TE KOMITI KAUPAPA HERE ME TE PAE ANGITŪ
POLICY AND PERFORMANCE COMMITTEE

5 May 2026

Order Paper for the meeting to be held in the
Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt,
on:

Tuesday 12 May 2026 commencing at 9:30 am

The meeting will be livestreamed to Council's YouTube page.

Membership

Cr T Stallinger (Chair)
Cr C Parkin (Deputy Chair)

Mayor Fauono K Laban	Deputy Mayor K Brown
Cr G Barratt	Cr P Ravi
Cr B Dyer	Cr N Shaw
Cr A Mitchell	Cr T Lewis
Cr S Edwards	Cr M Tonga-Grant
Cr TA Puketapu	Cr K Yung

For the dates and times of Council meetings, please visit www.huttcity.govt.nz

Have your say
You can speak under public comment to items on the agenda to the Mayor and Councillors at this meeting. Please let us know by noon on the working day before the meeting. You can do this by emailing DemocraticServicesTeam@huttcity.govt.nz or calling the Democratic Services Team on 04 570 6666 | 0800 HUTT CITY

TE KOMITI KAUPAPA HERE ME TE PAE ANGITŪ
POLICY AND PERFORMANCE COMMITTEE

Chair:	Cr Tony Stallinger
Deputy Chair:	Cr Chris Parkin
Membership:	Mayor and all Councillors Refer to Council's Standing Orders (SO 31 Provisions for Mana Whenua)
Quorum:	Half of the membership
Meeting Cycle:	Meets on an eight-week basis or at the requisition of the Chair
Reports to:	Council

Overview:

This committee provides governance oversight of Council's policies and bylaws, monitors both financial and non-financial performance, and oversees the performance of Council Controlled Organisations (CCOs) as well as the new water entity (Tiaki Wai Metro Water Ltd | Metro Water Limited) starting from 1 July 2026.

Areas of focus:

- Treaty partnerships
- Economic development
- Financial and non-financial performance reporting
- Oversight and general co-ordination (including community engagement) of strategies and policies
- Bylaw development
- Oversight of the performance of Council Controlled Organisations (CCOs), including Statements of Expectation and Statements of Intent
- Oversight of the performance of Tiaki Wai Metro Water Ltd | Metro Water Limited from 1 July 2026

Purpose:

To provide governance oversight of Council's policy, strategy and performance reporting, including against key performance indicators and budgets, ensuring that all Council activities and partnerships contribute to the long term wellbeing and prosperity of Te Awa Kairangi ki Tai.

Note: The Chief Executive and officers are responsible for preparing strategies, policies, bylaws, and other reports for consideration by the committee, and for implementing Council decisions. The committee provides governance oversight, direction, and recommendations in these areas, consistent with the separation of governance and management set out in section 42 of the Local Government Act 2002.

Delegations for the Committee's areas of focus:

All powers necessary to perform the committee's responsibilities, including the activities outlined below.

Strategy and Policy:

- Oversee required strategies, frameworks and policies **and recommend draft and final versions to Council for adoption, where adoption is required under the Local Government Act 2002.**

- Adopt other strategies, frameworks and policies within the committee's areas of responsibility that are not required by law to be adopted by Council.

- Monitor and review the effectiveness of strategies and policies to ensure they remain consistent, effective and current.

- Request advice on emerging strategic or policy needs and recommend the commissioning of reviews where appropriate.

Major Projects and Budgetary Oversight:

- Maintain governance oversight of major projects provided for in the Long Term Plan or Annual Plan.

- Receive advice on budgetary decisions within the Long Term Plan or Annual Plan from the Strategy, Long Term Plan and Annual Plan Subcommittee.

- **Recommend to Council** the approval of any financial decisions required outside of the annual budgeting process.

Treaty Partnerships and Māori Outcomes:

- Advocate for strong relationships with Council's Mana Whenua partners as outlined in the Tākai Here agreements, ensuring the outcomes of the committee are in line with the aspirations of the partners.

- Advocate for the best interests of Māori communities in Te Awa Kairangi ki Tai | Lower Hutt, having regard to the committee's goals.

- Ensure the committee is operating in a way that is consistent with various pieces of legislation that provide for Te Tiriti o Waitangi.

Oversight and Engagement:

- Maintain an overview of work programmes carried out by the Strategy and Engagement Directorate.

- Approve the approach to consultation and engagement on issues before the committee, as prepared by officers.

- Approve and forward submissions. If the timing for forwarding submissions does not align with the meeting schedule, the Chair and Deputy Chair have the authority to approve submissions and report back to the committee.

- Any other matters delegated to the committee by Council in accordance with approved policies and bylaws.

- The committee has the power to perform the responsibilities of another committee where it is necessary to make a decision before the next meeting of that other committee. When exercised, the report/minutes of the meeting require a resolution noting that the committee has performed the responsibilities of another committee and the reason/s.

If a policy or project relates primarily to the responsibilities of the Te Komiti Kaupapa Here me te Pae Angitū | Policy and Performance Committee, but aspects require additional decisions by Te Komiti Oranga Hapori, Oranga Taiao | Connected Communities, Climate and Resilience Committee or Te Komiti Hanganga me ngā Waeture | Infrastructure and Regulatory Committee, then the Te Komiti Kaupapa Here me te Pae Angitū | Policy and Performance Committee has the powers to make associated decisions on behalf of those other committees. For the avoidance of doubt, this means that matters do not need to be taken to more than one of those committees for decisions.

Bylaw Delegations:

- Agree and **recommend to Council** the Statement of Proposal for new or amended bylaws for consultation/engagement, as prepared by officers in accordance with legislative requirements.

- **Recommend to Council** the approval of draft bylaws before consultation.

- The Chair of the Te Komiti Kaupapa Here me te Pae Angitū | Policy and Performance Committee, in conjunction with the Chief Executive, is authorised to appoint a subcommittee of suitably qualified persons to conduct hearings on draft bylaws on behalf of the committee.

- **Recommend to Council** new or amended bylaws for adoption.

Financial, Project and Performance Reporting Delegations

- **Recommend to Council** the budgetary parameters for the preparation of Council's Long Term Plans and Annual Plans.

- Monitor Council Group progress towards achievement of budgets and objectives, including significant city-wide or strategic projects, through regular performance reporting.

- Monitoring and oversight of significant city-wide or strategic projects, including operational contracts, agreements, grants and funding, except where these are the responsibility of another standing committee.

- Monitor progress towards achievement of Council's outcomes as set out in its overarching strategies for the City and their associated plans.

- Oversee the acquisition and disposal of property in accordance with the Long Term Plan.

- Monitor the integrity of reported performance information at the completion of Council's Annual Report process.

- Review **and recommend to Council** the adoption of the Annual Report.

- **Recommend to Council** the approval of annual Statements of Intent and annual Statements of Expectation for Council Controlled Organisations and granting shareholder approval of major transactions.

- Monitor progress against Council Controlled Organisations Statements of Intent and make **recommendations to Council** in the exercise of Council powers, as the shareholder, about Council Controlled Organisations under sections 65 to 72 of the Local Government Act.

- Monitor the performance and accountability of Tiaki Wai Metro Water Ltd | Metro Water Limited, as a Council-owned water services entity, from 1 July 2026.

- Oversee compliance with Council's Treasury Risk Management Policy.

- Consider and determine requests for rate remissions.

- Consider and determine requests for loan guarantees from qualifying community organisations where the applications are within the approved guidelines and policy limits.

HUTT CITY COUNCIL

TE KOMITI KAUPAPA HERE ME TE PAE ANGITŪ
POLICY AND PERFORMANCE COMMITTEE

Meeting to be held in the Council Chambers,
2nd Floor, 30 Laings Road, Lower Hutt on
Tuesday 12 May 2026 commencing at 9:30 am.

ORDER PAPER

PUBLIC BUSINESS

1. OPENING FORMALITIES - KARAKIA TIMATANGA

Tuia te mana akiaki
Rarangahia te mana
rangatira
Kia tipu, kia puāwai
E ripo ngā wai
O Te Awa Kairangi
He Kaitiaki ki te whenua
He oranga taiao
He oranga tangata

Sow the seeds of courage
Weave the power of unity
To grow and prosper
There are ripples in
Te Awa Kairangi
There are Kaitiaki on the land
Protected environment
Thriving people
Connected, united, affirmed!

Haumi e, hui e Taiki e!

2. APOLOGIES

No apologies have been received.

3. PUBLIC COMMENT

Generally, up to 30 minutes is set aside for public comment (three minutes per speaker on items appearing on the agenda). Speakers may be asked questions on the matters they raise.

4. CONFLICT OF INTEREST DECLARATIONS

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

5. RECOMMENDATION TO TE KAUNIHERA O TE AWA KAIRANGI COUNCIL - 26 May 2026

Speed Limits Bylaw: Review and Revocation

Report No. PPC2026/2/119 by the Policy Advisor 9

CHAIR'S RECOMMENDATION:

'That the recommendations contained in the report be endorsed."

6. NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY - DRAFT STATEMENT OF INTENT 2026-2029 AND HALF YEAR PERFORMANCE RESULTS TO 31 DECEMBER 2025

Report No. PPC2026/2/34 by the Treasury Officer 25

CHAIR'S RECOMMENDATION:

'That the recommendations contained in the report be endorsed."

7. QUARTERLY PERFORMANCE REPORT 1 JANUARY TO 31 MARCH 2026

Report No. PPC2026/2/126 by the Corporate Planning Advisor 76

CHAIR'S RECOMMENDATION:

'That the recommendations contained in the report be endorsed."

8. QUARTERLY PROGRESS REPORT: TE WHIRINGA

Report No. PPC2026/2/120 by the Engagement Lead 153

CHAIR'S RECOMMENDATION:

'That the recommendations contained in the report be endorsed."

9. STRATEGY AND POLICY WORK PROGRAMME 2026 UPDATE

Report No. PPC2026/2/127 by the Policy Lead 180

CHAIR'S RECOMMENDATION:

'That the recommendations contained in the report be endorsed."

10. INFORMATION ITEM

Policy and Performance Committee Forward Programme 2026

Memorandum dated 22 April 2026 by the Democracy Advisor 185

CHAIR'S RECOMMENDATION:

"That the recommendation contained in the memorandum be endorsed."

11. QUESTIONS

With reference to section 32 of Standing Orders, before putting a question a member shall endeavour to obtain the information. Questions shall be concise and in writing and handed to the Chair prior to the commencement of the meeting.

12. CLOSING FORMALITIES - KARAKIA WHAKAMUTUNGA

Unuhia!	Release us from the
Unuhia!	supreme sacredness of our
Unuhia i te uru-tapu-nui	tasks
Kia wātea, kia māmā	To be clear and free
Te ngākau, te tinana,	in heart, body and soul in
te wairua i te ara takatū	our continuing journey
Koia rā e Rongo	Oh Rongo, raise these
whakairihia ake ki runga	words up high so that we
Kia wātea, kia wātea!	be cleansed and be free,
Ae rā, kua wātea!	Yes indeed, we are free!
Hau, pai mārire.	Good and peaceful

Vanessa Gilmour
DEMOCRACY ADVISOR

HUTT CITY TE AWA KAIRANGI **Policy and Performance Committee**

14 April 2026

Report no: PPC2026/2/119

Speed Limits Bylaw: Review and Revocation

Purpose of Report

1. To seek approval to revoke the Speed Limits Bylaw 2015.

Recommendations

That the Committee recommends that Council:

(1) notes the process for amending speed limits in Hutt City is now managed through the National Speed Limits Register on New Zealand Transport Agency Waka Kotahi's (NZTA) website;

(2) notes the Statement of Proposal attached as Appendix 1 to the report, which sets out the reasoning for revoking the Speed Limits Bylaw; and

(3) approves the revocation of the Speed Limits Bylaw without undertaking formal consultation.

Background

The Speed Limits Bylaw

3. Council's Speed Limits Bylaw was established in 2004 following the transfer of speed limit setting responsibilities from the Land Transport Safety Authority to local councils under the Transport Act 1962 and Local Government Act 2002 (the Act).

4. Between 2004 and 2023, territorial authorities set speed limits on local roads through a bylaw resolution process prescribed by the Land Transport Rule: Setting of Speed Limits 2003.

The former speed limit setting process

5. As a territorial authority, Council is the road controlling authority (RCA) for all local roads (excluding state highways) within the Hutt City territory.

6. As an RCA, Council previously was required to calculate the appropriate speed limit for a road using the Speed Limits New Zealand methodology, which assessed factors such as roadside development and road function. Speed limits were then formally set through a Council resolution process outlined in the Bylaw.

7. Once a speed limit was set through the Bylaw, Council was required to maintain a public register of all speed limits on roads within its jurisdiction,

install appropriate signage, and undertake periodic reviews to ensure speed limits remained consistent with changes in the road environment. Any further amendments to speed limits followed the same resolution process.

Discussion

Changes to the speed limit setting process

8. The Land Transport Rule: Setting of Speed Limits 2022, adopted by Government in 2023, removed the requirement for councils to set speed limits through a resolution process and introduced the National Speed Limits Register (NSLR) in its place.
9. Speed limits must be entered in the NSLR to be legally enforceable. The 2022 Rule has since been replaced by the Land Transport Rule: Setting of Speed Limits 2024, which retains the NSLR framework.
10. The adoption of the Land Transport Rule: setting of Speed Limits (2022 and 2024) has removed the need for councils to have a separate bylaw specifically for setting speed limits.

The usual process for revoking a bylaw

11. When revoking a bylaw under the Act, section 156 states that councils must use the Special Consultative Procedure if the bylaw is considered of significant interest to the public or if it will have a significant impact on the public.

No requirement to consult on the proposed revocation

12. Guidance provided by NZTA in May 2022 clarified that there is no requirement for councils to consult under section 156 of the Act to revoke standalone speed limit bylaws.
13. The low impact of the proposed revocation does not trigger the need to consult under Council's Significance and Engagement Policy.
14. Kapiti Coast and Queenstown Lakes District Council's and Tauranga City Council and others have revoked their standalone speed limit bylaws without consultation following the introduction of the NSLR.
15. Other councils, including Wellington and Porirua City Council's, revoked their speed limit bylaws and had to include a consultation process because their respective bylaws were not standalone.

Options

16. Table 1 below contains three options for the Committee to consider.

Option	Description	Advice
One – revoke	Approve the proposed process to revoke the redundant Bylaw	Recommended. This option supports decreasing regulatory burden and reduces likelihood of confusion
Two – leave to lapse	The Bylaw will be automatically revoked in July 2027	Not recommended. Leaves disused regulation on the books and could cause confusion
Three – review and retain	Undertake full review and retain the redundant Bylaw	Not recommended. Poor use of Council's time

Climate Change Impact and Considerations

17. There are no climate change impacts.

Consultation

18. Council officers will clearly communicate the proposed change to revoke the Bylaw to the community.

Legal Considerations

19. If the Speed Limits Bylaw 2015 is not revoked before 28 July 2027, it will lapse as per section 160A of the Act.

20. There are no other legal ramifications anticipated in relation to the Speed Limits Bylaw 2015.

Financial Considerations

21. There are no financial considerations.

Target Operating Model (TOM) Implications

22. Council's operating environment will not be impacted by the revocation of the Speed Limits Bylaw 2015 because of the established process for setting speed limits through the NSLR.

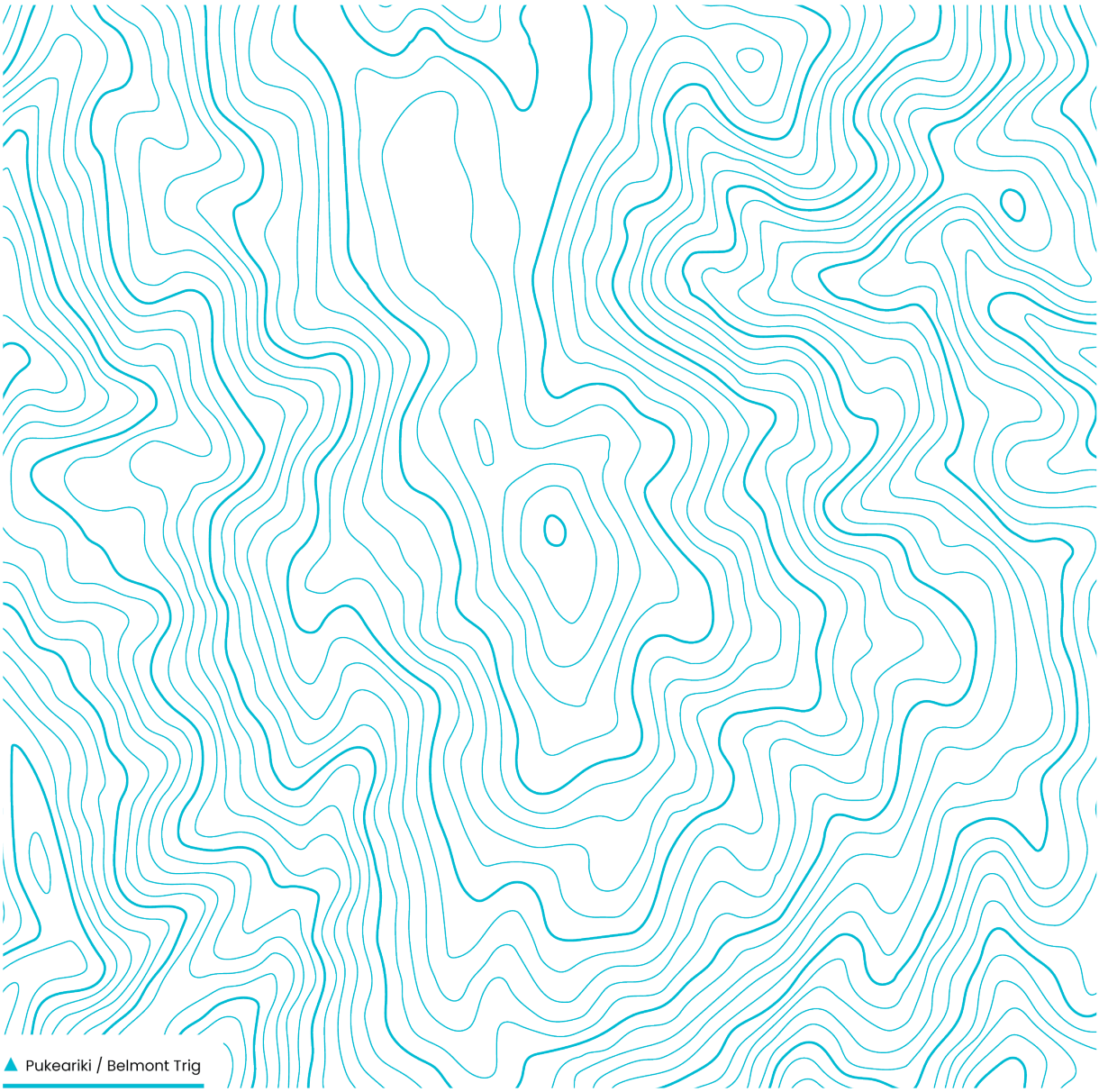
23. The revocation of the Speed Limits Bylaw 2015 will reduce Council's regulatory burden by removing the need for officers to review it in the future.

Appendices

No.	Title	Page
1⇩	Appendix 1 - Speed Limits Bylaw Statement of Proposal	12

Author: Sam White, Policy Advisor
Reviewed By: Richard Hardie, Head of Strategy and Policy and Miranda Dunn, Solicitor
Approved By: Jarred Griffiths, Director Strategy and Engagement

Statement of Proposal
Speed Limits Bylaw: Review and Revocation



Summary of Proposal

Hutt City Council (Council) is reviewing its Speed Limits Bylaw (the Bylaw) in accordance with section 86 of the Local Government Act 2002 (the Act). As part of this review, Council is proposing to revoke the Bylaw following the update to the Land Transport Rule: Setting of Speed Limits 2022, adopted in 2023, which removed the requirement for councils to have a bylaw to set speed limits.

Background

The Land Transport Rule: Setting of Speed Limits 2003 (2003 Rule), adopted by the Government on 5 April 2004, established the requirement for councils to adopt a speed limits bylaw based on national guidelines. The Bylaw outlines the process for the setting of speed limits in Lower Hutt. Council adopted its Speed Limits Bylaw on 8 March 2005. The Bylaw was subsequently reviewed in July 2015.

Following the removal of the requirement for councils to adopt a bylaw to amend speed limits and the introduction of the National Speed Limits Register in 2022, Council is no longer required to maintain the Bylaw in accordance with the 2003 Rule.

No additional requirements have been made to require councils to maintain a speed limits bylaw since the Setting of Speed Limits Rule changed in 2023, so Council is proposing to revoke the Bylaw during this statutory review.

Review and Revocation of the Bylaw

Requirements under the Local Government Act 2002

Sections 158 and 159 of the Act provides that bylaws must be reviewed within five years after they are made and thereafter at ten-year intervals. If not reviewed within the required period, a bylaw will lapse with its provisions remaining in effect for up to two years after the date by which it was due to be reviewed, after which it will expire and cease to have effect pursuant to section 160.

When making a bylaw, section 155 of the Act requires the Council to consider whether:

a. a bylaw is the most appropriate way of addressing the perceived problem/s (determine that the perceived problem/s cannot be dealt with in another manner);
b. the proposed bylaw is the most appropriate form of bylaw;
c. the proposed bylaw gives rise to any implications under the New Zealand Bill of Rights Act 1990 (BORA).

Typically, when undertaking a bylaw review, section 160 requires councils to reconsider the matters in section 155 and an internal audit must be conducted to identify any work that has been previously undertaken, for example: relevant legal issues; legislative changes and provisions; obvious changes to existing bylaw clauses; relevant legal experience or commentary on the bylaw; and other legal options.

Section 160 of the Act requires that a Special Consultative Procedure be used to review a bylaw. Sections 83, 86 and 156 instruct councils on how a Special Consultative Procedure needs to be carried out.

This would involve preparing a statement of proposal that includes: the reasons for the proposal; whether a bylaw is the most appropriate way to address the perceived problem; whether the bylaw is the most appropriate form of bylaw; consideration of any implications under the BORA; and a draft of the proposed bylaw.

In the case of the Speed Limits Bylaw, guidance provided by Waka Kotahi in May 2022 stated that there is no requirement to consult under section 156 of the Act.

The perceived problem

The adoption of the Land Transport Rule: setting of Speed Limits (2022 and 2024) has removed the need for councils to have a separate bylaw specifically for setting speed limits.

The need for the Bylaw was replaced by the introduction of the National Speed Limits Register. The perceived problem that the now disused bylaw was addressing no longer exists. Council is proposing to revoke the Bylaw accordingly.

Bill of Rights implications

The proposed change to revoke the Speed Limits Bylaw does not restrict any rights contained in the Bill of Rights Act 1990.

Proposed timeline

Date	Action
20 April 2026	CLT – approve Statement of Proposal
12 May 2026	Policy and Performance Committee – approve revocation of the Bylaw
26 May 2026	Full Council – revoke the Bylaw
27 May 2026	Update Council website to reflect the decision

Communications and engagement

The revocation of the Bylaw has no requirement to consult the public and there is no significant impact on the public from revoking it. Therefore, the communication and engagement with the community will be informative social media posts, website updates and FAQs.

Key Messages

Primary message: Hutt City Council is revoking its Speed Limits Bylaw because it is no longer needed. Changes to national legislation mean speed limits are now set through the National Speed Limits Register, not through a council bylaw. Council remains the road controlling authority for local roads in Lower Hutt, and this change does not affect any current speed limits.

Supporting messages:

- The Land Transport Rule: Setting of Speed Limits, updated in 2022 and adopted in 2023, removed the requirement for councils to maintain a speed limits bylaw. Speed limits are now managed through the National Speed Limits Register administered by Waka Kotahi.
- Council is revoking the Bylaw as part of a routine statutory review required under the Local Government Act 2002. The Bylaw is simply no longer required.

- No speed limits in Lower Hutt are changing as a result of this revocation. Council continues to hold the same authority over speed limits on local roads that it has always had.
- Wellington City Council completed the same process in 2023 without any issues.

Short-form Communication (Website / Social Media)

Speed Limits Bylaw being revoked — here's what it means for you

Hutt City Council is revoking its Speed Limits Bylaw following changes to national legislation. The Land Transport Rule: Setting of Speed Limits, updated in 2022, replaced local bylaws with a national system for managing speed limits (the National Speed Limits Register).

No speed limits in Lower Hutt are changing; this is a routine legislative tidy-up.

Council remains responsible for setting speed limits on local roads. The revocation simply removes a bylaw that no longer serves a legal purpose.

Frequently Asked Questions

Why is Council revoking the Speed Limits Bylaw?

The Government updated the Land Transport Rule: Setting of Speed Limits in 2022, which removed the requirement for councils to set speed limits through a bylaw. Speed limits are now managed through the National Speed Limits Register, administered by Waka Kotahi. Because the Bylaw no longer serves a legal function, Council is revoking it as part of a routine statutory review under the Local Government Act 2002.

Does this mean speed limits in Lower Hutt are changing?

No. This revocation has no effect on any current speed limits. All existing speed limits on local roads remain exactly as they are.

Does Council still have control over speed limits on local roads?

Yes. Council remains the road controlling authority for all local roads in Lower Hutt. The only thing that has changed is the process — speed limits are now set through the National Speed Limits Register rather than through a council bylaw.

Who manages speed limits on state highways like SH2?

Waka Kotahi NZ Transport Agency is the road controlling authority for all state highways, including State Highway 2 through the Hutt Valley. This has not changed.

Was the community consulted on this revocation?

Guidance from Waka Kotahi confirms there is no requirement to consult the public under section 156 of the Local Government Act when revoking a standalone speed limits bylaw. Because the revocation has no significant impact on the community — no speed limits are changing and Council retains its authority — formal consultation was not needed.

