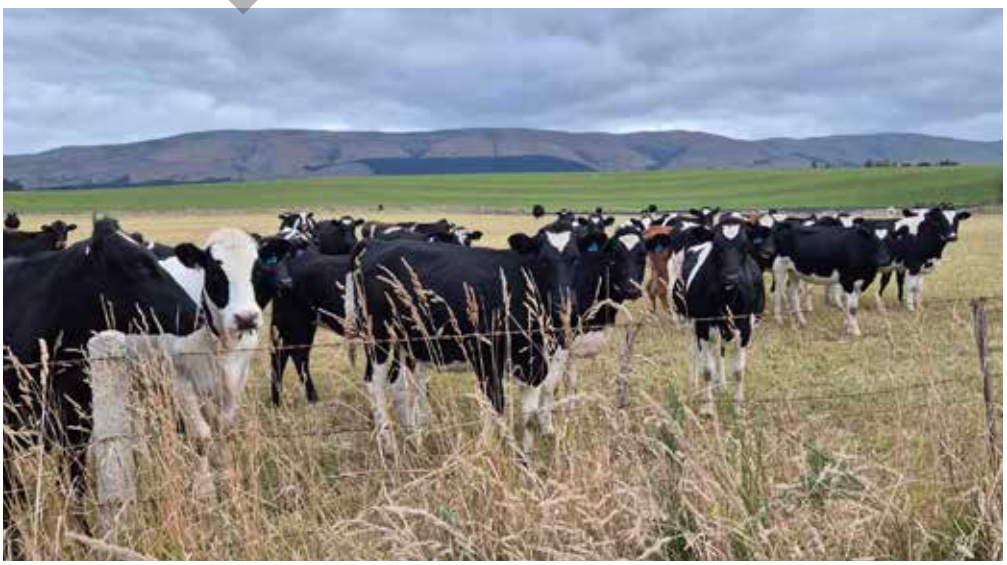
This graph displays Council's actual net cashflow from operations as a proportion of its planned net cashflow from operations.

Council meets the operations control benchmark if its actual net cashflow from operations equals or is greater than its planned net cashflow from operations.



Council did not meet this benchmark mainly due to higher operating and employee costs and particularly in 2024 due to bringing three waters operations in house and in 2025 and 2026 due to council borrowing to cover increased operating expenses related to bringing three waters in house as detailed in the 2024/34 LTP.

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Our Place Clutha District

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Clutha District Council
www.cluthadc.govt.nz

MESSAGE FROM THE MAYOR



Mayor
Jason (Jock) Martin

A Foundation of Accuracy for our Future

This past year has been one of the most challenging in recent memory for the Clutha District Council. As we present this 2025/26 Annual Report, I must first address our missed statutory deadline. We recognise that this delay carries reputational risk, but we have chosen precision over a calendar date.

Following our July 2025 migration to financial software system Datascape, we encountered significant and persistent integration issues. Total accuracy is imperative as we lead into our next Long-Term Plan (LTP); financial misinformation is a critical impediment to sound decision-making, and we refuse to build our district's future on a flawed foundation.

The Reality of Rates and the 'Deep Dive'

The 20.4% rates increase passed this year was a heavy burden—a weight every Councillor felt personally. Driven by a 'perfect storm' of inflation, interest rates, and infrastructure costs, we are determined not to repeat an increase of this magnitude.

To that end, Council and staff are undertaking a 'deep dive' into our operations to find genuine efficiencies. We are scrutinising every line item to protect the core services you rely on. We refuse to 'save' money today by neglecting the pipes and roads that would cost our grandchildren ten times more to fix tomorrow.

A Warning on Rates Caps

Regarding central government's proposed 4% rates cap: be careful what you wish for. While a cap sounds simple, it carries far-reaching consequences, often leading to a 'managed decline' of rural infrastructure and a mountain of hidden debt. Currently, 88% of our $147.3 million debt is dedicated to core services. Stripping a community's ability to fund its own requirements undermines local autonomy. Local problems require local solutions.

Delivering Results and Raising Our Voice

Amidst these challenges, we continue to deliver. A major highlight was completing the Balmoral Water Scheme. While meeting modern regulatory guidelines and escalating costs added significantly to the price tag, this is a vital investment in our district's resilience, ensuring high-quality water for our rural community for decades.

Furthermore, this Council is a proactive advocate. We are not passive observers; we are actively engaging in debates on national legislation to ensure the unseen complications of central mandates are exposed before they impact the Clutha District.