Have other councils done the same thing?

Yes. Wellington City Council revoked its section on speed limits from its Consolidated Bylaw in 2023 following the same legislative changes without any issues.

How can I request a change to a speed limit on my street?

The process for requesting speed limit changes on local roads has not changed. You can contact Council to raise concerns about speed limits, and any changes will be processed through the National Speed Limits Register.

When does the revocation take effect?

The revocation is expected to be confirmed by Full Council on 26 May 2026.

Appendices

Appendix 1: HCC Speed Limits Bylaw 2015

HUTT CITY COUNCIL SPEED LIMITS BYLAW 2015

ADOPTED BY COUNCIL 28 JULY 2015

CONTENTS

1. Definitions....8
2. Application of this Bylaw....8
3. Speed Limits....8
4. Consultation....9
5. Offences....9
Commentary....9

This Bylaw allows Council to designate urban traffic areas and to set and amend speed limits by resolution for the Lower Hutt City area, on all roads under its jurisdiction and in certain designated locations.

This Bylaw is made pursuant to the provisions of the Local Government Act 2002 and the Land Transport Rule: Setting of Speed Limits 2003 Rule 54001.

DEFINITIONS

1.1 In this Bylaw

Council means the Hutt City Council.

Designated locations has the same meaning as in Section 4.1(2) of the Land Transport Rule: Setting of Speed Limits 2003 Rule 54001.

Road has the same meaning as in Part 2 of the Land Transport Rule: Setting of Speed Limits 2003 Rule 54001, but does not include any State Highways within the Council's district.

Speed limit has the same meaning as in Part 2 of the Land Transport Rule: Setting of Speed Limits 2003 Rule 54001, but does not include temporary speed limits set under section 5 of that Rule.

Urban traffic area has the same meaning as in Part 2 of the Land Transport Rule: Setting of Speed Limits 2003 Rule 54001.

Vehicle has the same meaning as in section 2(1) of the Land Transport Act 1998.

APPLICATION OF THIS BYLAW

2.1 This bylaw applies to all roads under the jurisdiction of the Council.

SPEED LIMITS

3.1 Council may, by resolution, set speed limits or designate urban traffic areas for any roads under the council's jurisdiction.

3.2 Council may, by resolution, set speed limits for roads in any designated locations under the council's jurisdiction.

3.3 In setting speed limits under clauses 3.1 or 3.2, Council may set only speed limits of 10, 20, 30, 40, 50, 60, 70, 80, 90 or 100km/h.

3.4 The Council may amend or revoke a resolution made under clauses 3.1 or 3.2 at any time.

3.5 Where a speed limit is set or amended, Council must mark such areas to which the speed limit applies by notices or signs as required by the Land Transport Rule: Setting of Speed Limits 2003 Rule 54001.

3.6 Council must maintain a Lower Hutt City Speed Limits Plan, recording the current speed limits for the roads under Council's jurisdiction, and make that available on Council's website and for inspection by members of the public at Council's offices.

CONSULTATION

4.1 Subject to clause 4.2, before making a resolution under clause 3.1 or amending or revoking such a resolution under clause 3.4, Council must follow the consultation process set out in section 7.1 of the Land Transport Rule: Setting of Speed Limits 2003 Rule 54001.

4.2 Clause 4.1 does not apply if Council is making a resolution in accordance with section 10 of the Land Transport Rule: Setting of Speed Limits 2003 Rule 54001.

4.3 Before making a resolution under clause 3.2 or amending or revoking such a resolution under clause 3.4, Council must follow the consultation process set out in section 4.1(4) of the Land Transport Rule: Setting of Speed Limits 2003 Rule 54001.

OFFENCES

5.1 Every person commits an offence against this Bylaw who operates a vehicle in contravention of the speed limits set under this Bylaw or by the Land Transport Rule: Setting of Speed Limits 2003 Rule 54001.

COMMENTARY

The following comments do not form part of the Bylaw. They are provided to alert readers to relevant law and information that relate to the Bylaw.

The purpose of this Bylaw is to allow Council, by resolution, to designate urban traffic areas and to set or amend speed limits, after following the consultation process set out in the Land Transport Rule: Setting of Speed Limits 2003 Rule 54001.

Consultation processes

Council is obliged to follow the Guidelines for setting speed limits and procedures for calculating speed limits and the consultation processes set out in the Land Transport Rule: Setting of Speed Limits 2003 Rule 54001 when setting speed limits or designating urban traffic areas.

Before making a resolution to set speed limits or designate urban traffic areas for roads under its jurisdiction, Council must consult with any people that may be affected by the proposed speed limit.

The persons that must be consulted include:

1. road controlling authorities that are responsible for roads that join, or are near, the road on which the speed limit is to be set or changed; and
2. a territorial authority that is affected by the existing or proposed speed limit; and
3. any local community that the road controlling authority considers to be affected by the proposed speed limit; and
4. the Commissioner of Police; and
5. the Chief Executive Officer of the New Zealand Automobile Association Incorporated; and
6. the Chief Executive Officer of the Road Transport Forum New Zealand; and
7. any other organisation or any user group that the road controlling authority considers to be affected by the proposed speed limit; and
8. the Agency (i.e. NZTA).

As part of the consultation process, Council must write to the people that may be affected to advise them of the proposed speed limit and must then give them a reasonable time to make submissions on the proposal.

Before Council sets speed limits for roads in designated locations under Council's jurisdiction, it must consult with the Director of Land Transport Safety, the Commissioner of Police and any other persons that may be affected by the proposed speed limit. Council must give these people a reasonable time to make submissions on the proposal.

Signs and Notices

Before any new speed limit comes into force, Council must ensure that appropriate signs and notices are placed on the roads and areas affected so that drivers are made aware of the new speed limits.

Under the Land Transport Rule: Setting of Speed Limits 2003 Rule 54001, the signs must comply with the Traffic Regulations 1976, so that they look like the usual speed limit signs.

Urban traffic areas and rural areas

The Land Transport Rule: Setting of Speed Limits Rule 54001 sets the speed limit at 50km/h for all urban traffic areas. Council will, by resolution, define what areas under its jurisdiction are urban traffic areas.

The Rule also sets the rural speed limit at 100km/h. The rural speed limit applies to motorways and roads in rural areas, which are generally all areas that are not urban traffic areas.

State Highways

Council is not responsible for setting speed limits for State highways as they do not fall within its jurisdiction. Central government agencies (currently NZTA) remain responsible for setting speed limits for State highways.

Lower Hutt City Speed Limits Plan

Under the Bylaw, Council is required to maintain a plan recording the most up-to-date speed limits for the roads under Council's jurisdiction.

It is available on Council's website at huttcity.govt.nz. Members of the public can also inspect it at Council's offices during normal business hours.

Register of speed limits

Council is required to establish and maintain a register of speed limits for roads under its jurisdiction under the Land Transport Rule: Setting of Speed Limits 2003 Rule 54001.

The register must record the current speed limits as confirmed by the Council, and any changes to those speed limits by Council (through resolutions setting new speed limits or designating new urban traffic areas). It does not need to record any temporary speed limits that are in place.

In general, the register will record the history of speed limits for roads within Council's jurisdiction for at least seven years.

The register is available for inspection by members of the public at Council's offices during normal business hours.

Offences and penalties

Offences, penalties and fees relating to infringement of speed limits are provided for in the relevant provisions of the Land Transport Act 1998 and Transport Act 1962. These do not change as a result of this bylaw.

The Police remain responsible for the enforcement of speed limits.

Definitions

The interpretation section of this Bylaw refers to various definitions in some Acts and the Land Transport Rule: Setting of Speed Limits 2003 Rule 54001. These definitions are:

Section 4.1(2), Land Transport Rule: Setting of Speed Limits

2003 Rule 54001 A ***designated location*** is any of the

following:

1. a car park;
2. an educational or scientific facility;
3. an industrial facility
4. a health facility;
5. (e) a residential facility;
6. a camping ground;
7. a sports facility or other recreational area;
8. a botanic garden;
9. a port or wharf area;
10. an airport;
11. a beach;

12. a cemetery;
13. a facility operated by the New Zealand Defence Force;
14. any other location approved by the Director of Land Transport Safety.

HUTT CITY TE AWA KAIRANGI **Policy and Performance Committee**

27April 2026

Report no: PPC2026/2/34

New Zealand Local Government Funding Agency - draft Statement of Intent 2026-2029 and half year performance results to 31 December 2025

Purpose of Report

1. The purpose of this report is to provide the draft 2026 - 2029 Statement of Intent (SOI) for the Local Government Funding Agency (LGFA) for Council to review.

2. The half year performance results of LGFA for the period ending 31 December 2025 are also presented in this report.

Recommendations

That the Committee:

(1) notes the Local Government Funding Agency (LGFA) board has submitted a draft Statement of Intent (SOI) for the three years 2026 - 2029 as attached as Appendix 2 to the report, in accordance with the Local Government Act 2022;

(2) notes that officers do not have any suggested changes to the draft SOI;

(3) agrees that there are no suggested changes to the draft SOI: and

(4) notes and receives the LGFA half year report to 31 December 2025, attached as Appendix 4 to the report.

Background

3. The LGFA was incorporated on 1 December 2011 with the primary objective of optimising the debt funding terms and conditions for participating local authorities. This includes providing savings in annual interest costs, making longer-term borrowings available and enhancing the certainty of access to debt markets.

4. The LGFA meets the Local Government Act 2002 (LGA) definition of a Council Controlled Organisation (CCO) and, as a shareholder in a CCO (ownership of 200,000 ordinary shares or 0.4%), Council must regularly undertake performance monitoring of that organisation to evaluate its contribution to the achievement of Council's outcomes.

5. As a CCO, the LGFA must deliver to its shareholders a draft SOI on or before 1 March each year. The LGFA Board must consider any comments from its shareholders in relation to the draft SOI and deliver a final SOI to its shareholders on or before 30 June.

6. As a shareholder, Council is statutorily required to review the draft SOI and, as soon as is practicable after receiving it to either agree to it or, if it does not agree, to provide feedback regarding any changes it wishes to be made. Feedback can be provided either directly to the LGFA Board or through the Shareholders Council before 1 May 2026.

7. The Shareholders Council comprises five to ten appointees from council shareholders (including an appointee from the Crown). As part of its role, it is required to make recommendations to the shareholders in relation to the draft SOI.

8. For shareholder councils, the LGFA is focused on:
   a. delivering a strong financial performance;
   b. monitoring asset quality;
   c. enhancing their approach to treasury and risk management; and
   d. ensuring it has the correct governance framework and capital structure in place.

9. For borrowing Councils, LGFA seeks to optimise funding terms and conditions by achieving savings in borrowing costs, providing longer-dated funding and providing certainty of access to markets.

Draft 2026-2029 SOI key points summary

10. The cover letter from LGFA and draft SOI are attached as Appendices 1 and 2 to this report.

11. This draft SOI, including financial forecasts, assumes that LGFA will commence lending to water CCO's in FY27 as the Local Water Done Well Programme is implemented. There is, however, a high level of uncertainty regarding the amount and timing of any lending, as the water CCOs have yet to be established, and the impact on Councils is unknown.

12. The draft SOI contains the financial forecasts for LGFA for the three-year period commencing 1 July 2026:

    a) Profitability is expected to be strong with projections for Net Profits of $27.2M, $24.5M and $24.6M for the next three years. LGFA is cautious about placing too much emphasis on the 2nd and 3rd year forecasts, given that over the next three years, $9.3B of LGFA Bonds and $12.2B of council and CCO loans mature.

    b) LGFA forecasts for local government loans (short and long term) outstanding as at June 2027 of $25.1B and $26.4B as at June 2028 are in line with the forecast in last year's SOI, with a forecast of $26.7B as at June 2029 in this draft SOI.

c) The Total Shareholder Equity of LGFA is estimated to be $189M at 30 June 2027, $212M at 30 June 2028, and $235M at 30 June 2029.

13. The draft SOI was received by Council officers before the 1 March 2026 deadline. Officers do not have any suggested changes to the draft SOI.

LGFA half year report to 31 December 2025

14. CCOs are required to provide a six-monthly performance report to their shareholders. The LGFA six monthly report is attached as Appendix 4 to this report, with the LGFA cover letter attached as Appendix 3.

15. During the six-month period to 31 December 2025:

    a. Standard & Poor's reaffirmed the credit ratings for LGFA as 'AAA', the same as the New Zealand Government, whilst Fitch reaffirmed their credit rating for LGFA as 'AA+.'

    b. Total interest income for the six-month period of $528.2M was a 23.0% decrease over the 2023/24 comparable period result of $683.2M. This was mainly due to a lower three month BKBM reference rate of 2.8% compared to the 2023/24 comparable period of 4.88%.

    c. Total interest expense for the six-month period of $503.8M was a 25% reduction to the 2023/24 comparable period. This was due to lower market interest rates compared to the 2023/24 comparable period.

    d. Net operating profit of $16.4M for the six-month period was a 90.0% increase on the 2023/24 comparable period result of $8.6M. This was mainly due to balance sheet growth and the increase in the base lending margin.

    e. Both net interest income and net operating profit were slightly ahead of the Statement of Intent (SOI) forecast and are expected to meet the budget by the end of the financial year.

    f. LGFA issued $1.64B in Long-dated bonds over the past 6 months, with outstandings now totalling $23.8B.

    g. Total membership remains at 77 out of the 78 councils in New Zealand (except for Chatham Islands) and up to 8 CCO's.

16. Council borrowing from the LGFA increased by $20 million over the six-month period from $571.7M at 30 June 2025 to $591.7M as at 31 December 2025 (plus accrued interest). Borrowing was a mix of new borrowing and pre-funding of upcoming debt maturities. This borrowing is to enable repayment of debt maturing and to fund the capital investment programme underway, which was approved by Council in the Annual Plan 2025-2026.

17. LGFA Borrowings include those on behalf of Council's CCOs, and all borrowings are in accordance with approved limits contained in Council's Treasury Risk Management Policy.

Consultation

18. Public consultation is not required.

Climate Change Impact and Considerations

19. The matters addressed in this report have been considered in accordance with the process set out in Council's Climate Change Considerations Guide.

Legal Considerations

20. The LGFA Board must consider any comments on the draft SOI that are made within two months of 1 March by its shareholders or the Shareholders Council. The LGFA Board must deliver a completed SOI to its shareholders on or before 30 June 2026.

21. Within two months of the end of the first half of each financial year, the board of a CCO must deliver to the shareholders a report on the organisation's operations during that half year. The LGFA half year report for the six months ending 31 December 2025 was provided to Council officers within the statutory deadline.

Financial Considerations

22. There are no further financial considerations apart from those noted in the report.

Appendices

No.	Title	Page
1⇩	LGFA Cover Letter Draft SOI	29
2⇩	LGFA Draft SOI	31
3⇩	LGFA Cover Letter Half Year Report	44
4⇩	LGFA Half Year Report to 31 December 2025	46

Author: Glenn Usoalii-Phillips
Treasury Officer

Reviewed By: Darrin Newth
Financial Accounting Manager

Approved By: Jenny Livschitz
Group Chief Financial Officer

LGFA
New Zealand Local Government Funding Agency
Te Pūtea Kāwanatanga ā-rohe

27 February 2026

Dear Shareholder

Draft Statement of Intent 2026-2029

Please find attached a copy of our draft Statement of Intent (SOI) for 2026-2029.

LGFA continues to focus on delivering strong results for both our council borrowers and shareholders.

For our borrowing councils we seek to optimize funding terms and conditions by

- Achieving savings in borrowing costs
- Providing longer dated funding and
- Providing certainty of access to markets

For our shareholders we are focused on

- Delivering a strong financial performance
- Monitoring asset quality
- Enhancing our approach to treasury and risk management, and
- Ensuring we have the correct governance framework and capital structure in place.

For our guarantors we are focused on

- Minimising the risk of a call upon the guarantee through actively monitoring and managing the business risks faced by LGFA including operational, credit, liquidity, interest rate, and funding risk.

The following points regarding the draft SOI 2026-29 are worth noting:

- This draft SOI, including financial forecasts covers the financial years 2026-29 (FY27), 2027-28 (FY27) and 2028-29 (FY29).
- The SOI forecasts assume that LGFA will commence lending to water CCOs in FY 27 as the Local Water Done Well Programme is implemented. There is however a high level of uncertainty regarding the amount and timing of lending to the water CCOs.
- Profitability is expected to be strong with projections for Net Profit of $27.2 million, $24.5 million, and $24.6 million over the three years. However, we remain cautious in placing too much emphasis on the second year (FY28) and third year (FY29) forecasts given we have $9.3 billion of LGFA bonds and $12.2 billion of council and CCO loans maturing over the three-year SOI forecast period. This is because assumptions regarding the amount and timing of loan refinancing and interest rates have a material impact on financial projections.

New Zealand Local Government Funding Agency Limited
Auckland Level 7, The Shortland Centre, 55 Shortland Street
Wellington Level 11, City Chambers, 142 Featherston Street
PO Box 5704, Lambton Quay, Wellington 6145 | Phone +64 4 974 6530

- We are assuming gross bond issuance of $4.66 billion (FY27), $5.02 billion (FY28) and $5.01 billion (FY29) based on council gross borrowing of $5.16 billion (FY27), $5.73 billion (FY28) and $5.84 billion (FY29).
- Issuance and operating expenses including Approved Issuer Levy (AIL) are forecast to be approximately $3.2 million higher in FY27 and $2.9 million higher in FY28 compared to the previous SOI. This is due to increased AIL paid to the New Zealand Government on our increased foreign currency issuance, as well as increased operating costs to accommodate expected growth in the business.
- The proposed SOI performance targets are similar to the previous SOI. The focus remains on sustainability, assisting councils to implement Local Water Done Well, stakeholder engagement, meeting the financial targets, and monitoring the credit quality of the sector.

If you have any questions or wish to provide comments by 1 May 2026 then please feel free to contact myself or any member of the Shareholders Council. The LGFA board will consider any feedback received and provide a final version of the SOI to shareholders by 30 June 2026.

Yours sincerely

Mark Butcher
Chief Executive

2026 – 2029

Statement of Intent (Draft)

LGFA New Zealand Local Government Funding Agency Te Pūtea Kāwanatanga ā-roh

1. Introduction

This Statement of Intent (SOI) sets out the nature and scope of the activities, objectives, and performance targets for the New Zealand Local Government Funding Agency Limited (LGFA) for the three-year period 1 July 2026 to 30 June 2029.

LGFA is enabled under the Local Government Borrowing Act 2011 and is a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002.

The SOI is prepared in accordance with section 64(1) of the Local Government Act 2002.

2. Nature and scope of activities

LGFA raises debt funding for the purpose of providing debt financing to New Zealand local authorities and CCOs (members).

In August 2024, LGFA confirmed that it will provide financing to support water CCOs established under Local Water Done Well.

LGFA may raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency.

LGFA only lends to members that have completed required relevant legal and operational arrangements and comply with the LGFA's lending policies.

In addition, LGFA may undertake any other activities considered by the LGFA Board to be reasonably related, incidentally to, or in connection with, that business.

The LGFA Board has agreed subject to receiving shareholder approval to support the development tfo the Ratepayer Assistance Scheme (RAS).

3. Our purpose Ta tatou kaupapa

Benefiting local communities through delivering efficient financing for local government.

Ka whiwhi painga ngā hapori mā te whakarato pūtea tōtika ki ngā kaunihera.

Cover: The Amberley Beach Proactive Relocation Project. **Hurunui District Council**

Above: Papa Rererangi i Puketapu Solar Farm, the first project financed under our GS Renewable Energy category. **New Plymouth District Council**

4. Our values Ō mātau uara

We act with integrity

E pono ana mātau

We are honest, transparent and are committed to doing what is best for our customers and our company.

We are customer focused

E arotahi ana mātau ki te kiritaki

Our customers are our borrowers, investors, and all other organisations that we deal with. We listen to them and act in their best interests to deliver results that make a positive difference.

We strive for excellence

E whakapau kaha mātau kia hiranga te mahi

We strive to excel by delivering financial products and services that are highly valued at least cost while seeking continuous improvement in everything we do.

We provide leadership

He kaiārahi mātau

We are here for our stakeholders in being strategically minded, providing resilience and executing our strategy. We embrace a high-performance culture and can be relied upon to deliver results.

We are innovative

He auaha mātau

To meet our ever-changing customer requirements, we will encourage innovation and provide a diverse range of financial products and services.

5. Foundation objectives

The Shareholders' Agreement is a foundation document and states that, in accordance with the Local Government Act, in carrying on its business the objectives of the Company will be to:

(a) achieve the objectives of the Shareholders (both commercial and non-commercial) as specified in the Statement of Intent. The Shareholders agree that the Company shall carry on its business with a view to making a profit sufficient to pay a dividend in accordance with the Dividend Policy, but that the primary objective of the Shareholders with respect to the Company is that it optimises the terms and conditions of the debt funding it provides to Participating Local Authorities;

(b) be a good employer;

(c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and

(d) conduct its affairs in accordance with sound business practice.

This Statement of Intent sets out the company's strategic priorities, together with associated objectives and performance targets, which align with the foundation objectives and have been agreed with shareholders.

6. Strategic priorities

The following five strategic priorities encompass the foundation objectives and guide the LGFA Board and management in determining our strategy, objectives, and associated performance targets.

Governance, capability, and business practice

LGFA is committed to best-practice corporate governance underpinned by sound business practice to ensure its long-term sustainability and success.

Optimising financing services for local government

LGFA's primary objective is to optimise the terms and conditions of the debt funding it provides to its members. Amongst other things, LGFA will achieve this by delivering operational best practice and efficiency across our lending products and services.

Environmental and social responsibility

LGFA recognises the risks inherent in climate change for councils and supports New Zealand's shift to a low-carbon economy. LGFA will exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

Effective management of loans

LGFA will ensure its loan book remains at a high standard by ensuring it understands each member's financial position and managing assets within an appropriate risk management framework to ensure shareholder value is not compromised.

Industry leadership and engagement

LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market and will work with key central government and local government stakeholders on sector issues.

Upgrading of the seawall at The Strand. **Tauranga City Council**

7. Objectives and performance targets

This section sets out LGFA's objectives and performance targets for SOI 2026-2029.

The financial performance targets are focused on the 2026-2027 year and, as applicable, are based on the financial forecasts outlined in section 8.

Governance, capability, and business practice

Objectives	How we measure our performance
Demonstrate best-practice corporate governance.	The Annual Report outlines our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code.
Set and model high standards of ethical behaviour.	LGFA has adopted a formal Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow.
Achieve the shareholder-agreed objectives and performance targets specified in this Statement of Intent.	LGFA reports performance against objectives quarterly to shareholders and in our Annual Report, Half Year Report and Climate-Related Disclosures.
Ensure products and services offered to participating borrowers are delivered in a cost-effective manner.	LGFA prepares annual operating budgets and monitors progress against these monthly. Financial performance is reported quarterly to shareholders and in our Annual and Half Year Reports.
Be a good employer by providing safe working conditions, training and development and equal opportunities for staff.	The Annual Report reports on our health and safety and wellbeing practices and policies, compliance with the Health and Safety at Work Act, diversity and inclusion and capability and development.

Performance targets	2026-2027 target
Comply with the Shareholder Foundation Polices and the Board-approved Treasury Policy at all times.	No breaches.
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.
LGFA's total operating income, excluding unrealised gains / (losses) on financial instruments, for the period to 30 June 2027.	>$48.8 million.
LGFA's total operating expenses (excluding Approved Issuer Levy) for the period to 30 June 2027.	<13.3 million.

Optimising financing services for local government

Objectives	How we measure our performance
Provide interest cost savings relative to alternative sources of financing.	Measure LGFA issuance spreads against other high-grade issuers in the New Zealand domestic capital markets.
Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.	Measure LGFA's share of overall council borrowing. Survey participating borrowers on an annual basis.
Deliver operational best practice and efficiency for lending services.	Monitor settlements errors for new trades and cashflows. Survey participating borrowers on an annual basis.
Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice.	Maintain a vibrant primary and secondary market in LGFA bonds. Monitor participation by investors at our tenders through bid-coverage ratios and successful issuance yield ranges. Have the ability to issue debt securities in NZD and foreign currency.

Performance targets	2026-2027 target
Share of aggregate long-term debt funding to the Local Government sector. The market share excludes entities who are ineligible for borrowing from LGFA e.g. water entities not financially supported by their parent councils.	> 80%
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score.
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%

Environmental and social responsibility

Objectives	How we measure our performance
Assist the local government sector in achieving their sustainability and climate change objectives.	LGFA is committed to assist borrowers financing of projects that promote environmental and social wellbeing in New Zealand, and to encourage a reduction in greenhouse gas emissions and increase climate-resilience amongst borrowers. We do this through the development of lending products such as Green, Social & Sustainability (GSS) loans and Climate Action Loans (CALs). This objective will be measured by the number of new GSS loans and the number of new members eligible for CALs.
Improve sustainability outcomes within LGFA.	LGFA is committed to reducing our carbon emissions, increasing our resilience to climate change, and managing our climate-related risks and opportunities. To do this effectively, climate change considerations will be embedded into our governance, strategy and risk management functions.

Performance targets	2026-2027 target
Health and Safety.	No notifiable incidents.
Maintain Toitū Carbon Zero certification.	Carbon-zero certification maintained.
Develop a LGFA carbon management policy.	LGFA carbon management policy completed.
Increase our GS lending book and Climate Action Loans.	Two new GS loans undertaken and two new borrowers enter into CALs.
Develop a sustainable financing option for the water sector.	The new sustainable financing product is utilised by water entities.
Enhance our insight into climate-related risks through council lending.	Climate change is incorporated into LGFA's credit risk assessments.