Looking Ahead

Our focus remains on making Clutha District a place to live, work, and invest. I am heartened by the growing optimism among our younger generations who see a future here. To realise that potential, we must ensure our decision-making is based on accurate data and lean spending.

Thank you to our staff for their tireless work during the software transition, and to our ratepayers for your continued patience.

Sincerely,

J K Martin

Your Mayor, Jason (Jock) Martin

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HOW DID WE DO?

During 2025/26 we collected information to show how we were progressing against the goals we set for the year in the Long Term Plan 2024/34. These results show some of the goals we measured and are compared to our targets for 2025/26. The full audited annual report 2025/26 contains further details on measures, targets and performance.

SUMMARY OF NON-FINANCIAL PERFORMANCE MEASURES

	YEAR ENDING 30 JUNE 2026			YEAR ENDING 30 JUNE 2025		
SUMMARY OF KPI TARGETS BY ACTIVITY	MET	NOT MET	TOTAL	MET	NOT MET	TOTAL
Community Leadership	1	1	2	1	1	2
Economic Development	1	0	1	1	0	1
Transportation	3	4	7	5	2	7
Water: Urban	10	4	14	6	8	14
Water: Rural	10	2	12	8	4	12
Wastewater	9	2	11	7	4	11
Stormwater	7	1	8	7	1	8
Waste Management & Minimisation	3	0	3	3	0	3
Community Services	0	1	1	1	0	1
Regulatory and Emergency Services	3	2	5	4	1	5
Internal services	0	2	2	1	1	2
TOTAL	**47**	**19**	**66**	**44**	**22**	**66**
Total percentage	71%	29%	100%	67%	33%	100%

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HOW DID WE DO? (CONTINUED)

TRANSPORTATION

	TARGET PER LTP 2026	ACTUAL 2026
ROADS		
Percentage of the sealed local network that is resurfaced	≥6%	3.7%
Percentage of customer service for roads and footpaths responded to within timeframes	≥95%	94.78%
BRIDGES		
Percentage of bridges on key routes that meet heavy vehicle (50 Max) safety requirements	≥94%	93.63%[4]

WATER SUPPLY

	TARGET PER LTP 2026	ACTUAL 2026
URBAN WATER		
Compliance with the DWQAR Standards for bacteriological compliance	100%	99%
Compliance with the DWQAR Standards protozoal compliance	100%	98%
Number of drinking water complaints (Requests for Service) per 1000 connections about: Council's response to any of these issues	≤14	0
RURAL WATER		
Compliance with the DWQAR Standards for bacteriological compliance	100%	96.3%
Compliance with the DWQAR Standards protozoal compliance	100%	96.7%
Number of drinking water complaints (Requests for Service) per 1000 connections about: Council's response to any of these issues	≤14	0

WASTEWATER

	TARGET PER LTP 2026	ACTUAL 2026
Median response time (in hours) from notification of fault to when personnel: Reach the site (response)	≤2	1.03
Median response time (in hours) from notification of fault to when personnel: Confirm resolution of the blockage or other fault	≤12	5.32

STORM WATER

	TARGET PER LTP 2026	ACTUAL 2026
Median response time (in hours) from notification of fault to when personnel: Reach the site (response)	<12	71.74

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HOW DID WE DO? (CONTINUED)

WASTE MANAGEMENT & MINIMISATION

	TARGET PER LTP 2026	ACTUAL 2026
Kilogrammes of waste per resident diverted from Mt Cooee landfill (kg)	≥59	61.3

COMMUNITY SERVICES

	TARGET PER LTP 2026	ACTUAL 2026
Resident satisfaction with community facilities (weighted average)	>90%	89%

REGULATORY & EMERGENCY SERVICES

	TARGET PER LTP 2026	ACTUAL 2026
Building and Regulatory department applications lodged and processed within statutory timeframes	100%	97.92%
Planning team applications lodged and processed within statutory timeframes	100%	100%
Building and Regulatory department customer service requests are responded to within target timeframes	95%	92.33%
Planning team customer service requests are responded to within target timeframes	95%	98.97%

INTERNAL SERVICES

	TARGET PER LTP 2026	ACTUAL 2026
Percentage of service requests resolved within timeframes	95%	93.97%
Percentage of capital projects completed.	85%	81.15%

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LIVING & WORKING IN CLUTHA UPDATE

Our Living & Working in Clutha Strategy is one of our key guiding documents. It explains how we're intending to promote the well-being of the Clutha District's communities. It focuses on priorities we think have a crucial part to play:

INVESTING IN INFRASTRUCTURE

We are focused on maintaining our key infrastructure for residents and future generations, and enabling investment where benefits are clear. We will also look to facilitate growth where there is potential for this, to help achieve our goal of growing the population and the rating base. Council is focused on maintaining the affordability of its infrastructure. For more details refer to the Infrastructure Strategy 2024/54.

FACILITATING MORE QUALITY HOUSING

Quality housing is a key aspect of liveability in the Clutha District. Having the security of a home that is safe, warm, dry and affordable is a key foundation to the wellbeing of our people.

However, Clutha District's housing market continues to be under pressure, with challenges to the availability of quality housing for both ownership and rental. Demand for social housing is also growing. We intend to play an active leadership role to enable housing solutions by continuing to build on partnerships with communities and central government. We will continue to facilitate residential development to add more quality housing in the district, whether that be residential subdivisions, or single houses and infill development in our towns.

FILLING OUR JOBS

Actions that help to enhance economic growth are critical to the ongoing sustainability and livability of the Clutha District. For this to be achieved we need to ensure job opportunities are filled and we have a vibrant and diverse workforce with the skills to meet the changing needs of the district. This will continue to be crucial to our success both now and into the future. For more information, refer to the Long Term Plan 2024/34.

REDUCING OUR ENVIRONMENTAL FOOTPRINT

We want to help promote a district that plans for a sustainable future, through effective planning of infrastructure, efficient delivery of services, along with protection, maintenance and enhancement of our natural and built environments. Focus areas include waste reduction, water conservation and quality, and protecting and enhancing habitats of local significance. Other initiatives include supporting infrastructure for electric vehicles and reducing greenhouse gas emissions.

ADDRESSING CLIMATE CHANGE

Climate change is presenting challenges and opportunities to the district. Council's Clutha District Climate Change Strategy provides an understanding of the climate change impacts in the Clutha District and how to help deliver resilient infrastructure services, and guide decision making.

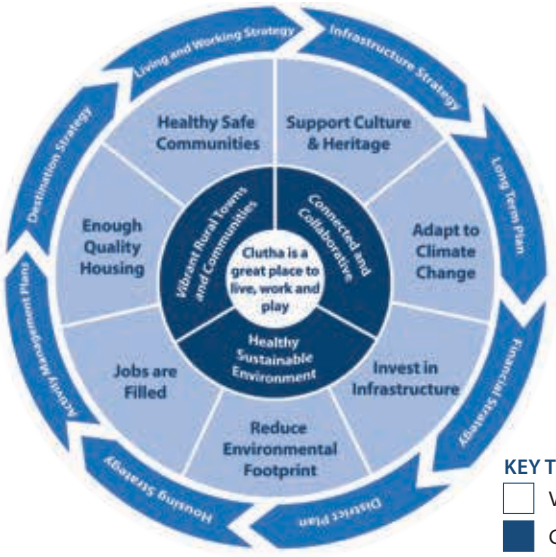
HEALTHY AND SAFE COMMUNITIES

Clutha is a caring and supporting community, yet there are many challenges to health, safety and wellbeing. This includes a relatively small and aging population, social issues such as drugs and excess alcohol use, and public transport options are limited making connectivity and access to health services vital. Council is committed to supporting the community in this area through its community programs and other activities.

SUPPORTING CULTURE & HERITAGE

The preservation and celebration of cultural and heritage values is part of what makes Clutha a great place to live, work and play. We are looking to showcase our rich culture and heritage to better share and celebrate who we are. This includes sharing community stories, making historical objects and records more accessible; and incorporating our local history and culture into community facilities such as halls and public spaces.

LIVING & WORKING IN CLUTHA FRAMEWORK



KEY TO THE WHEEL

- Vision
- Community Outcomes
- Key Priority Area
- Key Strategies & Plans

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MAJOR INFRASTRUCTURE PROJECTS

UPDATING YOU ON OUR MAIN INFRASTRUCTURE PROJECTS FOR 2025/26

WASTEWATER UPGRADES

- $90k spent on Milton wastewater compliance improvements.
- $770k spent on Milton wastewater pipeline renewal.
- $160k spent on Balclutha wastewater treatment plant upgrade.
- $136k spent on urban wastewater network extension.
- $91k spent on Owaka wastewater compliance upgrades.