Effective management of loans

Objectives	How we measure our performance
Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies. Analyse finances at the Council group level where appropriate and report to shareholders.	LGFA reviews all participating councils and CCOs financial statements on an annual basis and the agendas and management reports on an ongoing basis for all councils on the LGFA borrower watch-list. Member councils are required to complete annual compliance certificates by the end of November each year.
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested.	Number of members visited in a year.
Ensure a smooth transition of water-related loans if the Local Water Done Well Reforms progresses over forecast period.	LGFA will be able to ensure the successful transition of existing council water-related loans to Water CCOs (if requested by a council).

Performance targets	2026-2027 target
Review each Participating Borrower's financial position.	100%
Arrange to meet each Participating Borrower over a 15-month period, including meeting with elected officials as required, or if requested.	100%

Industry leadership and engagement

Objectives	How we measure our performance
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	Report on actions undertaken and progress made on sector issues. Identifying any legislative or Central Government policy changes that may impact LGFA and undertake formal or informal submissions. Assist the local government sector with understanding any legislative or Central Government policy changes that may impact LGFA. Provide the opportunity for a Council or CCO staff member to enhance their governance understanding and skills through the LGFA Future Director Programme.
Support the local government sector with the transition to the Local Water Done Well Reforms by assisting with the development options for the Water Services Delivery Plans and communicating our requirements (lending, financial covenants, reporting), as well as loan pricing guidance, implementation considerations and views on best practice.	Report on our sector-wide engagement and initiatives with assisting members' transition to the Local Water Done Well Reforms.

Performance targets	2026-2027 target
Provide quarterly updates to shareholders and borrowers on sector developments that are impacting LGFA.	Four quarterly updates to councils and CCOs.
Meet annually with Infrastructure Commission, Local Government New Zealand, Taituara, Water New Zealand, Infrastructure New Zealand, Crown Infrastructure Partners, Department of Internal Affairs, Treasury and Minister's office to discuss sector issues from an LGFA perspective.	Nine meetings across stakeholders.
Support councils with Local Water Done Well by providing timely and responsible advice for on-boarding water CCOs.	On-boarding process is underway for all water CCOs who have requested it.
Provide a governance opportunity for a council or CCO staff member under the LGFA Future Director Programme.	One Future Director appointed for an 18 month term.

The Amberley Beach Proactive Relocation Project. **Hurunui District Council**

8. Financial forecasts

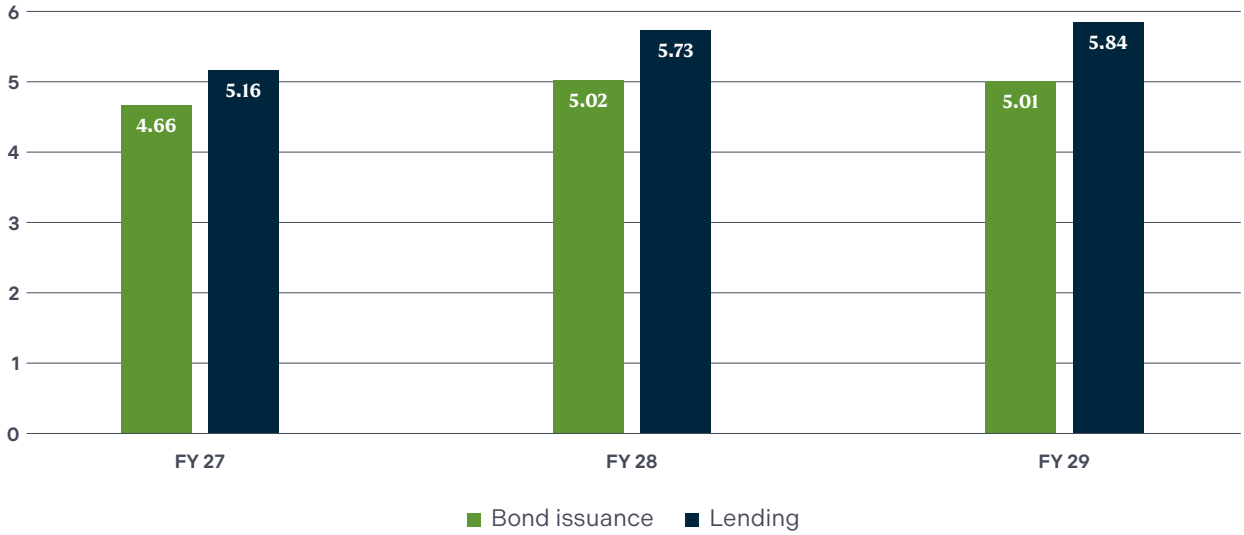
LGFA's financial forecasts for the three years to 30 June 2029:

Summary comprehensive income $m	Jun 27	Jun 28	Jun 29
Net interest income	**46.9**	**45.9**	**47.9**
Other operating income	1.9	1.9	1.9
Total income	**48.8**	**47.8**	**49.8**
Operating expenses[1]	21.6	23.3	25.2
Net profit	**27.2**	**24.5**	**24.6**
Financial position $m	**Jun 27**	**Jun 28**	**Jun 29**
Liquid assets portfolio	5,042	5,279	6,791
Loans	25,134	26,463	26,748
Other assets	-	-	-
Total assets	**30,176**	**31,742**	**33,539**
NZD bonds on issue (ex Treasury stock)	17,000	17,726	18,434
FCY bonds on issue	10,242	10,779	11,952
Bills & ECP on issue	1,844	1,844	1,844
Borrower notes	879	1,030	1,139
Other liabilities	-	-	-
Total liabilities	**29,965**	**31,378**	**33,368**
Capital	25	25	25
Retained earnings	166	189	212
Dividend	(2)	(2)	(2)
Shareholder equity	**189**	**212**	**235**
Ratios	**Jun 27**	**Jun 28**	**Jun 29**
Liquid assets/funding liabilities	17.9%	17.9%	21.5%
Liquid assets / total assets	16.7%	16.6%	20.2%
Net interest margin	0.19%	0.17%	0.18%
Cost to income ratio	44.3%	48.7%	50.6%
Return on average assets	0.09%	0.08%	0.07%
Shareholder equity/total assets	0.6%	0.7%	0.7%
Shareholder equity + BN/total assets	3.5%	3.9%	4.1%
Asset growth	9.4%	5.2%	5.7%
Loan growth	5.9%	5.3%	1.1%
Return on equity	16.6%	13.0%	11.6%
Capital ratio	17.7%	19.6%	20.5%

1. Operating Expenses include Approved Issuer Levy (AIL)

The following graph shows the volumes for the assumed bond issuance programme and lending to councils over the forecast period.

Forecast gross issuance and lending volumes over 3-year period ($billion)



Note: The forecasts include consideration that LGFA will provide financing to support water CCOs established under Local Water Done Well. However, there is a level of uncertainty regarding the financial forecasts for both council borrowing and LGFA bond issuance due to the uncertainty relating to the timing of the establishment of water CCOs and the impact on councils.

Our council lending and LGFA bond issuance forecasts include LGFA lending to the proposed water CCOs if they meet our qualifying criteria for membership. We have assumed we will not be lending to financially independent water CCOs such as Watercare as they are unlikely to meet the qualifying criteria. As at the date of release, there have been no Water Services Delivery Plans approved and no final decisions made regarding the transfer mechanism for assets, liabilities and revenue from each council to the proposed water organisations.

Ratepayer Assistance Scheme

LGFA is supporting the development of the Ratepayer Assistance Scheme (RAS) that will assist ratepayers with the ability to defer rates, enter property improvement loans and spread the payment of development contributions (or levies) over a long time horizon. LGFA has committed to financially contribute to the RAS business case in the 2024-25 FY. If the business case is supportive and the RAS proceeds then (subject to shareholder approval), LGFA will consider taking a shareholding, providing a debt facility, providing support services, investing in preference shares (akin to the LGFA Borrower Notes) and managing the RAS debt issuance programme. The LGFA participation in RAS has not been factored into the above financial forecasts.

9. Dividend policy

LGFA primary objective is to maximise benefits to participating borrowers rather than shareholders. Consequently, it is intended to pay a limited dividend to shareholders.

The Board's policy is to pay a dividend that provides an annual rate of return to shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

At all times payment of any dividend will be discretionary and subject to the Board's legal obligations and views on appropriate capital structure.

10. Governance

Board

The Board is responsible for the strategic direction and control of LGFA's activities. The Board guides and monitors the business and affairs of LGFA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Local Government Borrowing Act 2011, the Company's Constitution, the Shareholders' Agreement for LGFA and this SOI.

The Board comprises seven directors with six being independent directors and one being a non-independent director.

The Board's approach to governance is to adopt best practice with respect to:

- The operation of the Board.
- The performance of the Board.
- Managing the relationship with the Company's Chief Executive.
- Being accountable to all Shareholders.

All directors are required to comply with a formal Charter.

The Board will meet on a regular basis and no fewer than six times each year.

Shareholders' Council

The Shareholders' Council is made up of between five and ten appointees of the Shareholders (including an appointee from the Crown). The role of the Shareholders' Council is to:

- Review the performance of LGFA and the Board, and report to Shareholders on that performance on a periodic basis.
- Make recommendations to Shareholders as to the appointment, removal, replacement, and remuneration of directors.
- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.
- Ensure all Shareholders are fully informed on LGFA matters and to coordinate Shareholders on governance decisions.

11. Information to be provided to Shareholders

The Board aims to ensure that Shareholders are informed of all major developments affecting LGFA's state of affairs, while at the same time recognising both LGFA's obligations under NZX Listing Rules and that commercial sensitivity may preclude certain information from being made public.

Annual Report

The LGFA's balance date is 30 June.

By 30 September each year, the Company will produce an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002, the Companies Act 1993 and Financial Reporting Act 2013. The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

- Directors' Report.
- Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts.
- Comparison of the LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Auditor's Report on the financial statements and the performance targets.
- Any other information that the directors consider appropriate.

Climate-Related Disclosures

By 30 September each year, the Company will produce Climate-Related Disclosures in accordance with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board.

The Climate Standards require the Company to disclose climate-related information across the following four thematic areas:

- Governance
- Strategy
- Risk management
- Metrics and targets.

Half Yearly Report

By 28 February each year, the Company will produce a Half Yearly Report complying with Section 66 of the Local Government Act 2002. The Half Yearly Report will include the following information:

- Directors' commentary on operations for the relevant six-month period.
- Unaudited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cashflows.

Quarterly Report

By 31 January, 30 April, 31 July, and 31 October each year, the Company will produce a Quarterly Report. The Quarterly Report will include the following information:

- Commentary on operations for the relevant quarter, including a summary of borrowing margins charged to Participating Borrowers (in credit rating bands).
- Comparison of LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Analysis of the weighted average maturity of LGFA bonds outstanding.
- In the December Quarterly Report only, commentary on the Net Debt/Total Revenue percentage for each Participating Local Authority that has borrowed from LGFA (as at the end of the preceding financial year).
- To the extent known by LGFA, details of all events of review in respect of any Participating Borrower that occurred during the relevant quarter (including steps taken, or proposed to be taken, by LGFA in relation thereto).
- Details of any lending to CCOs during the quarter and the amount of CCO loans outstanding.
- Commentary on sustainability initiatives.

Statement of Intent

By 1 March in each year the Company will deliver to the Shareholders its draft SOI for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64(1) of the Local Government Act 2002.

Having considered any comments from the Shareholders received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

Shareholder Meetings

The Board will hold an Annual General Meeting between 30 September and 30 November each year to present the Annual Report to all Shareholders.

The Company will hold a meeting with the Shareholders' Council approximately every six months – prior to the Annual General Meeting and after the Half Yearly Report has been submitted. Other meetings may be held by agreement between the Board and the Shareholders' Council.

12. Acquisition/divestment policy

LGFA will invest in securities in the ordinary course of business. It is expected that these securities will be debt securities. These investments will be governed by LGFA's lending and/or investment policies as approved by the Board and/or Shareholders.

Any subscription, purchase, or acquisition by LGFA of shares in a company or organisation will, if not within those investment policies, require Shareholder approval other than as concerns the formation of wholly-owned subsidiaries and the subscription of shares in such wholly-owned subsidiaries.

13. Activities for which compensation is sought from Shareholders

At the request of Shareholders, LGFA may (at its discretion) undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full cost of providing such activities.

Currently there are no activities for which compensation will be sought from Shareholders.

14. Commercial value of Shareholder's investment

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders.

Subject to the Board's views on the appropriate capital structure for LGFA, the Board's intention will be to pay a dividend that provides an annual rate of return to Principal Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

As the Shareholders will have invested in the LGFA on the basis of this limited dividend, the Board considered that at establishment the commercial value of LGFA was equal to the face value of the Shareholders' paid up Principal Shares - $25 million.

In the absence of any subsequent share transfers to the observed share transfers on 30 November 2012, the Board considers the current commercial value of LGFA is at least equal to the face value of the Shareholders' paid up Principal Shares of $25 million. This equates to a value per share of $1.00.

15. Accounting policies

LGFA has adopted accounting policies that are in accordance with the New Zealand International Financial Reporting Standards and generally accepted accounting practice. A Statement of accounting policies is attached to this SOI.

[Not included in draft. To be included in final release version]

LGFA
New Zealand Local Government Funding Agency
Te Pūtea Kāwanatanga ā-rohe

26 February 2026

Dear LGFA Stakeholder

LGFA 2025 Half Year Report

Please find attached the following link to our Half Year Report for the six-month period to December 2025.

LGFA Half Year Report – 31 December 2025

We are pleased to highlight a positive six-month period for LGFA including the following:

1. **A strong financial position.**
   Net Operating Profit for the six-month period $16.4 million was ahead of our SOI forecast of $15.4 million and an increase of 90% on the comparable prior period. LGFA is in a strong financial position with assets of $28.6 billion and shareholder equity of $138.1 million as at 31 December 2025.

2. **Diversifying our funding base away from New Zealand and Australia.**
   In early 2025, we successfully established a European Medium-Term Note (EMTN) Programme and, under this programme, issued a 5-year USD 500 million bond and a 9-year CHF 180 million bond over the past six months. Both issuances were hedged back into NZD at a cost of borrowing below that of our comparable NZD bond issuances.

3. **Bond Repurchase Programme.**
   In 2025, we launched our NZD Bond Repurchase Programme, conducting weekly repurchase tenders of the April 2026 LGFA Bond. This initiative enhances our liquidity management, reduces refinancing risk, and provides additional support to the secondary market for our bonds. During the six months ended 31 December 2025, we repurchased $227 million of the April 2026 LGFA bond.

4. **Working with our stakeholders.**
   We continue to support the local government sector regarding the implementation of Local Water Done Well and work closely with councils and CCO members to promote sustainability initiatives. We are also improving operational efficiency for members by reducing Section 118 Certificate requirements, with legislation currently before Parliament. We have also implemented a change to allow borrowers to issue a single Global Security Stock Certificate rather than updating it for each borrowing.

New Zealand Local Government Funding Agency Limited
Auckland Level 7, The Shortland Centre, 55 Shortland Street
Wellington Level 11, City Chambers, 142 Featherston Street
PO Box 5704, Lambton Quay, Wellington 6145 | Phone +64 4 974 6530

We have met or on track to meet nineteen out of the twenty-one performance targets as set out in the Statement of Intent.

To achieve the above, we require the support of all our stakeholders and thank you for your contribution and assistance over the past six months.

Please do not hesitate to contact me if you have any comments or questions.

Kind regards

Mark Butcher
Chief Executive

LGFA New Zealand Local Government Funding Agency Te Pūtea Kāwanatanga ā-roh

Contents
Ngā Ihirangi

Message from the Chair and Chief Executive
He karere mai i te Toihau me te Tumuaki 3

Performance against objectives
Ko ngā whakatutukinga ki ngā whāinga 5

Financial statements
Nga taukī pūtea 11

Statement of comprehensive income 11
Statement of changes in equity 12
Statement of financial position 13
Statement of cash flows 14
Notes to the financial statements 15

Directory
Rārangi tauwaea 29

Cover, Contents and Back Page: Bund construction, The Amberley Beach Proactive Relocation Project. **Hurunui District Council**

Message from the Chair and Chief Executive
He karere mai i te Toihau me te Tumuaki

For the six-month period ended 31 December 2025

The six-month period delivered another set of strong financial and non-financial outcomes for the Agency despite the significant headwinds facing the sector.

As well as delivering a record financial outcome for the six-month period, we continued to meet the needs of our stakeholders over the past six months:

- We continued to source the cheapest cost of borrowing on behalf of the sector by issuing short and long-dated debt instruments under our NZD domestic and offshore programmes.
- We signed a refreshed Crown Liquidity Facility that was both upsized and extended in tenor. This underlines Central Government support for LGFA and the wider local government sector.
- We have been working closely with Central Government, councils, and the establishment teams at the water Council-Controlled Organisations (CCOs) to ensure the successful transition to Local Water Done Well from mid 2026.
- We are on track to meet 19 out of the 21 Statement of Intent (SOI) performance targets.

Initiatives

We successfully diversified our funding base away from Australasia by introducing a European Medium Term Note (EMTN) Programme in early 2025. During the past six months we issued a 5-year USD500 million bond and a 9-year CHF 180 million bond under the programme. The debt issuance was hedged back into NZD cheaper than our NZD bond issuance levels.

Our LGFA NZD Bond Repurchase Programme was established in May 2025, and we began conducting weekly repurchase tenders. This initiative supports our liquidity management, reduces refinancing risk, and provides added support to the market for our bonds. Over the six-month period to 31 December 2025, we repurchased $227 million of the April 2026 LGFA bond.

We continue to work with Central Government on delivery of the Local Water Done Well Programme. We assisted with the review of the Water Services Delivery Plan submitted to the Department of Internal Affairs by each council. We have been negotiating borrowing arrangements and documentation with the water CCOs currently being established.

We have made progress to deliver operational efficiency for our council borrowers. Legislation is currently passing through Parliament that will reduce administration requirements relating to the Section 118 Certificates. Council borrowers can now issue a Global Security Stock Certificate instead of having to issue an updated certificate each time they borrow.

Financial and Operational Performance

Directors are pleased to announce a strong financial performance for the six-month period with:

Total interest income for the six-month period was NZ$528.2 million, a 23% reduction over the prior comparable period. Interest income was lower than the comparable period because interest rates were lower e.g. the 3 month BKBM rate averaged 2.80% for the six-month period to 31 December 2025 compared to 4.88% for the six-month period to 31 December 2024.

Total interest expense for the six-month period was $503.8 million, a 25% reduction over the comparable 2024-25 period result. Interest expense was lower due to lower interest rates compared to the prior comparable period.

Total operating income of NZ$25.8 million was $1 million above the SOI forecast of NZ$24.8 million primarily due to our offshore cost of borrowing being more cost effective (after hedging costs) than borrowing in the domestic debt capital markets. It was a 57% increase over the prior comparable period.

Operating expenses, excluding Approved Issuer Levy (AIL), at NZ$5.87 million were $0.03 million above the SOI budget. AIL expense for the six-month period totalled $3.54 million, in line with our SOI forecast and is the highest single cost incurred by LGFA.

Net operating profit rose to NZ$16.36 million, up 90% from the prior comparable period.

LGFA shareholders equity has risen to NZ$138.114 million, up from NZ$121.785 million on 30 June 2025. With the addition of the Borrower Notes the total capital base of LGFA is now NZ$877 million supporting total assets of NZ$28.6 billion.

Back to contents

It is important to strengthen the capital position of LGFA given the recent deterioration in the credit quality of the local government sector and the financial headwinds facing the sector in the coming years. A strong financial position will ensure LGFA maintains credit rating parity to that of the New Zealand Government and continues to have the support of investors. The LGFA credit rating was affirmed at AA+ by Fitch Ratings on 23 October 2025.

Lending activity

Long-dated lending totalled NZ$1.635 billion during the six-month period with LGFA making 130 long term loans to 53 councils and CCOs with an average term of 4.3 years. Sustainable lending comprising our Green and Social (GS) and Climate Action Loans (CAL) products of $583.1 million was 35.5% of total lending during the six-month period. Our rolling twelve month estimated market share of 79.4% of council long-dated borrowing was just below our 80% target but if Auckland Council borrowing activity is excluded, our market share is 98.7%. Short-dated lending at year end was $1.454 billion, a 77% increase since 30 June 2025.

Our membership of 77 councils and 8 CCOs is unchanged.

Statement of Intent targets

We are on track to achieve 19 of our 21 performance targets outlined in our SOI. The two targets that we are unlikely to meet are operating expenses (excluding AIL) and market share. Our operating expenses are projected to be higher as we expect additional legal, IT and consulting costs to increase over the next six months as we undertake further offshore borrowing, onboard water CCOs, introduce new products and initiatives and implement our data and artificial intelligence (AI) strategies. Our current market share of 79.4% is just below our 80% target.

Stakeholder engagement

Over the past six months, LGFA held 52 meetings with our council and CCO members.

We expect our level of engagement and interaction with members to increase as the sector faces headwinds from climate related events, increasing debt levels while revenue could be potentially constrained under rates capping. The credit ratings of 18 councils and 3 CCOs have been downgraded over the past year that reflects these issues.

We have recently added greater resource to our engagement and monitoring activities. This is because the water CCOs will be more highly leveraged than their council predecessors and will need to have financial strategies in place to be financially sustainable in the medium to long term i.e. to achieve investment grade credit ratings.

Unfortunately, there was the first ever breach of a LGFA Foundation Covenant by a council. MacKenzie District Council breached the liquidity covenant as at 30 June 2025, but the breach was identified, and easily and quickly resolved. Any breach however is not taken lightly by the LGFA Board and can lead to an Event of Review and a request for repayment of loans.

We continue to invest in sustainability initiatives and support the sector through increasing our engagement on sustainability. We approved six new eligible projects for GS loans during the six-month period. We are developing an innovative sustainable lending product for the water sector that should be ready for launch in the coming months. We have also announced a financial subsidy for councils to adopt an independent audited Greenhouse Gas Emissions plan with suitable targets to qualify for our Climate Action Loans.

As at 31 December 2025, 19.8% of our outstanding long terms loans were either GS or CALs that receive a discounted loan margin.

Acknowledgements

The Agency's work and success cannot be achieved without the support of our staff, fellow directors, Shareholders Council, Central Government and the Minister of Local Government and Minister of Finance, all whose efforts and support are acknowledged.

We acknowledge the contribution to the success of LGFA by Linda Robertson, who has recently retired from the Board after ten years of service as a director and Chair of the Audit and Risk Committee. We also thank Kathryn Sharplin, who has recently stood down as Chair of the LGFA Shareholders Council.

We are pleased to welcome Paul Anderson as a new director and Chair the Audit and Risk Committee. We also welcome Sarah Houston-Eastergaard, who will serve as Chair of the Shareholders Council.

We believe the Agency's future remains positive and look forward to working with all stakeholders in the next six months.

Philip Cory-Wright
Chair, LGFA Board

Mark Butcher
Chief Executive

Back to contents

Performance against objectives
Te whakatutukinga ki ngā whāinga

The statement of service performance provides a summary of LGFA's performance against the objectives and performance targets set out in the LGFA Statement of Intent 2025-28 (SOI).

2025-26 Objectives and performance targets

LGFA objectives and performance targets for 2025-26 fall within the following five strategic priorities which encompass our shareholders' foundation objectives and guide the LGFA Board and management in determining our strategy:

- Governance, capability and business practice
- Optimising financing services for local government
- Environmental and social responsibility
- Effective management of loans
- Industry leadership and engagement

Our quarterly reports to shareholders provide more detail on our performance against objectives and performance targets. The reports for the two quarters' ended December 2025 are available on the LGFA website.

Governance, capability and business practice

LGFA is committed to best-practice corporate governance underpinned by sound business practice to ensure its long-term sustainability and success.

Objectives	Our performance to 31 December 2025
Demonstrate best practice corporate governance.	LGFA is committed to demonstrating best practice corporate governance and we report annually on our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code. The 2025 Annual Report is the most recent report with commentary on our compliance with the NZX Code.
Set and model high standards of ethical behaviour.	LGFA has adopted a formal Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow.
Achieve the shareholder-agreed objectives and performance targets specified in this Statement of Intent.	Our performance against shareholder-agreed objectives and performance targets, as specified in the Statement of Intent, is reported quarterly to shareholders and annually in this section of our Annual Report.
Ensure products and services offered to participating borrowers are delivered in a cost-effective manner.	LGFA prepares annual operating budgets and monitors progress against these monthly. Our performance against our financial performance targets for the six months ended 31 December 2025 is summarised under each of the targets.
Be a good employer by providing safe working conditions, training and development and equal opportunities for staff	We have met this objective and comply. The 2025 Annual Report is our most recent report outlining our health and safety and wellbeing practices and policies, compliance with the Health and Safety at Work Act, diversity and inclusion and capability and development.

Back to contents

Performance targets	2025-2026 target	Our performance to 31 December 2025
Comply with the Shareholder Foundation Polices and the Board-approved Treasury Policy at all times.	No breaches.	Achieved.
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.	Achieved.
LGFA's total operating income, excluding unrealised gains / (losses) on financial instruments, for the period to 30 June 2026.	>$44.7 million.	In line with forecast – NZ$25.77 million as at 31 December 2025 compared to NZ$24.78 million interim target.
LGFA's total operating expenses (excluding Approved Issuer Levy) for the period to 30 June 2026.	<$12.1 million.	Unlikely to achieve – NZ$5.87 million as at 31 December 2025 compared to NZ$5.84 million interim target.

Upgrading of the seawall at The Strand. **Tauranga City Council**

Back to contents

Optimising financing services for local government

LGFA's primary objective is to optimise the terms and conditions of the debt funding it provides to its members. Amongst other things, LGFA will achieve this by delivering operational best practice and efficiency across our lending products and services.

Objectives	How we measure our performance
Provide interest cost savings relative to alternative sources of financing.	LGFA's borrowing margins compare favourably to other high-grade issuers in the New Zealand capital markets.