ROADING

- $1,038k spent on Milton mainstreet project.
- $3,113k spent on sealed road resurfacing.
- $3,006k spent on unsealed road metalling.
- $684k spent on drainage renewals.
- $497k spent on Balclutha main street streetscpe project.
- $397k spent on structures component replacements.

WATER IMPROVEMENTS

- $1,206k spent on Balmoral/Tuapeka rural water scheme.
- $667k spent on Milton-Tokoiti water extension network.
- $572k spent on Milton WTP membrance replacement.
- $402k spent on Lawrence AC pipeline renewals.
- $292k spent on Tapanui AC pipeline renewals.
- $273k spent on Richardson Clifton road mian renewals.
- $235k spent on Glenkenich main reservoir upgrade.

STORMWATER IMPROVEMENTS

- $418k spent on Balclutha stormwater network renewal.
- $565k spent on Milton pipeline renewal.

SOLID WASTE

- $41k spent on upgrades to Mt Cooee
- $10k was spent on closure of existing cell at Mt Cooee.

COMMUNITY FACILITIES

- $876k spent on Milton community library new facility.
- $3,434k spent on the Milton community pool new facility.
- $301k spent on the Kaka Point public toilets
- $300k spent on the Balclutha Centenial park playground stage 2.

*Please note only what was deemed a major project above a certain threshold is shown

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COUNCIL SPENDING AT A GLANCE

Core Infrastructure	Operating Spend 2024-25	Capital Spend 2024-25	Total Spend	Rates value per $100
Roading	$13.2m	$9.4m	$22.6m	$22
Water	$13.3m	$6.6m	$19.9m	$19
Community Services	$9.6m	$5.5m	$15.1m	$14
Regulatory & Emergency Services	$4.3m	$0m	$4.3m	$4
Wastewater	$3.5m	$1.5m	$5m	$5
Solid Waste	$4.9m	$0.1m	$5m	$5
Stormwater	$1.1m	$1.1m	$2.2m	$2
Economic & Community Development	$2.3m	$0m	$2.3m	$2
Community Leadership	$2.1m	$0m	$2.1m	$2
Internal Services	$25.5m	$1.5m	$26m	$25
Total	$79.8m	$24.7m	$104.5m	$100

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FINANCIAL OVERVIEW 2025/26

MAJOR VARIANCES TO BUDGET EXPLAINED

Council operates a diverse and complex business which is reflected in the items recorded against operating revenue and expenditure. After forecasting a $403k deficit in 2025/26, Council recorded a $24,477k deficit.

The operating loss for the year was $24,074k below budget which has been mainly caused by:

REVENUE

- Better Off Funding of $1.9m budgeted to be received in 2025/26 for the Elsie Stewart Community Pool Project in Milton will now be received in the 2026/27 financial year. $700k was received as grant funding from the Bruce Community Facilities Trust towards this project in 2025/26.
- Amova interest revenue was $697k with fund management fees of $149k deducted during the year. There was a net unrealised gain of $1,489k at fair valuation, giving an overall increase of $2,037k to the Amova fund from previous year.
- Operating interest of $145k, interest rate swaps income of $187k and LFGA interest of $102k was received during the year.
- Grants and subsidies were $11,386k lower than budget, mainly due to changes in timing to the Roading programme resulting in roading subsidies being $6,183k less than budgeted. Roading projects have been carried forward resulting in less roading work being done, therefore less subsidies received.

EXPENDITURE

- Water operational expenditure $2,929k above budget due to non routine expenditure.
- IT costs were $384k over budget due to implementation of software as a service projects such as M-Files integrations, Datascape ERP upgrade and records digitisation.
- Mount Cooee operational costs were $691k over budget.
- Depreciation is $12,334k over budget due to large increase in roading valuation as at 30 June 2024.
- Insurance was $136k under budget for 2025/26.

Refer to the Statement of Comprehensive Revenue and Expenditure and notes to the financial statements for further information.