Comparison to other high-grade NZD issuers – secondary market spread to swap (bps)

31 Dec 25	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2037
LGFA (AAA)	7	12	25	28	31	44	51	57		67	71
NZ Government (AAA)	7	4	11	18	21	29	31	31	33	35	45
Kainga Ora (AAA)	6	19	27		34					72	
Asian Development Bank (AAA)	7	11	21			36					
IADB (AAA)	8	14	27		34						
International Finance Corp (AAA)	7	16	24	29							
KBN (AAA)	6	16			42						
Nordic Investment Bank (AAA)				25	30						
Rentenbank (AAA)		13		28							
World Bank (AAA)	6	14	21		32		39				
ASB (AA-)	12	29			59						
ANZ (AA-)			44		58						
Kiwibank (AA-)	22	45	55	61							
BNZ (AA-)	14	28	47	58							
Westpac Bank (AA-)	20	25		54							
SSA Average	7	14	23	27	35	36					
Bank Average	17	32	49	58	59						

Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.	LGFA provides members with short term loans (less than one year), long term loans on either a floating or fixed rate basis (between one year and April 2037), Green and Social Loans, Climate Access Loans and standby facilities. • Over the six months ended 31 December 2025, our members borrowed $1.635 billion in 130 long term loans with an average term of 4.3 years. • As at 31 December 2025 there was $1.454 billion short-term loans outstanding to 54 members. • As at 31 December 2025, standby facilities totalled $732 million across 18 members.
Deliver operational best practice and efficiency for lending services.	Over the six months ended 31 December 2025, LGFA operations staff successfully: • settled 1,205 new trades with a gross value of $24 billion, • processed 9,136 cash flows with a gross value of $44 billion, and • rate set 7,278 existing trades.
Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice.	There was strong activity in LGFA bonds in both the primary market (tender or syndicated issuance) and secondary market (between banks and investors). Over the six months ended 31 December 2025, we issued NZD 700 million of NZD retail bonds across eight maturities, USD 500 million and CHF 180 million of Medium-Term Notes and secondary market turnover in our NZD retail bonds totalled $7.31 billion.

Back to contents

Performance targets	2025-2026 target	Our performance to 31 December 2025
Share of aggregate long-term debt funding to the Local Government sector. The market share excludes entities who are ineligible for borrowing from LGFA e.g. water entities not financially supported by their parent councils.	> 80%	Not Achieved. 79.4%
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score.	Achieved. 94% satisfaction score in 2025 Stakeholder Survey.
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%	Achieved.
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%	Achieved.

Environmental and social responsibility

LGFA recognises the risks inherent in climate change for councils and supports New Zealand's shift to a low-carbon economy. LGFA will exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

Objectives	Our performance to 31 December 2025
Assist the local government sector in achieving their sustainability and climate change objectives.	On 30 September 2025, LGFA published our third 'Annual Impact Report – Green and Social Loans and Climate Action Loans (CAL) financed with Sustainable Financing Bonds'. This report provides information about the allocation of proceeds from LGFA's Sustainable Financing Bond issuance as at June 2025. Over the six months to December 2025, advances under existing Green and Social (GS) loans increased to $600 million out of an approved total value of $1,318 million. LGFA's first green loans under the Clean Transportation and Renewable Energy categories, with three additional Climate Change Adaptation, and a further Affordable Housing loans, were added during the six months to December 2025. A further $437 million was advanced under the CAL lending programme. As at December 2025, there were approved CAL loans to seven councils, with CAL-qualifying loans totalling $4.106 billion.
Improve sustainability outcomes within LGFA.	In 2021, LGFA directors committed to reducing our carbon emissions over time, with our target of cutting per employee emissions by 30% by 2030, compared with a 2018/19 base year. We are on track to meet our reduction target for the 2025-26 year. LGFA now receives emissions data from 41 members resulting in an improved PCAF score of 1.7 as at 30 June 2025.

Back to contents

Performance targets	2025-2026 target	Our performance to 31 December 2025
Health and Safety.	No notifiable incidents.	Achieved.
Maintain Toitū Carbon Zero certification.	Carbon-zero certification maintained.	Achieved.
Meet reduction targets outlined in our carbon reduction management plan.	< 8.7 tCO2e annual per person GHG emissions.	On Track.
Increase our GS Lending Book and Climate Action Loans.	Two new GS loans and two new borrowers enter into CALs.	On Track. 7 new GS projects approved and 6 new GS loans. No new CAL borrowers.
Develop a sustainable financing option for the water sector.	New sustainable financing option is available to water entities.	On Track.
Enhance our insight into climate-related risks through council lending.	Climate change is incorporated into LGFA's credit risk assessments.	On Track.
Assess required governance skills for LGFA's climate-related risks and opportunities.	Develop a director skills matrix.	On Track.

Effective management of loans

LGFA will ensure its loan book remains at a high standard by ensuring it understands each member's financial position and managing assets within an appropriate risk management framework to ensure shareholder value is not compromised.

Objectives	Our performance to 31 December 2025
Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies.	LGFA received compliance certificates in respect of the LGFA financial covenants from all council and CCO members with debt outstanding at June 2025.
Analyse finances at the Council group level where appropriate and report to shareholders.	All councils and CCOs were compliant, except for one council which breached the liquidity covenant. After consideration, the Board decided not to notify the breach as it had been rectified. One council had yet to adopt its 2023/24 and 2024/25 annual reports.
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested.	LGFA conducted 56 meetings with council and CCO members in the six months ended December 2025.
Ensure a smooth transition of water-related loans if the Local Water Done Well Reforms progresses over forecast period.	LGFA provided guidance to councils on the range of options available to transition water debt to a water CCO.

Performance targets	2025-2026 target	Our performance to 31 December 2025
Review each Participating Borrower's financial position.	100%	Achieved.
Arrange to meet each Participating Borrower over a 15-month period, including meeting with elected officials as required, or if requested.	100%	Achieved. 56 council visits.

Back to contents

Industry leadership and engagement

LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market and will work with key central government and local government stakeholders on sector issues.

Objectives	Our performance to 31 December 2025
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	LGFA was a member of the Water Services Delivery Plans Review Panel which assessed all reviews. LGFA was also a member of the Taituara Long Term Plan/Audit Focus Group.
Support the local government sector with the transition to the Local Water Done Well Reforms by assisting with the development options for the Water Services Delivery Plans and communicating our requirements (lending, financial covenants, reporting), as well as loan pricing guidance, implementation considerations and views on best practice.	LGFA published guidance for Councils in April 2025. Additional updates were published in December 2025 and January 2026 as LGFA formalised its requirements for lending to water CCOs. LGFA has commenced legal negotiations with several of the five water CCOs who plan to be operating by 1 July 2026.

Performance targets	2025-2026 target	Our performance to 31 December 2025
Provide quarterly updates to shareholders and borrowers on sector developments that are impacting LGFA.	Four quarterly updates to councils and CCOs.	On Track.
Meet annually with Infrastructure Commission, Local Government New Zealand, Taituara, Water New Zealand, Infrastructure New Zealand, Crown Infrastructure Partners, Department of Internal Affairs, Treasury and Minister's office to discuss sector issues from an LGFA perspective.	Nine meetings across stakeholders.	On Track.
Support councils with Local Water Done Well by providing timely and responsible advice for on-boarding water CCOs.	On-boarding process is underway for all water CCOs who have requested it.	Achieved.
Provide a governance opportunity for a council or CCO staff member under the LGFA Future Director Programme.	One Future Director appointed for an 18 month term.	Achieved. Bruce Allan (Hastings District Council) appointed.

Papa Rererangi i Puketapu Solar Farm, the first project financed under our GS Renewable Energy category. **New Plymouth District Council**

Back to contents

Financial statements
Nga tauki pūtea

Income statement	11
Statement of comprehensive income	11
Statement of changes in equity	12
Statement of financial position	13
Statement of cash flows	14
Notes to the financial statements	15

Income statement

For the six months ended 31 December 2025 in $000s

	Note	Unaudited six months ended 31 December 2025	Unaudited six months ended 31 December 2024
Interest income		528,229	683,225
Interest expense		503,841	668,958
Net interest income	4	**24,388**	**14,267**
Other operating income	5	789	753
Gains/(losses) on financial instruments		588	1,380
Total operating income		**25,765**	**16,400**
Operating expenses	6	**9,405**	**7,782**
Net operating profit		**16,360**	**8,617**

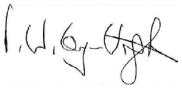
Statement of comprehensive income

For the six months ended 31 December 2025 in $000s

	Note	Unaudited six months ended 31 December 2025	Unaudited six months ended 31 December 2024
Net operating profit		**16,360**	**8,617**
Items that may be re-classified subsequently to the Income Statement			
Net change in cash flow hedge reserve	8	8,248	(7,327)
Cost of hedging	8	(6,603)	8,091
Total comprehensive income		**18,005**	**9,381**

These statements are to be read in conjunction with the notes to the financial statements.

The Board of Directors of the New Zealand Local Government Funding Agency Limited authorised these statements for issue on 26 February 2026.



Philip Cory-Wright, Director
Board Chair

Paul Anderson, Director
Chair, Audit and Risk Committee

Back to contents

Statement of changes in equity

For the six months ended 31 December 2025 in $000s

	Note	Share capital	Cash flow hedge reserve	Cost of hedging reserve	Retained earnings	Total equity
Equity at 30 June 2024		**25,000**	**5,536**	**(6,531)**	**89,185**	**113,190**
Net operating profit					18,994	18,994
Other comprehensive income/(expense)			(6,477)	(2,079)		(8,556)
Total Comprehensive Income of the Year		-	**(6,477)**	**(2,079)**	**18,994**	**10,438**
Transactions with owners						
Dividend paid on 2 September 2024					(1,843)	(1,843)
Equity as at 30 June 2025		**25,000**	**(941)**	**(8,610)**	**106,336**	**121,785**
Net operating profit					16,360	16,360
Other comprehensive income/(expense)			8,248	(6,603)		1,645
Total Comprehensive Income of the Year		**-**	**8,248**	**(6,603)**	**16,360**	**18,005**
Transactions with owners						-
Dividend paid on 1 September 2025					(1,676)	(1,676)
Equity as at 31 December 2025	20	**25,000**	**7,307**	**(15,213)**	**121,020**	**138,114**

Back to contents

Statement of financial position

As at 31 December 2025 in $000s

	Note	Unaudited as at 31 December 2025	Audited as at 30 June 2025
Assets			
Financial assets			
Receivables	10	240	2,973
Cash and cash equivalents		207,731	325,728
Cash pledged as collateral		-	187,836
Marketable securities		3,138,409	2,458,427
Deposits		883,763	578,878
Derivatives in gain	9	539,475	255,271
Loans to members	11	23,839,948	22,657,300
Non-financial assets			
Other assets	12	1,309	1,339
Total assets		**28,610,875**	**26,467,752**
Equity			
Share capital	20	25,000	25,000
Reserves		(7,906)	(9,551)
Current Earnings		16,360	-
Retained earnings		104,660	106,336
Total equity		**138,114**	**121,785**
Liabilities			
Financial liabilities			
Cash received as collateral		35,307	-
Payables and provisions	13	943	6,414
Bond repurchases	16	384,150	341,756
Derivatives in loss	9	932,325	1,067,121
Debt securities issued:			
At amortised cost	14	25,305,445	23,645,696
At fair value through income statement	15	1,071,791	613,077
Borrower notes	17	739,289	669,030
Non financial liabilities			
Other liabilities	18	3,511	2,873
Total liabilities		**28,472,761**	**26,345,967**
Total equity and liabilities		**28,610,875**	**26,467,752**

These statements are to be read in conjunction with the notes to the financial statements.

Back to contents

Statement of cash flows

For the six months ended 31 December 2025 in $000s

	Note	Unaudited six months ended 31 December 2025	Unaudited six months ended 31 December 2024
Cash flows from operating activities			
Cash applied to loans	11	(1,196,984)	(1,712,402)
Interest paid on bonds issued		(365,860)	(362,576)
Interest paid on bills issued		(27,108)	(60,011)
Interest paid on borrower notes		(2,572)	(1,359)
Interest paid on bond repurchases		(4,758)	(5,067)
Interest received from loans		463,840	595,193
Interest received from cash & cash equivalents		6,225	15,551
Interest received from marketable securities		43,956	31,048
Interest received from deposits		8,423	24,482
Net interest on derivatives		(81,998)	(235,073)
Cash proceeds from provision of standby facilities		789	753
Payments to suppliers and employees		(9,067)	(8,640)
Net cash flows from operating activities	21	**(1,165,114)**	**(1,718,101)**
Cash flows from investing activities			
Purchase of marketable securities		(670,536)	(1,004,550)
(Purchase)/maturity of deposits		(79,021)	(82,122)
Net cash flows from investing activities		**(749,557)**	**(1,086,672)**
Cash flows from financing activities			
Cash proceeds from bonds issued	14	1,683,298	2,359,930
Cash proceeds (outflows) from bills issued	14,15	(56,690)	(88,884)
Cash proceeds (outflows) from bond repurchases	14	42,331	215,420
Cash proceeds from borrower notes		61,247	95,352
Dividends paid		(1,675)	(1,843)
Cash applied to derivatives		68,163	112,589
Net cash flows from financing activities		**1,796,674**	**2,692,564**
Net increase/(decrease) in cash		**(117,997)**	**(112,209)**
Foreign exchange gains/(losses) on cash balances		2	3
Net cash flows from all activities		**(117,995)**	**(112,206)**
Cash, cash equivalents at beginning of year		325,728	473,609
Cash, cash equivalents at end of year		**207,731**	**361,403**

These statements are to be read in conjunction with the notes to the financial statements.

Back to contents

Notes to the financial statements

1. Reporting entity

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled trading organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating borrowers.

The registered address of LGFA is Level 11, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

These financial statements were authorised for issue by the Directors on 26 February 2026.

2. Statement of compliance

The interim financial statements are for the six months ended 31 December 2025 and are to be read in conjunction with the annual report for the year ended 30 June 2025.

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and in compliance with NZ IAS 34 Interim Financial Reporting.

3. Basis of preparation

MEASUREMENT BASE

The financial statements have been prepared on an historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in New Zealand dollars (NZD) rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

FOREIGN CURRENCY CONVERSIONS

Transactions denominated in foreign currency are translated into NZD using exchange rates applied on the trade date of the transaction.

CHANGES IN ACCOUNTING POLICIES

There have been no changes to accounting policies.

EARLY ADOPTION STANDARDS AND INTERPRETATIONS

LGFA has not early adopted any standards.

STANDARDS NOT YET ADOPTED

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements. This includes NZ IFRS 18 Presentation and Disclosure in Financial Statements.

FINANCIAL INSTRUMENTS

Financial assets

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand, bank accounts and deposits with an original maturity of no more than three months.

Cash provided by LGFA as security for financial arrangements remains a financial asset of LGFA and is recognised as cash pledged as collateral in the Statement of Financial Position, separate from cash and cash equivalents.

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date, an expected credit loss assessment is performed for all financial assets and is calculated as either:

- Credit losses that may arise from default events that are possible within the next 12 months, where no significant increase in credit risk has arisen since acquisition of the asset, or
- Credit losses that may arise from default events that are possible over the expected life of the financial asset, where a significant increase in credit risk has arisen since acquisition of the asset.

Impairment losses on financial assets will ordinarily be recognised on initial recognition as a 12-month expected loss allowance and move to a lifetime expected loss allowance if there is a significant deterioration in credit risk since acquisition.

Back to contents

Financial liabilities

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at either:

- Amortised cost and subsequently measured at amortised cost using the effective interest rate method; or
- Fair value through income statement (FVTIS).

Financial liabilities are classified as FVTIS if they are derivative financial liabilities or if LGFA chooses to classify financial liabilities as FVTIS if the use of the classification removes or significantly reduces an accounting mismatch. This classification includes debt issues that are designated at FVTIS where LGFA has economically hedged the foreign exchange and interest rate risk using derivatives, but hedge accounting is not applied. Any such classification is made on the date of initial recognition and is irrevocable.

Purchases and sales of all financial liabilities are accounted for at trade date.

OTHER ASSETS

Property, plant and equipment

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

OTHER LIABILITIES

Employee entitlements

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

REVENUE

Interest income

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

EXPENSES

Expenses are recognised in the period to which they relate.

Interest expense

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Approved issuer levy

Approved Issuer Levy is a function of securities held by offshore holders of certain LGFA bond maturities.

Income tax

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

Goods and services tax

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

SEGMENT REPORTING

LGFA operates in one segment being funding of participating borrowers in New Zealand.

Back to contents

JUDGEMENTS AND ESTIMATIONS

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts. For example, the fair value of financial instruments depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and these estimates and underlying assumptions are reviewed on an ongoing basis. Where these judgements significantly affect the amounts recognised in the financial statements they are described in the following notes.

Revenue and expenditure

4. Net interest income

For the six months ended 31 December 2025 in $000s	Unaudited six months ended 31 December 2025	Unaudited six months ended 31 December 2024
Interest income		
Cash and cash equivalents	6,311	15,624
Cash received as collateral	-	3,033
Marketable securities	53,581	47,092
Deposits	12,270	28,338
Derivatives	8,902	-
Loans	447,165	589,138
Total interest income	**528,229**	**683,225**
Interest expense		
Cash pledged as collateral	1,127	-
Bills	28,337	80,660
Treasury Stock Lending	4,822	5,303
Lease liability	-	73
Derivatives	-	147,176
Bonds	457,721	422,351
Borrower notes	11,834	13,396
Total interest expense	**503,841**	**668,958**
Net interest income	**24,388**	**14,267**

5. Other operating income

As at 31 December 2025, LGFA had provided standby facilities totalling $732 million (2024: $742 million) to selected councils. As at balance date, there were no drawdowns outstanding under the facilities.

For the year ended 30 June 2025 in $000s	Unaudited six months ended 31 December 2025	Unaudited six months ended 31 December 2024
Standby facilities fee income	789	753
Total other operating income	**789**	**753**

Back to contents

6. Operating expenses

Issuance and on-lending expenses are those costs that are incurred as a necessary expense to facilitate the ongoing issuance of LGFA debt securities.

For the year ended 30 June 2025 in $000s	Unaudited six months ended 31 December 2025	Unaudited six months ended 31 December 2024
Issuance & onlending expenses		
Approved issuer levy [1]	3,536	2,540
Rating agency fees	449	372
NZDM facility fee	344	542
Legal fees - issuance	520	306
NZX	342	442
Trustee fees	60	59
Regulatory, registry, other fees	239	213
	5,490	**4,475**
Other operating expenses		
Information technology	506	485
Consultants	223	150
Directors fees	293	263
Insurance	53	53
Legal fees	78	104
Other expenses	524	354
Personnel	2,238	1,899
	3,915	**3,308**
Total operating expenses	**9,405**	**7,782**

1. The amount of Approved Issuer Levy is a function of securities held by offshore holders of certain LGFA bond maturities.

7. Derivative financial instruments

LGFA use three different types of derivatives financial instruments: interest rate swaps, cross currency interest rate swaps and foreign exchange transactions (spot and forward).

Derivative financial instruments are recognised in the statement of financial position at fair value. Derivatives are categorised as following:

- Derivatives designated into hedge accounting relationships to minimise profit or loss volatility by matching movements in underlying positions relating to hedges of the LGFA's exposures to interest rate risk and currency risk.
- Derivatives designated to manage risks that are not in a designated hedge accounting relationship.

8. Hedge accounting

LGFA uses derivatives to establish economic hedges to manage its interest rate and foreign exchange risk. LGFA's risk management strategy with respect to hedge accounting is to minimise income statement volatility.

Hedge accounting is implemented to manage the following risks:

- Interest rate risk due to a mismatch between fixed and floating interest rates on assets and liabilities; and
- Combined risk on assets or liabilities with interest rate risk that are denominated in currencies other than New Zealand dollars.

LGFA enters into cross-currency interest rate swaps to hedge the foreign currency and foreign interest rate risks on issued foreign currency bonds. Using the cross-currency interest rate swaps, LGFA will pay New Zealand Dollar floating interest rates and receive foreign currency fixed interest with coupon payments matching the underlying notes.

LGFA designated the foreign currency bonds and cross-currency interest rate swaps into three-part hedging relationships

Back to contents

for each issue:

- a fair value hedge of foreign currency benchmark interest rates,
- a cash flow hedge of margin, and
- a cash flow hedge of the principal exchange.

FAIR VALUE HEDGE

Under a fair value hedge, the hedged item is revalued at fair value in respect of foreign currency interest rates. This revaluation is recognised in the Consolidated income statement to offset the mark-to-market revaluation of the hedging derivative, except for any adjustment on the hedging derivative relating to credit risk.

CASH FLOW HEDGE

Under a cash flow hedge, the effective portion of gains or losses from remeasuring the fair value of the cross-currency interest rate swap is recognised in Other comprehensive income and accumulated in the cash flow hedge reserve. This is subsequently transferred to the Consolidated income statement when the hedged item affects the Income statement.

COST OF HEDGING

The cost of hedging reserve captures changes in the fair value of the cost to convert foreign currency to NZD of LGFA's cross currency interest rate swaps on the foreign currency bonds.

EFFECT OF HEDGING ON FINANCIAL STATEMENTS

Below is a summary of the effect of foreign currency hedges on the financial statements:

	Asset/(liability) adjustment		Reserves		
$'000	Derivative fair value adjustment	Fair value hedge adjustment	Cash flow hedge reserve	Cost of hedging reserve	
Audited Balances as at 30 June 2025	118,220	(128,631)	(941)	(8,610)	
		(10,411)		**(9,551)**	
			Other comprehensive income/(expense)		Gains & (losses)
YTD Movement	(136,593)	139,320	8,248	(6,603)	
		2,727		**1,645**	**1,082**
			Reserves		
Unaudited Balances as at 31 December 2025	(18,373)	10,689	7,307	(15,213)	
		(7,684)		**(7,906)**	**222**

Below are nominal amounts of hedging instruments, for both foreign currency hedges and NZD hedges:

NOMINAL AMOUNT OF HEDGING INSTRUMENT

$'000	Unaudited as at 31 December 2025	Audited as at 30 June 2025
Cross currency swaps	7,243,571	6,002,398
Interest Rate Swaps	16,666,258	17,472,048

Back to contents

9. Offsetting

NZ IAS 32: Financial Instruments Presentation allows financial assets and liabilities to be offset only when there is a current legally enforceable right to set off the amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

LGFA does not offset any amounts.

The following table shows the amounts subject to an enforceable master netting arrangement or similar agreement that are not offset in the statement of financial position.

As at 31 December 2025 in $000s	Derivative assets	Derivative liabilities
Gross amounts	539,475	932,325
Amounts offset	-	-
Carrying amounts	539,475	(539,475)
Amounts that don't qualify for offsetting	-	-
Financial assets & liabilities	(539,475)	(539,475)
Collateral	35,307	-
Net amount	**35,307**	**392,850**

As at 30 June 2025 in $000s	Derivative assets	Derivative liabilities
Gross amounts	255,271	1,067,121
Amounts offset	-	-
Carrying amounts	255,271	(255,271)
Amounts that don't qualify for offsetting	-	-
Financial assets & liabilities	(255,271)	(255,271)
Collateral	-	(187,836)
Net amount	**-**	**624,014**

10. Receivables

As at 31 December 2025 in $000s	Unaudited as at 31 December 2025	Audited as at 30 June 2025
Trade debtors	240	2,973
Total receivables	**240**	**2,973**

11. Loans

As at 31 December 2025 in $000s	Unaudited as at 31 December 2025		Audited as at 30 June 2025	
	Short-term loans	Loans	Short-term loans	Loans
Ashburton District Council	22,038	129,329	20,044	124,440
Auckland Council	49,518	3,106,790	48,672	3,111,545
Bay of Plenty Regional Council	95,284	226,702	117,701	224,766
Buller District Council	7,976	25,302	9,909	10,018
Canterbury Regional Council	-	81,394	-	96,421
Carterton District Council	-	27,257	-	27,279
Central Hawkes Bay District Council	-	47,379	-	49,434
Central Otago District Council	5,029	65,683	5,038	45,618
Christchurch City Council	-	2,784,822	-	2,749,479
Clutha District Council	15,517	143,768	15,522	130,327

Back to contents

in $000s	Unaudited as at 31 December 2024		Audited as at 30 June 2024	
	Short-term loans	Loans	Short-term loans	Loans
Dunedin City Treasury	-	543,701	-	443,747
Far North District Council	42,827	133,826	35,204	120,785
Far North Holdings Ltd	40,836	26,525	49,036	26,521
Gisborne District Council	34,847	195,810	9,920	185,413
Gore District Council	8,526	53,825	8,534	49,873
Greater Wellington Regional Council	-	1,043,951	-	1,021,955
Grey District Council	3,978	34,758	3,971	31,768
Hamilton City Council	103,201	981,057	101,343	922,069
Hastings District Council	-	496,164	18,974	456,568
Hauraki District Council	26,076	143,841	-	141,000
Hawkes Bay Regional Council	-	115,492	-	115,630
Horizons Regional Council	9,964	74,448	9,952	69,472
Horowhenua District Council	14,044	227,293	14,054	227,539
Hurunui District Council	10,054	83,115	14,079	73,632
Hutt City Council	60,880	536,874	-	577,424
Infrastructure Holdings Ltd	14,897	109,240	9,994	109,297
Invercargill City Council	25,671	156,525	28,187	126,432
Kaikoura District Council	-	9,360	-	7,354
Kaipara District Council	-	44,247	-	44,314
Kapiti Coast District Council	12,974	377,305	-	367,751
Kawerau District Council	-	8,071	-	6,058
Mackenzie District Council	5,016	20,239	4,016	19,255
Manawatu District Council	11,528	95,412	11,594	93,445
Marlborough District Council	14,632	314,049	14,606	230,935
Masterton District Council	5,029	68,814	-	66,918
Matamata-Piako District Council	18,554	85,594	-	85,673
Napier City Council	10,055	100,828	-	65,572
Nelson City Council	-	300,414	-	266,619
New Plymouth District Council	61,176	371,288	-	357,122
Northland Regional Council	7,003	59,835	6,883	59,605
Opotiki District Council	-	14,606	4,102	10,588
Otago Regional Council	142,879	33,655	42,767	132,638
Otorohanga District Council	13,095	2,019	10,123	2,019
Palmerston North City Council	4,041	333,623	-	305,995
Porirua City Council	24,646	352,168	-	362,827
Queenstown Lakes District Council	90,425	621,807	88,141	619,296
Rangitikei District Council	10,039	44,392	10,037	44,385

Back to contents

in $000s	Unaudited as at 31 December 2024		Audited as at 30 June 2024	
	Short-term loans	Loans	Short-term loans	Loans
Rotorua District Council	-	482,511	-	472,652
Ruapehu District Council	10,032	54,194	10,039	54,191
Selwyn District Council	45,407	256,436	40,375	256,744
South Taranaki District Council	-	136,801	-	137,017
South Waikato District Council	13,684	60,339	-	50,369
Southland District Council	-	92,387	-	92,384
Southland Regional Council	-	7,057	-	7,003
South Wairarapa District Council	17,102	11,566	17,125	11,565
Stratford District Council	-	38,735	-	38,927
Taranaki Regional Council	4,884	70,951	-	57,934
Tararua District Council	-	80,516	-	80,621
Tasman District Council	27,395	355,876	31,537	317,397
Taupo District Council	4,993	200,100	-	200,203
Tauranga City Council	24,563	1,376,592	4,840	1,272,492
Thames-Coromandel District Council	-	98,640	-	91,729
Timaru District Council	19,913	227,438	39,727	212,425
Timaru District Holdings Ltd	11,517	2,008	9,316	-
Upper Hutt City Council	-	218,309	-	216,098
Waikato District Council	63,970	251,483	14,621	221,629
Waikato Regional Council	-	39,291	10,042	39,323
Waimakariri District Council	-	211,142	-	221,613
Waimate District Council	-	5,034	-	5,035
Waipa District Council	83,063	329,565	63,492	341,285
Wairoa District Council	2,002	9,622	-	9,624
Waitaki District Council	14,926	76,486	1,997	71,474
Waitomo District Council	6,019	27,133	6,024	27,165
Wellington City Council	-	1,891,579	-	1,843,472
West Coast Regional Council	2,994	30,252	2,991	21,234
Western Bay Of Plenty District Council	20,456	186,216	15,109	161,226
Westland District Council	1,530	37,446	3,928	35,051
Whakatane District Council	-	203,702	-	178,821
Whanganui District Council	7,542	202,327	7,551	196,538
Whangarei District Council	49,619	246,568	48,915	246,882
Fair value hedge adjustment	-	15,182	-	10,322
	1,453,870	**22,386,078**	**1,040,033**	**21,617,267**

Short-terms loans are loans that have a term to maturity of less than 12 months at origination. Loans have a term to maturity of 12 months or greater at origination. As at 31 December 2025, all short term loans and $2,572.6 million of loans will mature within 12 months.

Back to contents

12. Other assets

As at 31 December 2025 in $000s	Unaudited as at 31 December 2025	Audited as at 30 June 2025
Prepayments	823	980
Furniture and Fixtures	92	105
Right-of-use lease asset	394	254
Total other assets	**1,309**	**1,339**

13. Payables and provisions

As at 31 December 2025 in $000s	Unaudited as at 31 December 2025	Audited as at 30 June 2025
Trade creditors	434	5,909
Credit provision	443	301
Other provisions	66	204
Total payables	**943**	**6,414**

14. Debt securities issued at amortised cost

Unaudited as at 31 December 2025	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
NZD Fixed interest bonds					
15 April 2026	2,375,097	(12,150)	7,634		2,370,581
15 April 2027	2,321,000	21,261	22,381		2,364,642
15 May 2028	1,793,000	(49,974)	5,238		1,748,264
20 April 2029	2,092,000	(86,131)	6,293		2,012,162
15 May 2030	2,210,000	(32,236)	12,912		2,190,676
15 May 2031	2,245,000	(195,459)	6,558		2,056,099
14 May 2032	1,000,000	(3,274)	5,967		1,002,693
14 April 2033	1,885,000	(28,947)	14,319		1,870,372
15 May 2035	740,000	(50,121)	2,882		692,761
15 April 2037	1,280,000	(164,143)	5,486		1,121,343
Fair value hedge adjustment				(344,670)	(344,670)
	17,941,097	**(601,174)**	**89,670**	**(344,670)**	**17,084,923**

Back to contents

Unaudited as at 31 December 2025	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
FCY Fixed interest bonds & EMTN					
8 September 2027	1,158,263	(1,584)	16,190		1,172,870
20 March 2028	864,827	(983)	10,150		873,995
1 August 2028	1,158,263	(1,686)	22,633		1,179,211
1 April 2030	1,015,524	(1,415)	21,997		1,036,106
30 September 2030	864,827	(5,877)	8,332		867,283
28 November 2030	752,871	(1,984)	3,606		754,494
2 April 2032	480,317	(1,301)	2,812		481,828
8 March 2034	926,611	(6,276)	14,718		935,053
6 October 2034	392,986	(1,281)	700		392,406
Fair value hedge adjustment				(10,689)	(10,689)
	7,614,490	**(22,385)**	**101,140**	**(10,689)**	**7,682,556**
Total Fixed interest bonds	**25,555,587**	**(623,559)**	**190,810**	**(355,359)**	**24,767,479**
NZD Bills					
14 January 2026	180,000	-	(208)		179,792
29 January 2026	50,000	-	(96)		49,904
4 February 2026	40,000	-	(108)		39,892
27 February 2026	20,000	-	(77)		19,923
4 March 2026	30,000	-	(131)		29,869
10 March 2026	50,000	-	(236)		49,764
16 March 2026	20,000	-	(119)		19,881
18 March 2026	25,000	-	(130)		24,870
20 March 2026	50,000	-	(270)		49,730
8 April 2026	25,000	-	(178)		24,822
6 May 2026	25,000	-	(216)		24,784
3 June 2026	25,000	-	(265)		24,735
Total NZD Bills	**540,000**	**-**	**(2,034)**	**-**	**537,966**
Total debt securities issued at amortised cost	**26,095,587**	**(623,559)**	**188,776**	**(355,359)**	**25,305,445**

Back to contents

Audited as at 30 June 2025	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
NZD Fixed interest bonds					
15 April 2026	2,602,097	(33,254)	8,212		2,577,055
15 April 2027	2,321,000	29,456	21,973		2,372,429
15 May 2028	1,693,000	(57,147)	4,865		1,640,718
20 April 2029	1,992,000	(90,984)	5,878		1,906,894
15 May 2030	2,110,000	(38,228)	12,127		2,083,899
15 May 2031	2,195,000	(206,372)	6,308		1,994,936
14 May 2032	850,000	(5,841)	4,989		849,148
14 April 2033	1,835,000	(26,924)	13,687		1,821,763
15 May 2035	640,000	(38,955)	2,452		603,497
15 April 2037	1,230,000	(155,661)	5,175		1,079,514
Fair value hedge adjustment				(418,101)	(418,101)
	17,468,097	**(623,910)**	**85,666**	**(418,101)**	**16,511,752**
FCY Fixed interest bonds & EMTN					
8 September 2027	1,077,202	(1,914)	14,812		1,090,100
20 March 2028	823,927	(1,150)	9,513		832,290
1 August 2028	1,077,202	(1,874)	20,979		1,096,307
1 April 2030	965,354	(1,504)	6,919		970,769
28 November 2030	700,181	(2,034)	3,299		701,446
2 April 2032	453,667	(1,328)	873		453,212
8 March 2034	861,762	(6,197)	13,465		869,030
Fair value hedge adjustment				128,631	128,631
	5,959,295	**(16,001)**	**69,860**	**128,631**	**6,141,785**
Total Fixed interest bonds	**23,427,392**	**(639,911)**	**155,526**	**(289,470)**	**22,653,537**
NZD Bills					
16 July 2025	331,000	-	(459)		330,541
30 July 2025	250,000	-	(744)		249,256
6 August 2025	25,000	-	(84)		24,916
13 August 2025	30,000	-	(119)		29,881
20 August 2025	20,000	-	(91)		19,909
27 August 2025	105,000	-	(520)		104,480
3 September 2025	77,000	-	(459)		76,541
8 September 2025	25,000	-	(157)		24,843
18 September 2025	48,000	-	(349)		47,651
25 September 2025	40,000	-	(311)		39,689
5 November 2025	25,000	-	(282)		24,718
27 November 2025	15,000	-	(197)		14,803
3 December 2025	5,000	-	(69)		4,931
Total NZD Bills	**996,000**	**-**	**(3,841)**	**-**	**992,159**
Total debt securities issued at amortised cost	**24,423,392**	**(639,911)**	**151,685**	**(289,470)**	**23,645,696**

Back to contents

15. Debt securities issued at fair value through income statement

Unaudited as at 31 December 2025	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
Euro Commercial Paper	1,076,097	-	(4,724)	418	**1,071,791**

As at 30 June 2025	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
Euro Commercial Paper	614,538	-	(1,693)	232	**613,077**

16. Treasury stock and bond repurchases

Periodically, LGFA subscribes for LGFA bonds as part of its tender process and holds these bonds as treasury stock. LGFA bonds held by LGFA as treasury stock are derecognised at the time of issue and no liability is recognised in the statement of financial position. As at 31 December 2025, $1,400 million of LFGA bonds had been subscribed as treasury stock.

LGFA makes treasury stock bonds available to banks authorised as its tender counterparties to borrow under short-term repurchase transactions. The objective of the bond lending facility is to assist with improving secondary market liquidity in LGFA bonds. Bonds lent to counterparties are disclosed as a separate stock lending liability on the face of the statement of financial position.

As at 31 December 2025 in $000s	Unaudited as at 31 December 2025	Audited as at 30 June 2025
15 April 2027	20,597	-
15 May 2028	43,942	5,769
15 May 2030	123,586	112,942
15 May 2031	17,309	-
14 May 2032	87,060	132,314
14 April 2033	33,041	25,928
15 May 2035	51,133	-
15 April 2037	7,482	64,803
	384,150	**341,756**

17. Borrower notes

Borrower notes are subordinated debt instruments which are required to be held by each local authority that borrows from LGFA in an amount equal to a fixed percentage of the aggregate borrowings by that local authority. The fixed percentage is 5% for loans issued from 1 July 2024. Prior to this date, the fixed percentage was 2.5% for loans issued from 1 July 2020, and 1.6% for loans issued prior to this date.

LGFA may convert borrower notes into redeemable shares if it has made calls for all unpaid capital to be paid in full and the LGFA Board determines it is still at risk of imminent default.

18. Other liabilities

As at 31 December 2025 in $000s	Unaudited as at 31 December 2025	Audited as at 30 June 2025
Lease liability	394	255
Accruals	3,117	2,618
Total other liabilities	**3,511**	**2,873**

Back to contents

Capital and dividends

19. Share capital

As at 31 December 2025, LGFA had 45 million ordinary shares on issue, 20 million of which remain uncalled.

All ordinary shares rank equally with one vote attached to each ordinary share. Ordinary shares have a face value of $1 per share.

20.Shareholder information

Registered holders of equity securities	Unaudited as at 31 December 2025		Audited as at 30 June 2025	
Minister of Finance and Minister for Local Government	5,000,000	11.1%	5,000,000	11.1%
Auckland Council	3,731,960	8.3%	3,731,960	8.3%
Christchurch City Council	3,731,960	8.3%	3,731,960	8.3%
Hamilton City Council	3,731,960	8.3%	3,731,960	8.3%
Bay of Plenty Regional Council	3,731,958	8.3%	3,731,958	8.3%
Greater Wellington Regional Council	3,731,958	8.3%	3,731,958	8.3%
Tasman District Council	3,731,958	8.3%	3,731,958	8.3%
Tauranga City Council	3,731,958	8.3%	3,731,958	8.3%
Wellington City Council	3,731,958	8.3%	3,731,958	8.3%
Western Bay of Plenty District Council	3,731,958	8.3%	3,731,958	8.3%
Whangarei District Council	1,492,784	3.3%	1,492,784	3.3%
Hastings District Council	746,392	1.7%	746,392	1.7%
Marlborough District Council	400,000	0.9%	400,000	0.9%
Selwyn District Council	373,196	0.8%	373,196	0.8%
Gisborne District Council	200,000	0.4%	200,000	0.4%
Hauraki District Council	200,000	0.4%	200,000	0.4%
Horowhenua District Council	200,000	0.4%	200,000	0.4%
Hutt City Council	200,000	0.4%	200,000	0.4%
Kapiti Coast District Council	200,000	0.4%	200,000	0.4%
Manawatu District Council	200,000	0.4%	200,000	0.4%
Masterton District Council	200,000	0.4%	200,000	0.4%
New Plymouth District Council	200,000	0.4%	200,000	0.4%
Otorohanga District Council	200,000	0.4%	200,000	0.4%
Palmerston North District Council	200,000	0.4%	200,000	0.4%
South Taranaki District Council	200,000	0.4%	200,000	0.4%
Taupo District Council	200,000	0.4%	200,000	0.4%
Thames – Coromandel District Council	200,000	0.4%	200,000	0.4%
Waimakariri District Council	200,000	0.4%	200,000	0.4%
Waipa District Council	200,000	0.4%	200,000	0.4%
Whakatane District Council	200,000	0.4%	200,000	0.4%
Whanganui District Council	200,000	0.4%	200,000	0.4%
	45,000,000	**100%**	**45,000,000**	**100%**

Back to contents

21. Reconciliation of net profit to net cash flow from operating activities

For the six months ended 31 December 2025 in $000s	Unaudited as at 31 December 2025	Audited as at 30 June 2025
Net profit/(loss) for the period	16,360	18,994
Cash applied to loans	(1,196,984)	(2,119,168)
Non-cash adjustments		
Financial instrument amortisation	15,769	6,189
Working capital movements	(259)	(115)
Net Cash From Operating Activities	**(1,165,114)**	**(2,094,100)**

22. Related party transactions

LGFA was established for the purpose of raising funds from the market to lend to participating borrowers. The lending to individual councils is disclosed in note 11, and interest income recognised on this lending is shown in the statement of comprehensive income.

The purchase of LGFA borrower notes by participating borrowers. Refer note 17. The Treasury (New Zealand Debt Management) provides LGFA with a committed credit facility and is a derivatives counterparty.

Back to contents

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LGFA New Zealand Local Government Funding Agency Te Pūtea Kāwanatanga ā-rohe

HUTT CITY TE AWA KAIRANGI **Policy and Performance Committee**

30 March 2026

Report no: PPC2026/2/126

Quarterly Performance Report 1 January to 31 March 2026

Purpose of Report

1. The purpose of this report is to provide the Committee with an overview of Council's activities and performance results for the period 1 January to 31 March 2026 of the current financial year.

Recommendations

That the Committee:

(1) receives and notes the information; and

(2) notes the Quarterly Performance Report for 1 January to 31 March 2026, attached as Appendix 1 to the report.

Background

2. The Quarterly Performance Report (the Quarterly Report) summarises Council's progress against the Long Term Plan and Annual Plan, Strategic Focus Areas, Te Herenga Kairangi, major programmes and plans, as well as a financial summary.

3. The Report aims to provide the Chief Executive, the Corporate Leadership Team, and staff with the information needed to align their efforts across groups and teams, ensuring delivery of Council's strategic outcomes and maintaining a focus on performance and accountability. It also supports elected members by providing clear, transparent updates on organisational performance, ensuring their governance decisions are based on current, accurate information.

4. The Report is attached as Appendix 1. Further detail is provided in paragraphs 5 to 27 of this report.

Discussion

Highlights and areas for future focus

5. Council's Quarter Three (Q3) highlights and areas for future focus are outlined on pages 5-9 of the Quarterly Report.

6. During the quarter, Council delivered a number of key milestones and areas of progress, including:

    a. progress on Te Wai Takamori o Te Awa Kairangi, including works at the Queens and High Street intersection, progression of City Link Bridge procurement, and continued management of CBD disruption;

    b. approval of the Target Operating Model, draft Annual Plan 2026-27, draft Long Term Plan 2024-34 Amendment, and Engagement Document, with public consultation commencing during the quarter;

    c. continued progress on water services transition planning, including transfer arrangements for people, assets, and liabilities ahead of Day One on 1 July 2026;

    d. reopening of Huia Main Pool on 24 March 2026, restoring full operation across all indoor pools for the first time since 2019; and

    e. selection of Council as a replicator city in an international climate adaptation programme supported through European Union Horizon funding.

7. During the quarter, Council identified three primary areas for future focus:

    a. progressing alternative service delivery arrangements for Petone Neighbourhood Hub ahead of closure of the current building in May 2026, including confirmation of a temporary Jackson Street site for interim library, postal and other services;

    b. managing ongoing cost and revenue pressures in Aquatics; and

    c. strengthening organisational and community resilience, including planning for potential fuel supply disruption and continuing investment in cyber security.

8. Work is underway across these areas, and progress, risks, and implications for service delivery will continue to be monitored and reported through the remainder of the year.

Weather response and recovery

9. A new Weather Response and Recovery section has been added to the Quarterly Report on pages 10-11. This provides a high-level overview of Council's response to the severe weather event of 16 February 2026, including the immediate response, resource and service impacts, and the delivery implications and priorities arising from the event.

10. The report notes that severe weather on 16 February 2026 caused widespread disruption and damage across Lower Hutt, affecting homes, infrastructure, community buildings, parks, roads and other Council assets. The Emergency Operations Centre was activated, with response transitioning to recovery the following day. Estimated response and recovery costs are approximately $1.5 million in 2025-26, with significant staff and contractor resources redirected, affecting delivery of planned programmes.

11. The section also records significant increases in customer demand during the event, including a 24% increase in calls, peaks of nearly three times normal call volumes, and a 240% increase in service requests. It identifies a number of ongoing priorities, including strengthening emergency readiness and resourcing, improving systems, training and surge planning, and embedding learnings through the Crisis Management Plan review and Council's resilience and adaptation work for the Long Term Plan 2027-30.

Strategic focus areas

12. The strategic focus areas show progress against Council's performance objectives. A detailed breakdown and supporting information are provided on pages 12-19 of the Quarterly Report.

13. Key areas of progress this quarter included:

    a. water services transition planning and operational readiness for Day One;

    b. implementation of the Target Operating Model and wider organisational change;

    c. climate action initiatives, including fleet electrification and decarbonisation of Council facilities;

    d. continued delivery of Te Wai Takamori o Te Awa Kairangi;

    e. planning, infrastructure and housing growth readiness, including progress on the Proposed District Plan; and

    f. strengthening organisational capability and core systems, including leadership development and progress on the new HR and payroll system.

Te Herenga Kairangi / Māori Strategy

14. Te Herenga Kairangi reporting is now fully integrated into the wider Quarterly Performance Report. A detailed breakdown and supporting information are provided on pages 20-26 of the Quarterly Report.

15. Q3 progress included continued development of organisational capability to support Māori outcomes, including refinements to the Te Ao Māori Capability programme, clearer learning pathways, and improved reporting to better demonstrate participation and impact. Progress on Te Whiringa (Our Engagement Framework) also strengthened engagement practice, internal coordination, and earlier involvement of Mana Whenua.

16. Partnership with Mana Whenua continued through regular strategic and project-level kōrero, supporting stronger shared decision-making and more consistent application of Mana Whenua values across major programmes and capital projects.

17. Delivery of holistic and economic wellbeing outcomes for Māori continued through coordinated cross-Council and community-led approaches, including homelessness prevention and housing support, Māori-focused programming through community hubs, and system-level hauora initiatives.

Programme and Project Summary

18. A progress summary of our major programmes and projects is provided on pages 27-30 of the Quarterly Report.

19. The portfolio has reduced from seven to six projects and programmes this quarter, following the completion and closure of the Go Digital programme.

20. Overall, performance remains largely on track, with two projects reporting a green status and three reporting amber. Following Council decisions, the Petone Neighbourhood Hub project has been ceased. The project remains included for reporting purposes this quarter; however, it will not be included for future reporting.

21. Key risks this quarter relate to delivery pressures and managing community impacts. Some forecast underspends remain, mostly reflecting deferred, rephased or ceased activity following Council decisions or pending approvals. These are being actively managed through ongoing oversight and monitoring of risks and budgets.

Our performance / Non-financial Key Performance Indicators

22. A detailed breakdown of performance data and supporting information is provided on pages 31-53 of the Quarterly Report. There are 79 non-financial key performance indicators (KPIs) in the Annual Plan and Long Term Plan, with 55 reported quarterly. In Q3, 41 KPIs met their targets, compared with 31 in Q3 2024-25 and 44 in quarter two 2025-26

23. Provisional Q3 data has now been received for Sustainability and Resilience, with reported emissions figures based on estimates pending final quarter three consumption data. One KPI for Community Partnering and Support was unavailable at the time of reporting due to third-party provider delays.

24. Water supply performed strongly, with all drinking water compliance rules met, customer complaints remaining below target, and urgent and non-urgent callout attendance and resolution times all within target. Wastewater and stormwater also performed well across most operational measures, including dry weather overflows, complaints, resolution times, and flooding-related measures. The main areas below target were renewals delivery, wastewater attendance times, and stormwater resource consent compliance.

25. Regulatory Services delivered mixed performance in Q3, with three of seven KPIs achieved. Timeliness remained strong across consenting activity, with building consents processed within statutory timeframes at 98%, code compliance certificates at 95%, and non-notified resource consents at 95%. Existing food premises verification, noise control response times, and animal management community education all met or exceeded target, while high-risk liquor inspections were below the quarterly target but remain on track to achieve the 95% annual target.

26. Community Partnering and Support delivered strong results in the KPIs reported for Q3, with seven of eight achieved. This included strong performance across settled accommodation, homelessness prevention, community wellbeing activities, library loans, literacy programmes, and Neighbourhood Support households. Neighbourhood hub visitor targets were below target, affected by the Kōraunui Stokes Valley closure for most of March.

27. Strong performance was also delivered across other service areas:

    a. Governance, Strategy and Partnerships has consistently met its target in every quarter over the past year;

    b. Open Spaces, Parks and Reserves met both of their Q3 targets;

    c. Connectivity, Creativity, Learning and Recreation also delivered solid performance, with three of four KPIs achieved, including pool visitation, museum visitation, and arts and culture programme delivery. Fitness suite membership remained below target; and

    d. Solid Waste delivered mixed performance in Q3, with three of five KPIs achieved. Illegal dumping complaints, resource consent compliance, and kerbside recycling collected met target, while waste to landfill and recycling contamination remained above target; and

    e. Transport achieved four of five KPIs in Q3, with shared pathway delivery, footpath renewals, and contract audit performance meeting target.

Options

28. This is a noting report, and, therefore, there are no available options.

Climate Change Impact and Considerations

29. The matters addressed in this report have been considered in accordance with the process set out in Council's Climate Change Considerations Guide.

Consultation

30. There are no consultation considerations.

Legal Considerations

31. Quarterly reporting is prepared in accordance with the requirements of the Local Government Act 2002.

Financial Considerations

32. The financial summary is provided on pages 54–63 of the Quarterly Report, with the treasury management summary on pages 64–70.

Appendices

No.	Title	Page
1⇩	Quarterly Performance Report 1 January to 31 March 2026	82

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Quarter 3 2025-26

Te Kaunihera o Te Awa Kairangi ki Tai

Hutt City Council

Pūrongo ā-koata | Quarterly Performance Report

Ngā hua o roto | Contents

Tīmatanga Kōrero 3
Introduction

Tirohanga Whāiti 4
Quarter 3 Snapshot

Wāhanga 1: Ngā Kaupapa Hirahira me Te Pae Tawhiti 5-9
Section 1: Highlights and Areas for Future Focus

Wāhanga 2: Ngā Take Huarere 10-11
Section 2: Weather Response and Recovery

Wāhanga 3: Rautaki Aronui 12-19
Section 3: Strategic Focus Areas

Wāhanga 4: Te Herenga Kairangi 20-26
Section 4: Rautaki Māori Progress Report

Wāhanga 5: Ngā Kaupapa Nui me ngā Hōtaka Mahi 27-30
Section 5: Programme and Project Summary

Wāhanga 6: Tātaritanga 31-53
Section 6: Our Performance

Wāhanga 7: Rāpopotonga Pūtea 54-63
Section 7: Financial Summary

Wāhanga 8: Te Whakahaere Pūtea 64-70
Section 8: Treasury Management Summary

Tīmatanga Kōrero | Introduction

This quarterly performance report summarises Hutt City Council's progress on the Long Term Plan, Annual Plan, Te Herenga Kairangi[1], and the Chief Executive's strategic focus areas for 1 January to 31 March 2026.

The report aims to provide the Chief Executive, Corporate Leadership Team, and staff with the information needed to align their efforts across groups and teams, ensuring delivery of Council's strategic outcomes and maintaining a focus on performance and accountability. It also supports elected members by offering clear and transparent updates on organisational performance, so their governance decisions are based on current and accurate information.

[1]Council's Māori strategy

HUTT CITY TE AWA KAIRANGI

Q3 Performance Report

Tirohanga Whāiti | Quarter 3 Snapshot

Strategic Focus Areas

Progress made on key areas of focus, including:

- Water services transition and Day One readiness.
- Organisational change and operating model implementation.
- Te Wai Takamori o Te Awa Kairangi delivery.
- Housing growth, planning and city development.
- Organisational capability and system improvements.