	ACTUAL 30 JUNE 2026 ($,000)	BUDGET 30 JUNE 2026 ($,000)	ACTUAL 30 JUNE 2025 ($,000)
SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2026			
INCOME			
Rates Revenue	40,851	41,716	34,703
Other Operating Revenue	25,126	33,693	21,372
Total Operating Revenue	**65,977**	**75,409**	**56,075**
EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2026			
Employee Benefits Expense	13,977	14,815	13,794
Depreciation and Amortisation	29,739	17,405	29,065
Finance Costs	7,149	5,805	6,945
Other Expenditure	39,590	37,788	39,096
Total Operating Expenditure	90,455	75,812	88,900
Operating Surplus	**(24,478)**	**(403)**	**(32,825)**
Gain/(Loss) on unlisted shares	1	-	1
Gain on Property, Plant and Equipment Revaluation	141,422	116,381	-
Total Comprehensive Revenue and Expenditure for the year	116,945	115,978	(32,824)
SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2026			
Equity at the beginning of the year	1,770,374	1,290,525	1,803,198
Total Comprehensive Revenue and Expenditure for the year	116,945	115,978	(32,824)
Equity at the end of the year	**1,887,319**	**1,406,503**	**1,770,374**
EQUITY REPRESENTED BY:			
Accumulated Funds	130,601	177,391	161,895
Reserves	1,756,718	1,229,112	1,608,479

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026			
Current Assets	42,869	42,626	36,615
Non Current Assets	2,027,714	1,567,258	1,891,049
Total Assets	2,070,583	1,609,884	1,927,664
Current Liabilities	58,174	44,830	48,616
Non Current Liabilities	125,091	158,552	108,674
Total Liabilities	183,265	203,381	157,290
Net Assets/Equity	**1,887,319**	**1,406,503**	**1,770,374**
SUMMARY STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2026			
Net Cashflows from Operating activities	1,860	(17,001)	(1,918)
Net Cashflows from Investing activities	(24,190)	(64,318)	(31,415)
Net Cashflows from Financing activities	22,903	39,351	22,896
Net Cashflows for the Year	**573**	**485**	**(10,437)**

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MAJOR VARIANCES TO COUNCIL'S FINANCIAL POSITION COMPARED TO 2024 ACTUALS

- $1,416k higher Waka Kotahi subsidy receivable due to roading projects being carried forward, resulting in more roading work being done. Therefore more subsidies received.
- $2,037k higher Nikko investment balance due to an improvement in the global share markets and interest rate movements.
- $110k lower development property balance due to sales of sections at Rosebank Industrial, Rosebank Terrace and Kaitangata development properties.
- $135m higher property, plant and equipment balance mainly caused by revaluation of infrastructural assets.
- Rates receivable were $826k higher at year-end.
- $22,915k higher borrowing to reflect capital program completion and funding.

Refer to the Statement of Financial Position and notes to the financial statements for further information.

FINANCIAL STRATEGY

In the 2024/34 Long Term Plan the Financial Strategy was determined to guide financial decisions. The following tables show our performance against these measures for the 2024/25 financial year.

RETURN ON INVESTMENTS

Investments include Councils Amova investment, borrower notes and derivative financial instruments. There have been no withdrawals from the fund for investment funded expenditure.

CHANGES IN INVESTMENTS 2025/26

($M)	ANNUAL PLAN 2025/26	LONG TERM PLAN 2025/26	ACTUAL 2025/26
OPENING	33.3	33.4	32.6
CLOSING	34.3	34.8	36.2
CHANGE	1	1.4	3.6
RETURN (%)	4.10	5.25	11.00

LIMITS ON NET DEBT

Council's limits on net debt are set in the financial strategy at 280% of annual revenue. Council is $16,800k below the limit and planned debt levels mainly due to less infrastructure projects completed against projections.

	ANNUAL PLAN 2025/26	LONG TERM PLAN 2025/26	ACTUAL 2025/26
NET DEBT ($M)	157.2	165.2	167.9
DEBT LIMIT($M)	210.3	196	184.7

LIMITS ON RATES AND RATE INCREASES

Rates are an important source of funding for Council services. The $40.9m collected in 2025/26 meant an increase on 2024/25 of $6.2m. This was below the rates cap of 20% or $42.5m in the 2025/26 Annual Plan.

Refer to the Statement of Comprehensive Revenue and Expenditure and notes to the financial statements for more information.

	ANNUAL PLAN 2025/26	LONG TERM PLAN 2025/26	ACTUAL 2025/26
FORECAST RATES ($M)	41.2	42.2	40.9
RATES LIMIT AT 4% ($M)	42.5	42.4	41.2

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Deloitte.

AUDITORS REPORT TO BE UPDATED

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Deloitte.

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