Financial Summary

- Council is forecasting a **favourable** operating position, with Water Services underspends and higher rates income offsetting storm damage costs and pressures in Solid Waste, Aquatics, and enforcement activities.
- Capital delivery is behind budget, mainly due to project delays, rescheduling, reprioritisation, and delivery constraints across several programmes.

Weather Response and Recovery

A severe weather event on 16 February 2026 triggered a full emergency response, with **approximately $1.5 million in response and recovery costs and significant staff reprioritisation,** impacting delivery of some planned programmes.

Te Herenga Kairangi

Council's Māori strategy includes 38 actions across **three key outcomes**.

79% of actions are on track or complete

Key Performance Indicators

This quarter, 41 key performance measures met their targets.

This compares with 31 in quarter three 2024–25 and 45 in quarter two 2025-26.

Major Projects and Programmes

- The portfolio has **reduced** from seven to six projects and programmes this quarter, following the successful closure of the Go Digital programme.
- Te Wai Takamori o Te Awa Kairangi reported a **RED** issues indicator this quarter, driven by disruption management challenges and community impact.
- Overall, risks and issues are being actively managed, with no widespread impact to portfolio delivery as at the end of quarter three.

Treasury Management

- Net debt decreased from **$500.5m** in Q2 to **$494.2m** in Q3.
- Gross debt increased from **$591.7m** in Q2 to **$606.7m** in Q3.
- Interest costs were favourable to the budget by **$0.7m** for Q3.
- Interest earned on cash holdings was favourable to the budget by **$0.7m** for Q3.

1 Ngā Kaupapa Hirahira me Te Pae Tawhiti
Highlights and Areas for Future Focus

What this section covers:

This section draws together key highlights from the quarter and identifies the areas requiring continued focus in the period ahead. It brings together the most significant actions, results, and developments across the organisation, highlighting where progress has been made, where challenges have emerged, and where delivery momentum is strengthening.

The section also outlines the key priorities Council will focus on next. This helps decision-makers, elected members, and the community understand what has been delivered, what is coming, and where attention and effort will be directed to achieve the greatest impact.

Ngā Kaupapa Hirahira | Highlights

Sustainability & Resilience

Heavy EV Charging Hub Opened at Silverstream

- Council officially opened a heavy electric vehicle charging hub at Silverstream Landfill to support lower-carbon waste services and future-ready infrastructure, the first dedicated landfill-based heavy electric vehicle charging hub in New Zealand.

Council Selected for International Climate Adaptation Programme

- Council partnered with seven other councils to secure European Union Horizon funding for a programme focused on working with vulnerable communities to adapt to climate impacts, particularly extreme heat.
- As a selected replicator city, Council will apply the research locally and expects to receive around €250,000 to support delivery.

Infrastructure, Growth & City Development

Progress on RiverLink Construction and Traffic Management

- Construction progressed across multiple city centre sites in quarter three as part of Te Wai Takamori o Te Awa Kairangi (RiverLink), including works at the Queens and High Street intersection and continued delivery activity across the CBD.
- As disruption increased, traffic impacts were monitored closely, with coordination across projects and temporary pauses on new arterial-route works during peak periods to reduce pressure.

City Centre Street Upgrades Approved

- On 5 March 2026, the Infrastructure and Regulatory Committee approved the city centre street upgrades programme, enabling community and business engagement from April to May 2026.

Tupua Horo Nuku Nearing Completion

- Construction of Tupua Horo Nuku progressed toward completion in quarter three, with planning underway for a blessing and community event in April 2026.

Supports Māori strategy outcomes and actions

Ngā Kaupapa Hirahira | Highlights

Events & Local Economic Impact

National Masters Touch Tournament Held at Fraser Park

- Lower Hutt hosted the National Masters Touch Rugby tournament at Fraser Park alongside a national softball tournament, New Zealand's first national tournament in the city in 20 years.
- The event involved 65 teams, delivered an estimated $1 million in economic benefit, and has been confirmed to return in 2027.

Pipes in the Park Secured for 2027

- Pipes in the Park successfully relocated from Wellington to Avalon Park in March, with organisers confirming a positive experience and re-booking the event for Lower Hutt in 2027.

Innovation & Assurance

Council Presented AI Learnings to Other Councils and Agencies

- Council responded to requests from other councils and government agencies to share its AI work, including presentations at the CIO Leaders' Summit and to the Ministry for Regulation.
- Planning also progressed for AI workshops and training to support wider adoption.

IANZ Accreditation Maintained for Building Control

- Council maintained IANZ accreditation for its Building Consent Authority following assessment in March 2026.

Planning & Service Reform Readiness

Water Services Transition Planning Advanced

- Planning for water services transition progressed in quarter three, particularly transfer arrangements for people, assets, and liabilities ahead of final elected member decisions and Day One on 1 July 2026.

Draft Annual Plan 2026-27 and Public Engagement

- Council approved the Target Operating Model, the draft Annual Plan 2026-27, the draft Long Term Plan 2024-34 Amendment, and the engagement document in quarter three.
- Consultation on the draft Annual Plan opened on 30 March 2026, while separate feedback on Tiaki Wai water services began on 19 March 2026.

HUTT CITY TE AWA KAIRANGI

Q3 Performance Report

Ngā Kaupapa Hirahira | Highlights

Partnership, Culture & Belonging

Te Rā o te Raukura Held at Te Whiti Park

- Te Rūnanganui o Te Āti Awa hosted Te Rā o te Raukura at Te Whiti Park in January, with Council supporting the event through funding, planning, and a multi-team HCC stall to strengthen engagement with hapori Māori as part of the Te Whiringa action plan.

Multicultural Celebrations Welcomed 3,500+

- Council-supported Lunar New Year and Eid celebrations attracted more than 3,500 attendees, strengthening belonging, visibility and connection across Lower Hutt's diverse communities.

Pātaka Kai Expanded to 18 Community Sites

- The Pātaka Kai network expanded to 18 sites in quarter three, increasing access to community-led food sharing and local support.

Wellbeing, Recreation and Inclusion

Huia Main Pool Reopened

- Huia Main Pool reopened on 24 March 2026 following more than a year of closure, restoring full operation across all indoor pools for the first time since 2019.

Summer Pool Programmes at Wainuiomata

- Wainuiomata Summer Pool hosted the Love Wainuiomata Pool Party in 2026, with more than 470 attendees, and an eight-week pilot of free swimming lessons for Māori and Pasifika tamariki delivered by Ulalei Wainuiomata Sports.

Manu Up Event at Te Ngaengae Pool

- Manu Up was delivered with Nuku Ora at Te Ngaengae Pool on 26 January 2026, removing cost barriers to recreation and supporting participation, connection, and wellbeing for rangatahi.

Swim City Achieved Autism Swim Approval

- Swim City, which delivers swimming lessons at Hutt City Council pools, became an Autism Swim Approved provider, strengthening support for neurodiverse swimmers.

Supports Māori strategy outcomes and actions

Te Pae Tawhiti | Areas for Future Focus

Organisational and Community Resilience

Strengthening resilience across Council operations and the community will remain a key focus in response to emerging external risks.

Planning for Potential Fuel Supply Disruption

- There is an ongoing risk of fuel supply disruption due to international conflict, with national planning led by the Ministry of Business, Innovation and Employment and the National Emergency Management Agency.
- Council's focus is on proactive readiness, including business continuity planning, staff communications, assessment of cost impacts, and a coordinated approach to supplier and contract management to minimise impacts on essential services and the community.

Strengthening Cyber Security Resilience

- Cyber security is a significant and evolving risk, with continued investment prioritised across prevention, detection and response.
- Regular reporting will continue to the Corporate Leadership Team and elected members.

Asset, Service and Financial Sustainability

Several programmes require focused attention to ensure services and assets remain fit for purpose and financially sustainable.

Temporary Site Confirmed for Petone Hub Services

- Work continued on alternative service delivery arrangements for Petone Neighbourhood Hub ahead of the closure of the current building in May 2026, following concerns about the building's condition and associated health and safety risks.
- Council has now confirmed a lease for 284 Jackson Street to provide interim library, postal and other services for the Petone community while the current Britannia Street building is out of action.

Aligning Community Assets with Strategic Principles

- Community Houses are the next group of assets to be reviewed for alignment with the Assets Review principles, with recommendations to be considered by elected members in May.
- Planning will also progress following the decision to divest the Alicetown house after the November 2025 fire.

Managing Financial Pressures in Aquatics

- Aquatics continues to face cost and revenue pressures, driven by rising water and electricity costs and reduced demand linked to cost-of-living impacts. These pressures will require close monitoring over the remainder of the year.

2 Ngā Take Huarere Weather Response and Recovery

What this section covers:

This section provides a quarterly update on Council's emergency response and recovery activity, with a particular focus on weather-related events.

It highlights the people, financial and organisational resources required to respond to weather-related emergencies, and the impacts these events have on Council's ability to progress other planned programmes of work.

This update is intended to build understanding among elected members and the community of the realities of emergency response, including the scale of effort involved, the costs incurred, and how these events influence Council's overall delivery capacity and priorities during the quarter.

HUTT CITY
TE AWA KAIRANGI

Q3 Performance Report

Ngā Take Huarere | Weather Response and Recovery

Severe weather on 16 February 2026 caused widespread disruption and damage across Lower Hutt, affecting homes, infrastructure, community buildings, parks, roads and other Council assets. The Emergency Operations Centre was activated, with response transitioning to recovery the following day.

Response and immediate recovery

- **Rapid, coordinated response** across Council, emergency partners and contractors.
- **Welfare response activated**, with emergency shelters established and targeted support provided to affected whānau.
- **Council facilities opened** to support community needs, including showers and device charging for households without power.
- **Public information and customer communications** were coordinated across media, digital channels and customer services.
- Immediate safety risks were addressed, including **tree removals, road clearance and site stabilisation.**

Resource and service impacts

Estimated total response and recovery costs are approximately $1.5M in 2025-26, to be managed through budget reprioritisation.

Significant staff and contractor resources were redirected, affecting delivery of planned programmes.

Customer demand increased significantly, including a 24% increase in calls, peaks of nearly **three times normal call volumes** and a **240% increase in service requests.**

Three community buildings remain closed or partially closed due to storm damage.

Delivery impacts and priorities ahead

Some **capital and maintenance programmes were delayed or re-sequenced** while staff focused on emergency response.

The event highlighted pressure on **staff availability and surge capacity,** the need for **clearer emergency roles,** and **stronger EOC–Customer Services integration.**

Next steps include strengthening **emergency readiness and resourcing,** improving **systems, training and surge planning** and embedding learnings through the **Crisis Management Plan review** and Council's resilience and adaptation work for the **Long Term Plan 2027-30.**

3 Rautaki Aronui
Strategic Focus Areas

What this section covers:

This section provides an update on progress across Council's strategic focus areas, showing how key priorities are being advanced through actions, initiatives, and investment decisions during the quarter.

It highlights where momentum is building, where progress is on track, and where challenges or trade-offs are emerging as Council responds to changing conditions, community needs, and delivery pressures.

The section is intended to connect day-to-day activity with longer-term direction, helping decision-makers, elected members, and the community understand how current actions are contributing to Council's strategic goals and where focus will continue in the period ahead.

Pou Tāhū

Building a stronger city and thriving community

Delivery of year two of the LTP 2024 - 2034

Progressing Te Wai Takamori o Te Awa Kairangi

- Works commenced at the Queens and High Street intersection, with public engagement underway for the Street Upgrades and Riverside Park elements. Disruption management planning remained a core focus as activity increased across the project area.
- Procurement for the City Link Bridge progressed during the quarter, with the Registration of Interest released and shortlisting planned for quarter four. The process remains on track for completion in quarter one 2026-27.

Advancing Council's Climate Action Work

- Council made strong progress on climate action during the quarter, with electric vehicles now making up 94 percent of the fleet, exceeding the 2025-26 target ahead of schedule.
- The fully refurbished and decarbonised Huia Pool reopened, eliminating gas use and delivering long-term emissions reductions, while further gas phase-out projects progressed across Council facilities.
- The Heavy Electric Vehicle Charging Hub at Silverstream Landfill became operational, supporting daily charging for electric plant and trucks, while the landfill again achieved the minimum Emissions Trading Scheme liability for 2025 by maximising landfill gas destruction.
- Work also commenced to review Council's carbon targets and emissions baseline to reflect recent organisational changes, including the transition of three-waters services to Tiaki Wai.

Parks and Reserves Capital Programme

- Delivery continued across the programme this quarter, with staff also supporting the city's response to February's extreme weather event and several projects being adjusted following Council decisions.
- Completion for quarter four is now being revised, with further scoping and planning underway to support ongoing delivery.

Landfill Capital Programme

- The landfill capital programme was affected by weather-related delays, but is still on track for the opening of the new landfill phase in 2027.

Pou Tāhū

Building a stronger city and thriving community

Supporting the new council

Council Approves Target Operating Model

- Council approved the Target Operating Model on 27 February 2026, marking a major milestone in establishing clear priorities and ways of working for the organisation.
- This follows the significant design and engagement work completed in the previous quarter, which included refining the model, testing key design elements, and aligning organisational functions to future strategic priorities. With the model now agreed, work will shift to planning and sequencing implementation to inform the Long Term Plan 2027-37.

Draft Annual Plan and Public Engagement

- During the quarter, elected members approved the draft Annual Plan 2026-27, draft Long Term Plan 2024-34 Amendment, and engagement document. Public briefings were held on 4 February and 18 March 2026, and community engagement on the draft Annual Plan 2026-27 began on 30 March 2026.

Supporting effective governance and decision-making

- The overall number of Council meetings was reduced by 9.5 percent, reflecting improvements in meeting efficiency. Training on Standing Orders has also been scheduled for the next quarter to support consistent meeting processes.

Pou Tāhū

Building a stronger city and thriving community

Providing leadership and collaborating on key regional priorities

Leadership across local and central government priorities

- The Chief Executive chaired three regional chief executives' forums during the quarter and contributed to council reorganisation, the regional spatial plan and Tiaki Wai across metropolitan councils. A Mayoral Forum was also held this quarter, with further meetings and a workshop planned.

Regional Emergency Management Coordination

- Council supported local and regional planning in response to potential fuel supply disruptions arising from conflict in the Middle East, ensuring alignment with national arrangements for managing this risk. Key objectives focused on implementing national and regional action plans and mitigating potential impacts on Council operations and the wider community.

Emergency Management Response

- Council responded to a severe weather event in February 2026 that caused flooding, slips, power outages, and road disruptions. The Emergency Operations Centre was activated, welfare centres were established, and coordinated response actions were undertaken across Council and partner agencies to support affected communities.

Infrastructure to support future housing growth

- Preliminary and consent design work for stormwater and wastewater infrastructure in Lower Hutt CBD was completed this quarter, and discussions with affected property owners are underway. Planning to transfer the project into business-as-usual delivery with Tiaki Wai is nearing completion and is on track to be finalised by the end of June 2026.

Housing partnerships and development readiness

- Work was undertaken with Wellington Water to assess water and wastewater capacity in the central city, Naenae and Taitā. This has improved understanding of how planned infrastructure will support future housing growth, including on land owned by Kāinga Ora.

Pou Tokomanawa

Our environment and culture provide a positive employee experience that enables our people to thrive

Strengthening organisational culture

Improving staff experience and workplace systems

- Progress this quarter included the development of a new e-learning module and workshop to support the rollout of Council's customer experience framework, and the introduction of the first module in a new change capability programme focused on understanding and navigating change.
- Flexible working guidelines were updated to better support leaders in managing hybrid working arrangements, and the HRIS and payroll system moved through the design phase and into testing.

Strengthening leadership capability across the organisation

- Work continued to build leadership capability across Council, with a pilot leadership pulse check tool trialled to help assess leadership strengths and identify development needs.
- People Leaders also participated in new sector-based leadership courses, and the Kickstart to Leadership programme was reviewed and updated to reflect Council's leadership framework and strengthen capability in leading change.

Improving systems and processes

Progress on the New HR and Payroll System

- Work progressed on the new HR and payroll system during the quarter, with system design completed and user validation sessions held with key stakeholders to confirm the initial design.
- The first payroll test was completed, full end-to-end system testing commenced, and early planning began to support business readiness, including change management activities ahead of implementation in July 2026.

Pou Tuarongo

Doing the basics brilliantly

Enabling a growing, liveable city

Progress on the Proposed District Plan

- Work on the Proposed District Plan progressed this quarter, following the Minister's approval to advance a large proportion of the plan.
- Earlier delays caused by Plan Stop legislation and the exemption process mean hearings will not be substantially completed by quarter four as originally expected. Hearings are now anticipated to continue through to the end of 2026, with the new plan largely adopted in 2027, subject to appeals.

Supporting Sustainable Development

- Council continued supporting Urban Plus Limited across its current development projects. Preparatory work is also underway for the redevelopment of Council's Daly Street site, including the development of a project brief and procurement plan to guide the next stages.

Leadership in the Use of AI

Partner Support for AI-Enabled Council Services

- Council continued to advance the use of AI across key services during the quarter, including property information requests, dog registrations and resource consents. An AI tool for building consents was also integrated into the new system replacing GoGet.

Sharing Council's AI Capability and Experience

- Council staff delivered AI training to Upper Hutt City Council and developed proposals for training and workshops for Hastings District Council, Porirua City Council and Wellington City Council, as well as the Public Service Commission. Initial discussions were also held with the Ministry for Pacific Peoples and the Matamata-Piako District Council.
- Council's approach to using AI to improve productivity and services was presented at the CIO Leaders Summit on 23 March 2026 and to the Ministry for Regulation.

Pou Tuarongo

Doing the basics brilliantly

Strengthening core partnerships and regional collaboration

Maintaining strong council partnerships

- Council maintained strong strategic relationships with councils at both regional and national levels during the quarter, with engagement focused on water services reform, organisational change, and coordinated submissions on key government policy issues.

Engagement with central government and national agencies

- Council maintained strong strategic relationships with central government and national agencies through regular engagement with senior leaders this quarter.
- This included meetings with NZ Transport Agency Waka Kotahi, Ministry for Social Development, Callaghan Innovation, Earth Sciences NZ, the Ministry for the Environment, the Department of Internal Affairs, the Ministry of Business, Innovation and Employment, and agencies across the health, education and social development sectors.
- The Chief Executive co-chaired the Jobs and Skills Hub Steering Group hui with Te Rūnanganui o Te Āti Awa in February, alongside Kāinga Ora and the Ministry of Housing and Urban Development.

Pou Whenua

Our Mana Whenua partners, and their priorities are at the core of our policies and practices

Giving effect to Te Tiriti o Waitangi

Partnering with Mana Whenua on strategic priorities

- Council and Mana Whenua came together for their quarterly hui in February 2026, reinforcing their shared commitment as Treaty partners to progress collective strategic priorities.
- As well as Mana Whenua updates on their respective kaupapa, the hui provided space for kōrero on:
    - Te Wai Takamori o Te Awa Kairangi;
    - Local Water Done Well;
    - the Mayor's priorities for Te Awa Kairangi ki Tai;
    - council's Target Operating Model;
    - the proposed Recreation, Sport and Play Engagement approach; and
    - the Hōniana Te Puni Reserve Management Plan.

4 Te Herenga Kairangi Rautaki Māori Progress Report

What this section covers:

This section outlines how we are giving effect to Te Herenga Kairangi, our Māori strategy, developed alongside and supported by our Mana Whenua partners. It brings together the work undertaken across Council this quarter that focuses on improving outcomes for Māori.

It provides a clear view of progress across the strategy's three outcome areas, highlighting where meaningful steps forward have been made and where our shared focus continues to deepen.

HUTT CITY TE AWA KAIRANGI

Q3 Performance Report

He Papatohu | Dashboard

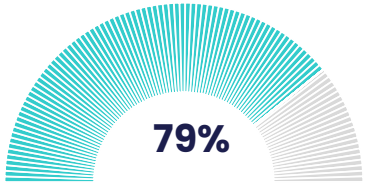
Tō tātou Rautaki Māori: Our approach to achieving Māori outcomes

- **Te Herenga Kairangi brings together all Council work focused on improving outcomes for Māori.**
- Designed as a three-year programme of work, the strategy is built around three key outcomes, six priority areas and 38 actions.
- Outcomes focus on strengthening relationships, enhancing Māori wellbeing, and developing capability across the organisation.

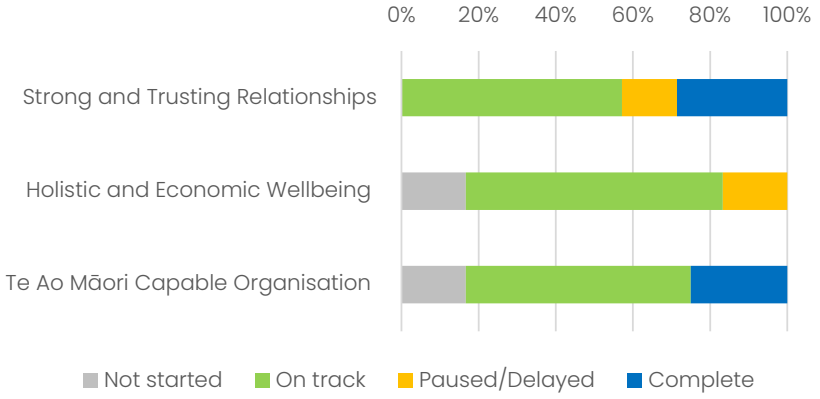
Te Herenga Kairangi delivers 38 actions across three key outcomes

- **12 of 14 Strong and Trusting Relationships** actions are on track or complete, with 2 paused/delayed
- **8 of 12 Holistic and Economic Wellbeing** actions are on track, with 2 not started and 2 paused/delayed
- **10 of 12 Te Ao Māori Capable** actions are on track or complete, with 2 not started
- **30 of 38 overall actions are on track or complete**

Delivery on Track or Complete (Year to Date)



Quarter three delivery position



Tākaia ngā here, hei herenga kairangi

Strong and Trusting Relationships

Honouring Mana Whenua relationships

Strengthening Strategic Alignment with Mana Whenua

- Ongoing engagement with Mana Whenua continued, with work underway to further strengthen engagement across the Te Wai Takamori o Te Awa Kairangi programme. Council and Mana Whenua partners developed a draft Mana Whenua Values Plan to give effect to agreed outcomes and resourcing commitments across projects.

Embedding Mana Whenua Outcomes in Capital Projects

- Council advanced the integration of Mana Whenua values and outcomes across major projects. This included approval of the City Link Bridge broader outcomes plan, which commits up to five percent of contract value to Māori and Pasifika-owned businesses.
- Cultural impact assessment work progressed for the Infrastructure Acceleration Fund project to support the Resource Management Act application. For the City Link Bridge, Street Upgrade and Riverside Park projects, Council progressed plans to embed cultural design leadership within project teams.

Collaborating on Key Projects and Programmes

- Mana Whenua were engaged on the Riverside Park and city centre Street Upgrade projects. The Hīkoikoi Landing project progressed toward completion, with an official opening planned for quarter four.
- Te Rūnanganui o Te Āti Awa continued to provide leadership in sport, recreation and play through its involvement in the Hutt City Council, Sport New Zealand and Nuku Ora tripartite group.

Strengthening Governance and Shared Decision-Making

- Council established a new Community Funding Panel to determine allocations across five community funding categories.
- Mana Whenua partners self-selected three representatives to participate on the panel, strengthening shared decision-making. Panel meetings are scheduled for June 2026.

HUTT CITY TE AWA KAIRANGI

Q3 Performance Report

Tākaia ngā here, hei herenga kairangi

Strong and Trusting Relationships

Honouring Mana Whenua relationships

Building Effective Processes for Māori Engagement

- As part of Te Whiringa work programme, Council progressed work on improving systems and processes for engagement with Māori. This included work on marae forums, engagement planning and triage, an engagement and events calendar, and clearer guidance for working with Māori across Council.

Partnering with Māori to Support Community Wellbeing Initiatives

- Through Healthy Families Hutt Valley, Te Rūnanganui o Te Āti Awa continued to shape delivery of the work programme through to June 2026. This included collaboration with marae on initiatives such as Pātaka Kai, Cull to Plate, Grow a Garden, Kai Ika, and kaupapa focused on mental wellbeing, alcohol harm reduction and smokefree outcomes.
- Council also supported Waiwhetū Marae to welcome and support ethnic communities, including joint applications to Immigration New Zealand for funding to continue this kaupapa.

HUTT CITY TE AWA KAIRANGI

Q3 Performance Report

Tākaia ngā here, hei herenga kairangi

Strong and Trusting Relationships

Strengthening Māori engagement practices

Resetting Emergency Partnerships with Marae

- A hui was held on 18 March 2026 with Marae Managers to discuss how Council and marae can work together more effectively during emergencies. While marae expressed frustration with previous engagement, there was strong collective support for resetting the relationship and establishing a new approach.
- Marae shared what is needed to enable them to activate during emergencies when Council seeks their support. A follow-up hui with Marae Managers, Council, the Emergency Operations Centre and WREMO was scheduled for April 2026 to agree shared ways of working.

Strengthening Rangatahi Engagement and Civic Participation

- Good progress continued against the Rangatahi Engagement Strategy, with 460 programmes delivered and reaching more than 16,000 rangatahi (year-to-date). Focus is now shifting to improving coordination, building capability and ensuring equitable reach to sustain and scale impact.

Supporting Matariki Puanga Celebrations

- Funding for Matariki Puanga events opened on 9 March and closed on 10 April 2026, with Council coordinating review and allocation for events across Te Awa Kairangi ki Tai. Planning also progressed for city flag installations in June 2026, alongside social media and event promotion.

Ensuring a Consistent Approach to Rāhui

- Teams across Council worked together this quarter to ensure a more consistent approach to the timing and communication of rāhui across key public channels, including the website, social media and customer systems.

HUTT CITY
TE AWA KAIRANGI

Q3 Performance Report

Hauora me te oranga ōhanga

Holistic and economic wellbeing

Embedding holistic and economic wellbeing in our work programmes

Supporting Whānau Experiencing Homelessness

- Homelessness support in Lower Hutt continued to deliver positive outcomes through a coordinated, wraparound approach. During the quarter, Council-funded services supported more than 80 whānau, including around 50 through homelessness prevention initiatives and more than 20 whānau into sustained housing tenancies.
- Demand remained high, with increasingly complex and often hidden homelessness presenting ongoing challenges, alongside housing supply constraints and system barriers. Opportunities to strengthen early intervention and cross-sector coordination were identified to help respond to growing needs.

Delivering Māori-Focused Programmes Through Community Hubs

- Neighbourhood Hubs delivered 124 Māori-focused programming sessions year-to-date, including 48 education, academic and social support programmes during quarter three.

Expanding Opportunities for Culturally Grounded Physical Activity

- Planning conversations were initiated with Kōkiri Marae to explore opportunities to expand Ki-o-Rahi in Lower Hutt in 2026, supporting culturally grounded physical activity, connection and wellbeing for Māori.

Improving System-Level Wellbeing Outcomes

- Healthy Families Hutt Valley continued to deliver strong system-level impact across hauora Māori, progressing work across kai access, smokefree initiatives, alcohol and drug harm reduction, mental wellbeing, and physical wellness.

HUTT CITY TE AWA KAIRANGI

Q3 Performance Report

Te Ao Māori ki te Kaunihera

Te Ao Māori capable organisation

Building cultural capability across Council

Strengthening Te Ao Māori Capability Across the Organisation

- Delivery of the Te Ao Māori capability programme was paused in quarter three to support a focused period of review and improvement, with the next full nine-week cohort starting in April.
- New administrative and learning tools were introduced, including an expression of interest process and updated evaluation forms, alongside a new reporting format to strengthen tracking of participation, learning outcomes, and capability growth across the organisation.

Expanding Learning Pathways and Programme Reach

- Development of individual learning pathways within the Te Ao Māori capability programme progressed in quarter three, with most foundation learning modules completed to support staff capability uplift.
- Communications and engagement activity also continued to strengthen the programme's visibility and organisational reach, aligned to the Te Whiringa framework to support wider uptake across Council.

Progressing Te Whiringa Actions to Embed Te Ao Māori Practice

- Progress continued on Te Whiringa actions focused on strengthening how Council works with Mana Whenua. This included advancing processes for early engagement, co-design of engagement approaches, internal triage for accessing Mana Whenua expertise, and development of a Council-wide engagement and events calendar.
- Preparatory work also progressed to offer Te Ao Māori capability training to staff working closely with iwi and hapori Māori and to support kaupapa Māori initiatives.

Embedding Tikanga Through Onboarding and Everyday Practice

- Work progressed on embedding tikanga into daily practice through the development of the "He Awa Kairangi | Flowing Together" concept to guide tikanga-based onboarding, which is currently under review.

5 Ngā Kaupapa Nui me ngā Hōtaka Mahi
Projects and programmes

What this section covers:

This section highlights the Council's major programmes and projects delivering services, assets, and improvements across the city.

It focuses on the quarter's most consequential actions and results, where delivery is progressing well, where challenges are emerging, where momentum is building, and alongside areas that require continued focus.

It is intended as a high-level view of programme and project health and progress, enabling decision-makers, local businesses, and residents to quickly understand the status of our major projects and programmes.

Kaupapa nui | Major project updates

Project	Financials		Project Health								Quarter Three Summary
	Total overall cost (CAPEX & OPEX)	ACTUAL SPEND (to date)	OVERALL	Scope	Schedule	Budget	Risk	Issues	Benefits	H&S	
Infrastructure Acceleration Fund (IAF) Stormwater and Wastewater	$174.3m (Capex)	$6.88m (Capex)	G	A	A	G	A	G	G	G	The project remains GREEN at the end of Q3 and has reached the midpoint of the pre-implementation phase. Preliminary design has been completed and peer reviewed, followed by a comprehensive review by technical experts from Wellington Water. Cost estimates for design, construction, and associated professional fees have been developed and are broadly aligned with budget expectations. Key risks are being actively managed, and the project timeline remains stable. Due to overlap with the RiverLink programme, it has been agreed that part of the core scope will be delivered by the Te Wai Takamori o Te Awa Kairangi Alliance under a formal agreement.
Tupua Horo Nuku	$81.87m (Capex)	$81.87m (Capex)	A	G	A	A	A	A	G	G	As at the end of Q3, the overall status of the project remains AMBER and in its final stages. Wellington Water has approved a non-invasive lining solution for the remaining Sunshine Bay sewer main. This will be delivered by the Alliance on Wellington Water's behalf, outside the original Tupua Horo Nuku scope and beyond April 2026. Commercial pressure remains but the current focus is on completing the remaining works safely, efficiently and in a coordinated way through to completion. Note: While the project was assessed as AMBER at the end of Q3, progress has continued, and the project is scheduled to go live 18 April 2026.
Te Pātaka Kōrero o Pito One | Petone Neighbourhood Hub	$4.85m (Capex) $150k (Opex)	$302k (Capex) $63k (Opex)									At the Strategy, Annual Plan and Long-Term Plan Committee meeting on 27 February 2026, the Committee resolved to cease the current project to repair the Petone Neighbourhood Hub. Alternative options for the future delivery of services in Petone will be reconsidered as part of the next Long-Term Plan (2027–2030). Project close-out activities are being completed to close the project, including notifying consultant/contractors. Financial reconciliation will be completed once all invoices have been received.

RAG Status — **G = On track** minimal | **A = Delayed/at risk:** some challenges actively | **R = Off track:** significant risk, | N/A: Update not

Hōtaka mahi | Major programme updates

Programme	Financials		Project Health (RAG)								Quarter Three Summary
	Total overall cost (CAPEX & OPEX)	ACTUAL SPEND (to date)	Overall	Scope	Schedule	Budget	Risk	Issues	Benefits	H&S	
Te Wai Takamori o Te Awa Kairangi	$182.43m (Capex) *total approved budget from Jul 2025	$32.73m (Capex)	A	G	G	A	G	R	A	A	Te Wai Takamori o Te Awa Kairangi remains AMBER at the end of Q3. A high-priority issue was raised this quarter, resulting in the Issue RAG indicator being assessed as RED. This relates to disruption management challenges, including significant CBD congestion and local road disruptions, which have led to negative community feedback. Overall, the programme is tracking to plan with no significant delays. The main scope of the programme remains unchanged, however, as progress continues, changes are expected to arise due to the complexity of works in the CBD and through ongoing community engagement. Notable activities progressed this quarter include the successful relocation of the Riverside Market (south of the existing Riverside car park), with resource consent preparation underway. The upper Daly Street car park is expected to become operational in July, and the principal requirements for the City Link Bridge have been approved.
Parks and Reserves Programme	$24.38m (Capex)	$3.67m (Capex)	A	A	A	A	G	G	G	G	Closing Q3, the Parks and Reserves programme remains AMBER due to delays in planning and approvals, primarily from Council's review of larger projects (October 2025–February 2026). While most projects are now approved to proceed, the deferral means several—such as Hugh Sinclair drainage and play improvements, and the Bay Street Toilet—will shift to FY2026/27. Petone Wharf is also unlikely to be completed before FY2027/28. Five projects remain on hold pending Council decisions on potential asset divestment (rather than demolition), including the Tutukiwi Orchid House and Gibbes-Watson Glasshouse. The Petone Grandstand strengthening project exceeds budget, and Council is exploring divestment to a community organisation, with discussions ongoing. Additionally, several projects within the Reserves Investment Strategy have been rescoped and require further Council decisions (e.g. Black Creek), which will impact delivery timeframes.

RAG Status — G = On track: minimal | A = Delayed/at risk: some challenges actively | R = Off track: significant risk, | N/A: Update not

Hōtaka mahi | Major programme updates

Programme	Financials		Project Health								Quarter Three Summary
	Total overall cost (CAPEX & OPEX)	ACTUAL SPEND (to date)	Overall	Scope	Schedule	Budget	Risk	Issues	Benefits	H&S	
Transport Delivery Programme	$64.99m (Capex)	$14.79m (Capex)	G	G	A	G	G	G	G	G	The programme continues to report an overall GREEN status at the end of Q3, with the majority of the five active projects progressing as planned. The Issues health indicator has returned to GREEN, following the resolution of previously reported issues within the Community Connections project relating to the registration of critical stopbank matters by Greater Wellington. While these issues have now been resolved, there are ongoing impacts to the project schedule, which continues to be reported as AMBER. Of the nine projects reported last quarter, four have since been placed on hold or stopped (Korokoro Footpath, Wainuiomata Centre Upgrade, Strategic Cycle Network and Ava Street Bridge). Key updates across the programme this quarter include: Procurement is underway for Eastern Hutt Road, with below-road design work now received. The Community Connections project completion date has been revised to May 2026.

RAG Status — G = On track minimal | A = Delayed/at risk some challenges actively | R = Off track significant risk, | N/A: Update not

6 Tātaritanga
Our performance

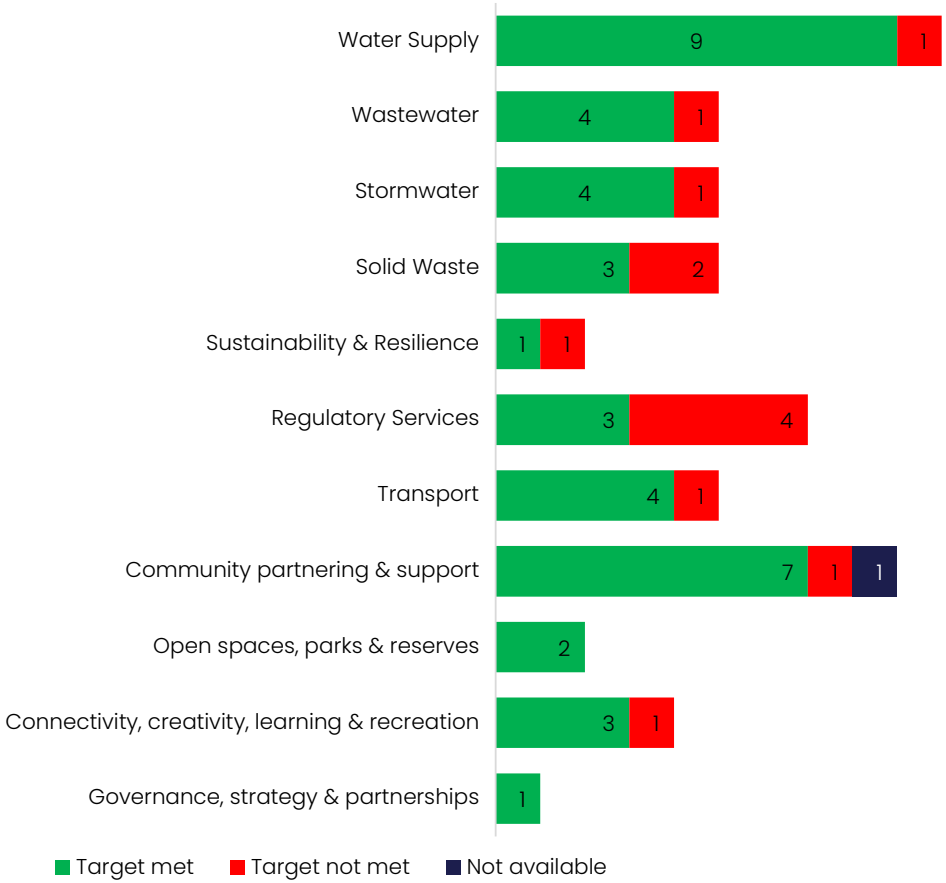
What this section covers:

This section provides an overview of Council's performance for the quarter against the key performance indicators set out in the Long Term Plan and Annual Plan.

It highlights where targets are being met, where performance is improving or close to target, and where results did not meet expectations, helping readers understand overall progress and areas requiring attention.

Tirohanga whānui | Performance overview

KPI measure achievement by activity area



Quarter three summary

There are 79 key performance indicators in the Annual Plan/Long Term Plan. 55 of these are reported quarterly.

This quarter, 41 key performance measures met their targets.

This compares with 31 in quarter three 2024–25 and 44 in quarter two 2025-26

Performance highlights

- All six Council pools met their visitor number targets.
- A total of 1.5 km of shared pathways was added in quarter three, reflecting completed sections of the Tupua Horo Nuku project.
- Three waters achieved 17 of 20 KPIs in quarter three.
- Community Partnering and Support achieved 7 of 8 reported KPIs in quarter three.
- Open spaces, parks and reserves met both quarter three targets.

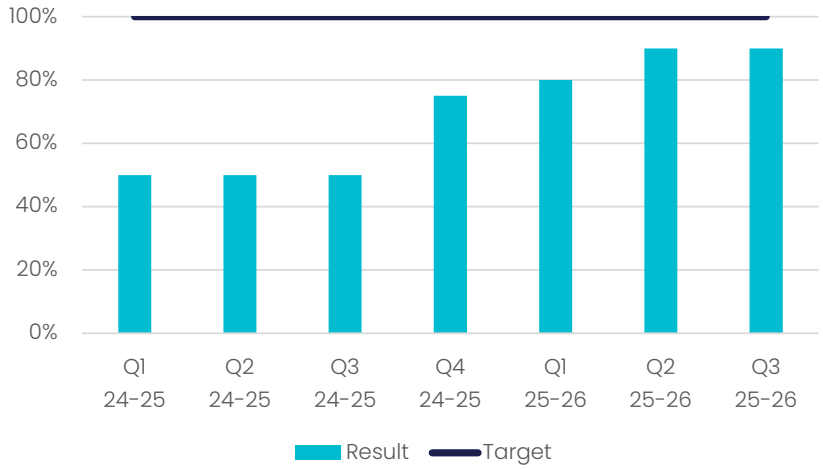
Tirohanga whānui – Waiora, Waiāwhā, Waiparu
Three waters performance overview

Quarter three summary

- Three waters delivered strong performance in quarter three, with 17 of 20 KPIs achieved.
- Targets were met across most water supply, wastewater and stormwater measures, including drinking water compliance, complaints, urgent and non-urgent response times, dry weather overflows, and flooding-related measures.
- Water supply performed strongly, with all drinking water compliance rules met and customer complaints remaining below target.
- The main areas below target were renewals delivery, wastewater attendance times, and stormwater resource consent compliance.

Quarter three KPI results

Water supply quarterly trend



Ngā puna wai | Water supply

Measure	Target 2025-26	Target quarter 3	Actual quarter 3	Quarter 3 vs target	Variance reason
The extent to which the local authority's drinking water supply complies with the T3 bacterial rules (previously part 4 of the drinking-water standards –bacteria compliance criteria)	All met (100%)	All met (100%)	All met (100%)		Target met* *Although the Waterloo Water Treatment Plant, owned by Greater Wellington Regional Council, complies with the T3 bacterial rules, it does not currently meet a new Drinking Water Quality Assurance requirement relating to chlorine contact time for water supplied to approximately 800 Lower Hutt households. The water remains safe to drink, and funding has been provided through Hutt City Council's Long-Term Plan to address this issue.
The extent to which the local authority's drinking water supply complies with T3 protozoal rules (previously part 5 of the drinking-water standards – protozoal compliance criteria)	All met (100%)	All met (100%)	All met (100%)		Target met
The extent to which the local authority's drinking water supply complies with D3.29 microbiological monitoring rule	All met (100%)	All met (100%)	All met (100%)		Target met

Target met Target not met

Ngā puna wai | Water supply

Measure	Target 2025-26	Target quarter 3	Actual quarter 3	Quarter 3 vs target	Variance reason
Number of complaints received about water clarity, taste, odour, pressure, flow and continuity of supply per 1,000 connections	≤20 complaints per 1,000 connections	≤20 complaints per 1,000 connections	8.1 complaints per 1,000 connections	●	Target met
Attendance for urgent callouts: from the time the local authority received notification to the time service personnel reach the site	≤90 minutes	≤90 minutes	62 minutes	●	Target met
Resolution time of urgent callouts: from the time the local authority receives notification to the time service personnel confirm resolution of the fault or interruption	≤8 hours	≤8 hours	3.4 hours	●	Target met
Attendance for non-urgent callouts: from the time the local authority received notification to the time service personnel reach the site	≤72 hours	≤72 hours	43 hours	●	Target met
Resolution of non-urgent callouts: from the time the local authority receives notification to the time service personnel confirm resolution of the fault or interruption	≤20 working days	≤20 working days	2 working days	●	Target met

● Target met ● Target not met

HUTT CITY TE AWA KAIRANGI

Q3 Performance Report

Ngā puna wai | Water supply

Measure	Target 2025-26	Target quarter 3	Actual quarter 3	Quarter 3 vs target	Variance reason
Average drinking water consumption per resident per day	≤385 litres	≤385 litres	375.8 litres		Target met
Kilometers of renewals for three waters infrastructure	Hold or increase on previous year ≤9.4 km	4.6 km	0.0 km		Target not met. Wellington Water Limited has experienced delays in recording pipe installation information for quarters two and three, as resourcing has been focused on establishing a large number of projects and work packages. These are primarily renewal-focused, and delivery is expected to increase by year end.

Target met Target not met

Waiparu | Wastewater

Measure	Target 2025-26	Target quarter 3	Actual quarter 3	Quarter 3 vs target	Variance reason
Dry weather wastewater overflows per 1,000 connections	≤20 per 1,000 connections	≤20 per 1,000 connections	0.8 Per 1,000 connections		Target met
Number of complaints per 1,000 connections	≤30 complaints per 1,000 connections	≤30 complaints per 1,000 connections	8.3 complaints per 1,000 connections		Target met
Attendance time: from the time the territorial authority receives notification to the time service personnel reach the site	≤90 minutes	≤90 minutes	115 minutes		Target not met. Wellington Water Limited has identified process issues that affected attendance times in quarter three and is working with Hutt City Council to address these.
Resolution time: from the time the territorial authorities receives notification to the time service personnel confirm resolution of the blockage or other fault	≤8 hours	≤8 hours	5.9 hours		Target met
Compliance with resource consents measured by the number of abatement notices, infringement notices, enforcement orders, and convictions from wastewater system	No enforcement action	0 notices	0 notices		Target met – 0 infringement notices received

Target met Target not met

Waiāwhā | Stormwater

Measure	Target 2025-26	Target quarter 3	Actual quarter 3	Quarter 3 vs target	Variance reason
Number of flooding events (where stormwater enters a habitable floor)	≤2	≤2	0		Target met. No flooding events occurred.
Number of habitable floors affected by flooding events (per 1,000 connections)	≤0.24 per 1,000 connections	≤0.24 per 1,000 connections	0		Target met. No flooding events occurred.
Number of complaints about stormwater system performance (per 1,000 connections)	≤20 complaints per 1,000 connections	≤20 complaints per 1,000 connections	8.1 complaints per 1,000 connections		Target met
Median response time to attend a flooding event, measured from the time the territorial authority receives notification to the time service personnel reach the site	≤8 hours	≤8 hours	0		Target met. No flooding events occurred.
Compliance with resource consents for discharges from stormwater system (number of abatement notices, infringement notices, enforcement orders, and convictions)	Full compliance (0 notices)	0 notices	2 notices		Target not met. Two infringement notices were received in relation to alleged sediment discharges from a pipe repair at Gill Road, Lowry Bay. These notices are being challenged.

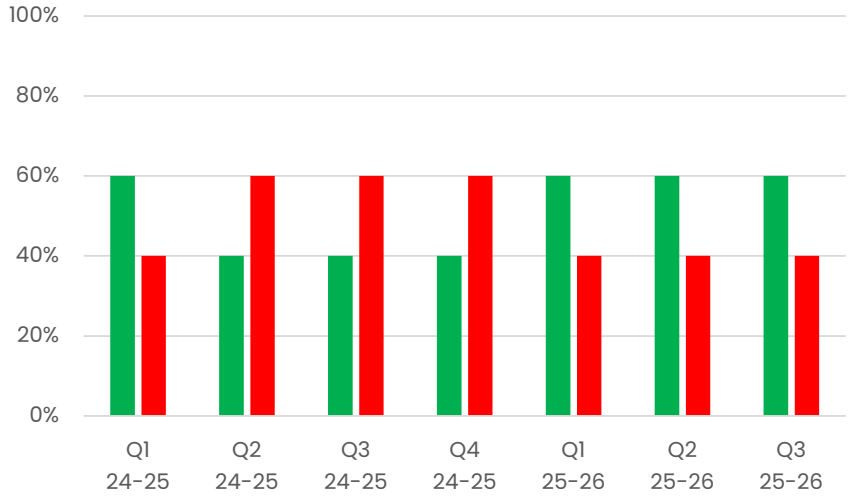
Target met Target not met

Para | Solid waste

Quarter three summary

- Solid waste performance remained mixed in quarter three, with three measures meeting the target.
- Illegal dumping complaints remained within expected levels, no resource consent-related infringement notices were received, and kerbside recycling collected exceeded the target.
- Kerbside waste to landfill was slightly above target, and kerbside recycling contamination remained above the 10 percent threshold at 12 percent.
- While contamination remains above target, year-to-date performance has improved compared with 2024-25, and Council continues education and bin-tagging initiatives to support correct recycling practices.

Quarterly trends



Quarterly percentage of kerbside recycling contaminated

Para | Solid waste

Measure	Target 2025-26	Target quarter 3	Actual quarter 3	Quarter 3 vs target	Variance reason
Number of resource consent-related infringement notices received from Greater Wellington Regional Council	Full compliance (0 notices)	0 notices	0 notices		Target met – 0 infringement notices received
Number of illegal dumping complaints	≤192	≤144	140		Target met
Tonnes of kerbside waste to landfill (tonnes per person)	≤22,205/115,000 = 0.193	≤16,654/115,000 = 0.145	16,979/115,000 = 0.147		Target not met. The total amount of waste is tracking ahead of the previous year. However, per capita waste disposal is estimated based on last year's population estimate, which may not be accurate, and updated figures are not yet available. Hence, the increase may be the result of population growth.

Target met Target not met

Para | Solid waste

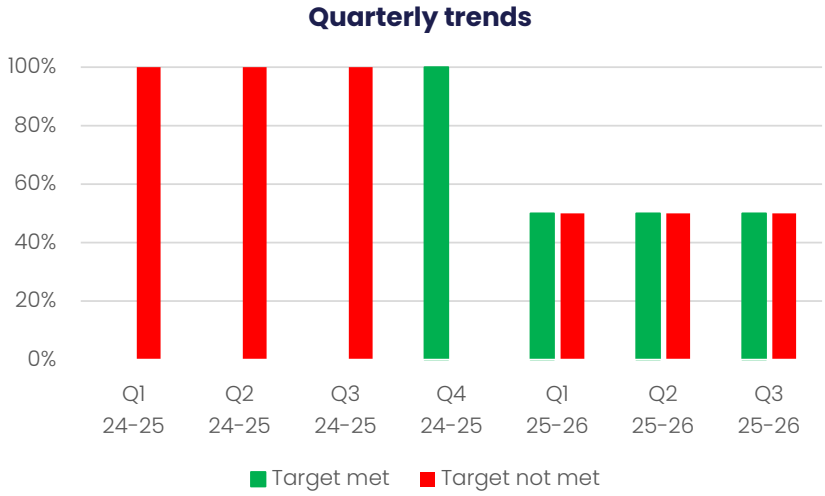
Measure	Target 2025-26	Target quarter 3	Actual quarter 3	Quarter 3 vs target	Variance reason
Percentage of kerbside recycling that is contaminated and diverted to landfill	≤10%	≤10%	12%		The target was not met this quarter. Contamination levels remained above the 10% target overall. This reflects ongoing challenges with household understanding of recyclable materials, particularly for mixed and food-contaminated packaging. While education and bin-tagging initiatives continue, behaviour change is gradual and influenced by a variety of factors. Annualised contamination (year to date) is at 12.9%, compared to an average of 13.8% for 2024-25, so contamination continues to trend downward.
Tonnes of kerbside recycling collected	≥5,274	≥3,516	3,660		Target met

Target met Target not met

Whakauka me te manawaroa | Sustainability and resilience

Quarter three summary

- The fleet continues to be electrified, and with a 94% electrification share, fuel use continues to decrease.
- For facilities, emissions associated with the use of gas continue to decrease, as gas phase out projects are being implemented. The refurbished Huia Pool, now fully electric, opened in March 2026. However, total emissions can vary, depending on the emissions intensity of NZ's electricity generation.



Measure	Target 2025-26	Target quarter 3	Actual quarter 3	Quarter 3 vs target	Variance reason
Emissions from Council owned facilities (tCO2-e)	≤1,867	≤1,401	1,710*		Target not met. Provisional estimate exceeds target, pending final quarter three consumption data.
Emissions from Council owned fossil fuel vehicles (tCO2-e)	≤49	≤36	27.4*		Target met. The provisional estimate is below target, pending final quarter three consumption data.

**Cumulative year-to-date emissions to 31 March 2026. Reported figures are provisional estimates because complete quarter three consumption data was not available at the time of reporting. Reported results may be revised once final data becomes available.*

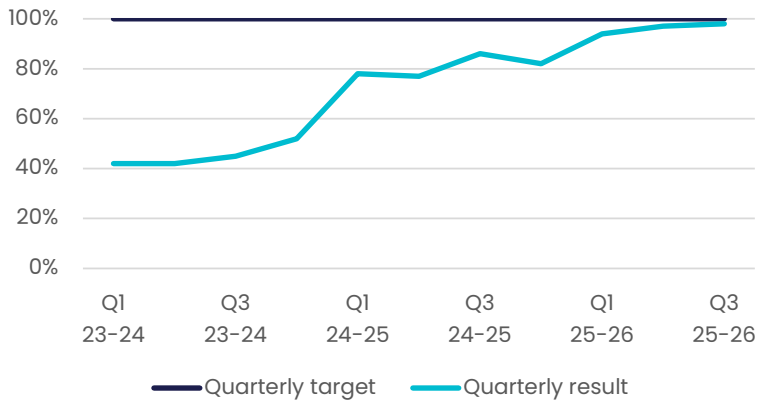
Target met Target not met

Ngā ratonga waeture | Regulatory services

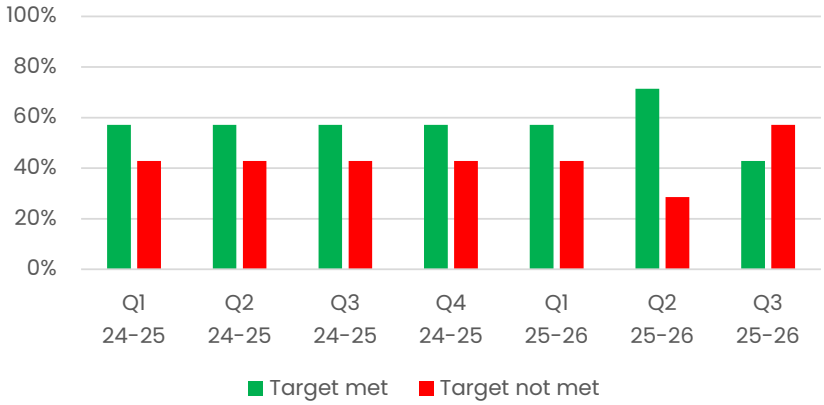
Quarter three summary

- Regulatory Services delivered mixed performance in quarter three, with three of seven KPIs achieved.
- Timeliness remained strong across key regulatory functions, with building consents processed at 98%, code compliance certificates at 95%, and non-notified resource consents at 95% within statutory timeframes.
- Existing food premises verification, noise control response times, and animal management community education all met or exceeded targets this quarter.
- Some inspection and consenting measures were below target in quarter three, including high-risk liquor inspections. While quarterly performance was below target, the inspectorate remains on track to achieve the 95% annual target across the full year.

Building consents processed within timeframes



Quarterly trends



Consent summary

- Building consents: 98% processed within statutory timeframes, narrowly below target and improving
- Code compliance certificates: 95% issued within statutory timeframes, below target and down from last quarter
- Resource consents: 95% processed within statutory timeframes, below target and down from last quarter

Ngā ratonga waeture | Regulatory services

Measure	Target 2025-26	Target quarter 3	Actual quarter 3	Quarter 3 vs target	Variance reason
Percentage of building consents processed within statutory timeframe	100% within 20 days	100% within 20 days	98%		Target not met. Building consents were processed within statutory timeframes for 98% of applications in quarter three. Performance was narrowly below target, reflecting a small number of applications affected by IT access issues that prevented contractors from processing consents originally allocated to them. These applications were reassigned to HCC staff, which resulted in some being granted outside the statutory timeframe.
Code of compliance certificates issued within the statutory timeframe	100% within 20 days	100% within 20 days	95%		Target not met. Code compliance certificates were issued within statutory timeframes for 95% of applications in quarter three. Performance was below target, reflecting a small number of delays in monitoring and responding to RFI returns within the inspection process.
Percentage of non-notified resource consents processed within statutory timeframes	100% within 20 days	100% within 20 days	95%		Target not met. Non-notified resource consents were processed within statutory timeframes for 95% of applications in quarter three. Performance was below target due to a small number of complex subdivision applications that exceeded statutory timeframes.

Target met Target not met

Ngā ratonga waeture | Regulatory services

Measure	Target 2025-26	Target quarter 3	Actual quarter 3	Quarter 3 vs target	Variance reason
Existing food premises verified within time frames (one month of due date)	85% by due date	85% by due date	100%		Target met
Sale and supply of liquor (high risk premises) inspected	95% checked	95% checked	79%		Target not met. While the inspectorate is currently below the KPI, it is important to note that this is an annual target and that the team are on track to achieve 95% across the full year.
Noise control (excessive noise) complaints (%) investigated within 45 minutes	≥85%	≥85%	92%		Target met
Number of animal management community education programmes carried out yearly	≥20 visits annually	≥15 visits	35 visits		Target met

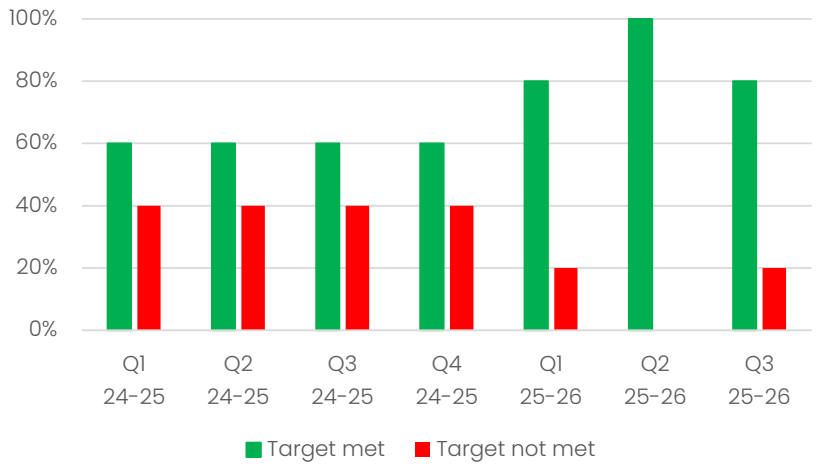
Target met Target not met

Ngā Waka | Transport

Quarter three summary

- Transport delivery progressed in quarter three, with shared pathway delivery, footpath renewals, and contract audit performance all met target.
- A total of 1.5 km of shared pathways was added through completed sections of the Tupua Horo Nuku project, and footpath renewals remained ahead of the cumulative year-to-date target.
- Contract audit performance remained strong, with all audited contract specifications meeting contractual obligations.
- Road safety remains an area of concern, with the year-to-date total for fatal and serious injury crashes at 24, above the quarter three threshold of 19, although quarter three recorded no fatal crashes and seven serious injury crashes.

Quarterly trends



Contract audit compliance rate

Ngā Waka | Transport

Measure	Target 2025-26	Target quarter 3	Actual quarter 3	Quarter 3 vs target	Variance reason
Kilometres of shared pathways and cycle lanes added	≥5 km	0 km	1.5 km		Target met. A total of 1.5 km of shared pathways was added in quarter three, reflecting completed sections of the Tupua Horo Nuku project.
Kilometres of renewals for footpaths	≥2.6 km	1.9 km	2 km		Target met. Footpath renewals totalled 2.0 km year to date at the end of quarter three, exceeding the cumulative target of at least 1.9 km.
Audit of contracts – number of contracts audited	12 of 12	3 of 12	11 of 12		Target met
Audit of contracts – percentage of audited contract specifications that met contractual obligations	≥90%	90%	90%		Target met
The number of fatalities and serious injury crashes on the local road network	≤25	≤19	24		Target not met. At the end of quarter three, the year-to-date total was 24 fatal and serious injury crashes on the local road network, above the quarter three threshold of 19. During quarter three, there were seven serious injury crashes and no fatal crashes recorded. This measure is based on NZTA Crash Analysis System data for Lower Hutt local roads and excludes state highways.

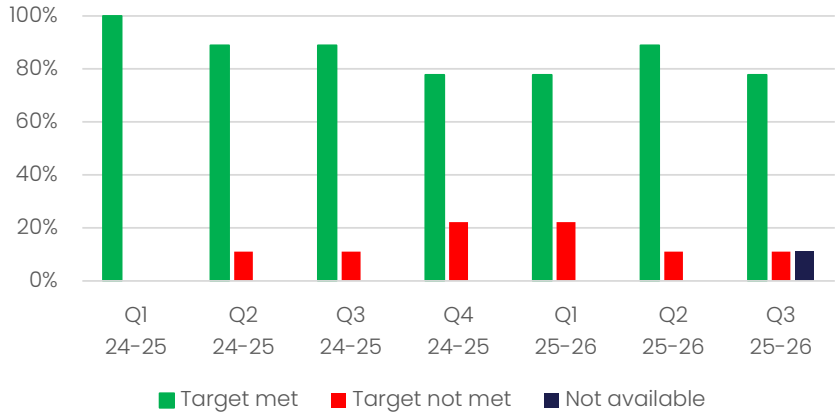
Target met Target not met

Hō mātou rangapū hapori me te mahi ngātahi | Community partnering and support

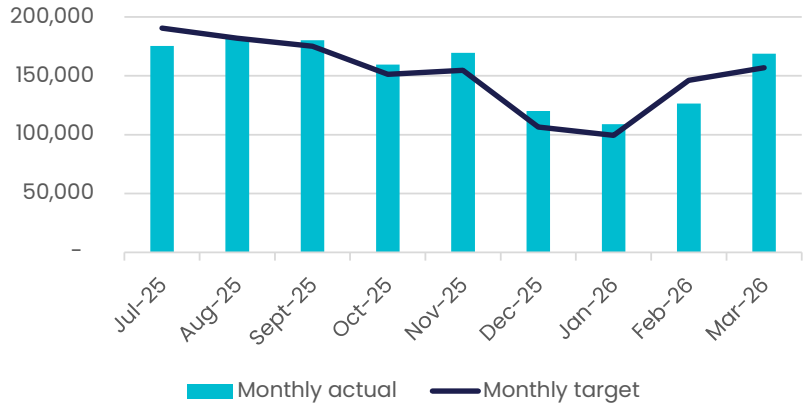
Quarter three summary

- Community Partnering and Support delivered strong performance in quarter three, with seven of eight reported KPIs achieved.
- Targets were met for households assisted into more settled accommodation, homelessness prevention, community wellbeing activities, library loans, digital literacy, early years literacy, and Neighbourhood Support households.
- Households assisted into more settled accommodation reached 60, and 110 households were supported through the homelessness prevention programme.
- Neighbourhood hub visitor targets were below target, with 6 of 9 hubs meeting target, affected by the Kōraunui Stokes Valley closure for most of March.

Quarterly Trends



Number of visitors to community hubs



HUTT CITY TE AWA KAIRANGI

Q3 Performance Report

Hō mātou rangapū hapori me te mahi ngātahi | Community partnering and support

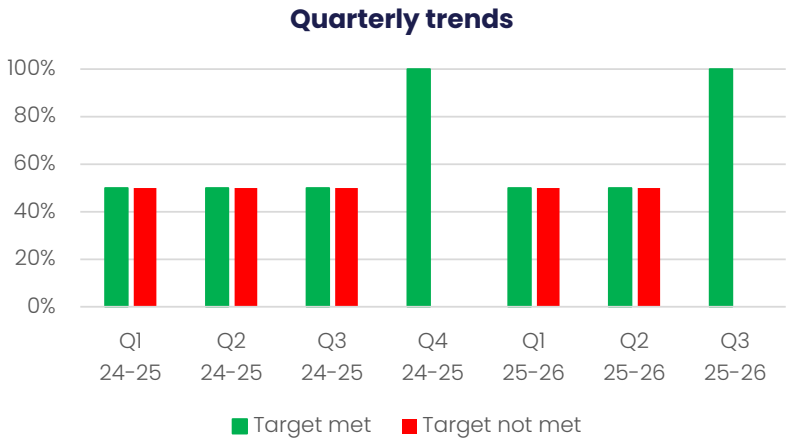
Measure	Target 2025-26	Target quarter 3	Actual quarter 3	Quarter 3 vs target	Variance reason
Number of neighbourhood hubs that met visitor number targets	9 of 9	9 of 9	6 of 9	🔴	Target not met. Kōraunui Stokes Valley closed for most of March.
Number of community wellbeing activities delivered by, or in partnership with Council	≥5,000	≥3,750	6,306	🟢	Target met
Number of overall loans from hubs/libraries	≥790,000	≥592,500	687,457	🟢	Target met
Number of digital literacy programmes/activities delivered/enabled	≥100	≥75	812	🟢	Target met
Number of early years literacy programmes/activities delivered/enabled	≥800	≥600	1,152	🟢	Target met
Number of Neighbourhood Support member households	≥105	≥78	1,037	🟢	Target met
Number of Te Awa Kairangi ki Tai Lower Hutt households assisted into more settled accommodation	≥50	≥37	60	🟢	Target met
Number of households provided with legal housing advice and advocacy	≥80	≥60			Data for quarter three was not available at the time of reporting.
Number of households assisted by the homeless prevention programme	≥75	≥56	110	🟢	Target met

🟢 Target met 🔴 Target not met

Papa rēhia me ngā whenua tāpui | Open spaces, parks and reserves

Quarter three summary

- Open spaces, parks and reserves delivered strong performance in quarter three, with both KPIs achieved.
- No closures were recorded for artificial turf fields during the quarter.
- Grass sports field closures remained within target in quarter three, reflecting more favourable field conditions.



Measure	Target 2025-26	Target quarter 3	Actual quarter 3	Quarter 3 vs target	Variance reason
Number of days Council owned/maintained artificial turf sports fields are closed (due to maintenance issues)	≤20 days	≤15 days	0 days		Target met
Number of days Council owned/maintained grass sports fields are closed (due to maintenance or drainage issues)	≤10 days	≤8 days	6 days		Target met

Target met Target not met

HUTT CITY
TE AWA KAIRANGI

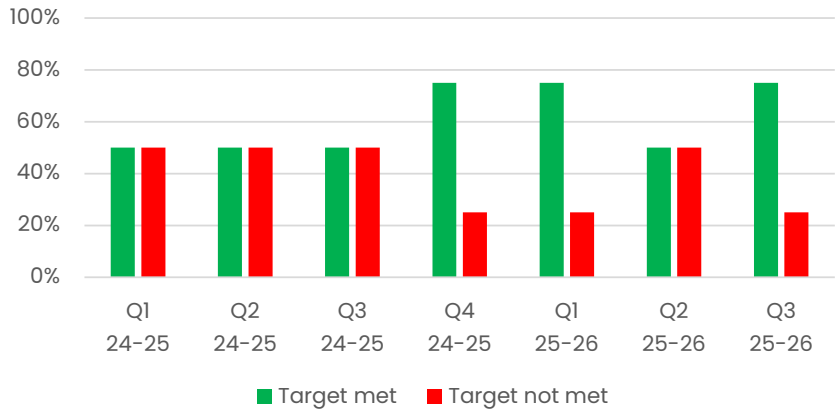
Q3 Performance Report

Ngā herengatanga, auahatanga, akoranga me ngā mahi a te rēhia | Connectivity, creativity, learning & recreation

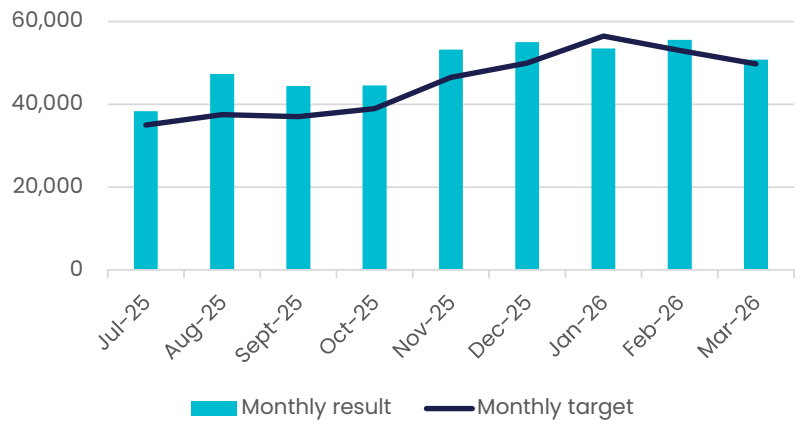
Quarter three summary

- Connectivity, creativity, learning and recreation delivered mixed performance in quarter three, with three of four KPIs achieved.
- Pool visitation and museum visitation both met the target, while arts and culture programme delivery at museums exceeded the target, with 201 programmes delivered against a target of 150.
- Fitness suite membership remained below target at 2,325 members, with performance continuing to be affected by Huia Pool operating only partially following refurbishment, limited fitness suite staffing at Huia, and wider cost-of-living pressures.
- Cross-promotion and increased media activity are underway to support membership growth.

Quarterly trends



Number of visitors to pools



Ngā herengatanga, auahatanga, akoranga me ngā mahi a te rēhia | Connectivity, creativity, learning & recreation

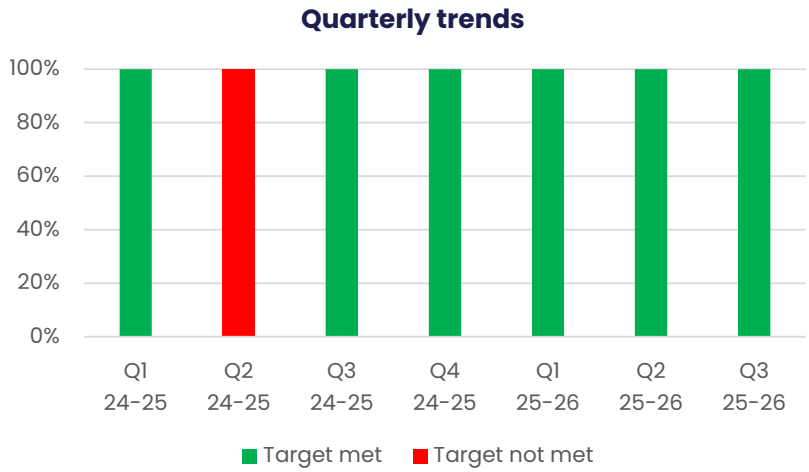
Measure	Target 2025-26	Target quarter 3	Actual quarter 3	Quarter 3 vs target	Variance reason
Number of pools that met visitor number targets	6 of 6	6 of 6	6 of 6		Target met
Number of fitness suite members	≥ 2,469	≥2,469	2,325		Target not met. Fitness suite membership was below the quarter three target, with 2,325 members recorded at the end of the period. Performance continues to be affected by Huia Pool operating only partially following refurbishment, limited fitness suite staffing at Huia, and wider cost-of-living pressures. Cross-promotion and increased media activity are underway to support growth in membership.
Number of museums that met visitor number targets	2 of 2	2 of 2	2 of 2		Target met
Number of arts and culture programmes delivered at museums	≥200	≥150	201		Target met

Target met Target not met

Kāwanatanga, rautaki me ngā herenga | Governance, strategy and partnerships

Quarter three summary

- Governance, strategy and partnerships performance remained on track in quarter three, with all Council agendas made available within the required statutory timeframes.
- This supports transparent decision-making and ensures the community has timely access to Council information.



Measure	Target 2025-26	Target Quarter 3	Actual Quarter 3	Quarter 3 vs Target	Variance reason
Percentage of agendas made available to the public within statutory timeframes (four clear working days under Council's standing orders)	100%	100%	100%	●	Target met

● Target met ● Target not met

7 Rāpopotonga Pūtea
Financial summary

What this section covers:

This section provides a clear view of Council's financial performance for the quarter, focusing on how operating and capital expenditure are tracking against the Annual Plan and what that means for the year ahead.

It highlights the key movements and drivers behind the quarterly results, including timing impacts, forecast underspends and overspends, and areas where delivery has shifted across the capital programme.

The section is intended as a high-level financial snapshot, helping decision-makers, elected members, and the community understand how resources are being managed, where financial pressures or opportunities are emerging, and how current performance is shaping the year-end outlook.

HUTT CITY
TE AWA KAIRANGI

Q3 Performance Report

Ahumoni | Financial Performance Results

As at 31 March 2026

Operating Performance Results

The year-end forecast is **$9.4M (13.8%) favourable** against a revised net operating budget of $68.3M.

Key drivers:

- Depreciation underspend of $8M is largely in Water Services.
- Other underspend in Water Services is mainly due to lower reactive maintenance, $3.9M.
- Higher rates income linked mainly to rates penalties of $1.9M.

Offset by:

- Estimated Storm damage costs of $1.4M, mainly in Transport and Parks and Reserves.
- Revenue shortfalls and cost pressures in Solid Waste, Aquatics and enforcement activities of $2.5M.

Capital contributions are unfavourable due to reduced subsidies linked to capital projects and reduced development and financial contributions revenue.

Capital Investment Performance Results

$94.5M capex has been delivered YTD. Year-end forecast is **$43.6M (17.8%) below the revised budget** of $244.8M.

Key drivers:

- Capital programme delivery is behind plan particularly in Water Services, Parks & Reserves, Transport, and City Development. This is due to project delays and rescheduling, reprioritisation of key programmes, and delivery constraints including resourcing and external dependencies.
- These projects will require budget carryovers, with decisions to be considered at the 13 May Council meeting.

HUTT CITY TE AWA KAIRANGI

Q3 Performance Report

Ahumoni | Financial Performance Results

As at 31 March 2026

Key:

Favourable or minimal variance =>1%:

Moderate variance:

High unfavourable variance<-5%:

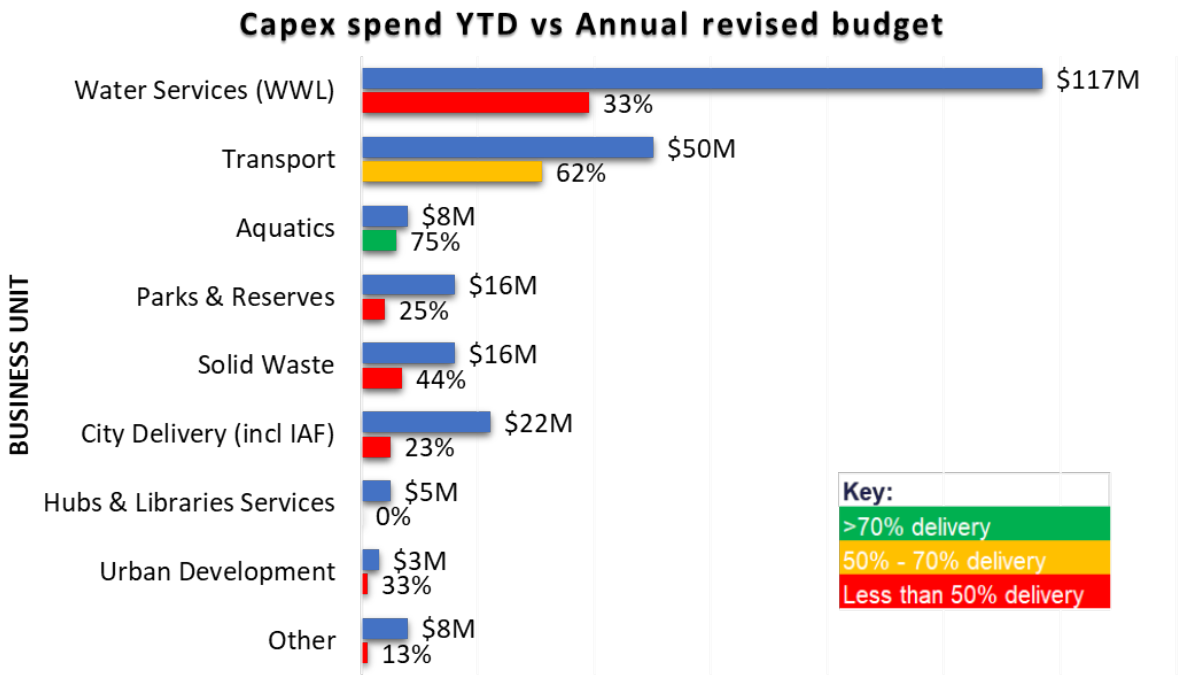
Operating Performance Results

$million	YTD Actual	YTD Revised Budget	Variance	%		Annual Forecast	Annual Revised Budget	Variance	%		Annual Plan Budget
Operating Revenue	67.4	69.4	(1.9)	2.7%		89.4	92.0	(2.6)	2.8%		92.0
Operating Expenditure	(261.4)	(277.1)	15.7	5.7%		(360.3)	(370.4)	10.0	2.7%		(367.8)
Net Operating Before Rates Income	**(194.0)**	**(207.7)**	**13.7**	**6.6%**		**(270.9)**	**(278.4)**	**7.5**	**2.7%**		**(275.8)**
Rates Income	212.0	209.7	2.3	1.1%		212.0	210.1	1.9	0.9%		210.1
Net Operating	**18.0**	**2.0**	**16.0**	**800.0%**		**(58.9)**	**(68.3)**	**9.4**	**13.8%**		**(65.7)**
Capital Contributions	24.0	26.3	(2.3)	8.8%		31.1	41.0	(9.9)	24.1%		47.1
Gain/(Loss) on disposal of assets	1.6	0.2	1.5			0.2	0.2	-			1.3
Net Surplus/(Deficit)	**43.6**	**28.4**	**15.2**	**53.5%**		**(27.5)**	**(27.1)**	**(0.4)**	**1.5%**		**(17.3)**

Capital Performance Results

$millions	YTD Actual	YTD Revised Budget	Variance	%		Annual Forecast	Annual Revised Budget	Variance	%		Annual Plan Budget
Total	94.5	156.6	62.1	39.7%		201.3	244.8	43.6	17.8%		255.6

Te haumitanga ahumoni |
Capital Investment Delivery– Significant risks



Capital delivery results

- YTD capital delivery is 40% below budget. This is partly due to timing of projects as well as prioritisation of resources across emergency management activities during recent weather events.
- Overall, the year end forecast is showing delivery of $201M against the revised budget of $245M.
- The forecast reflects around 79% delivery against the original Annual Plan budget of $256M. Budget carryovers will be reported to Council on 13 May.

HUTT CITY TE AWA KAIRANGI

Q3 Performance Report

Pūtea whakahaere | Net Operating Results

Overview

Year-end operating result is forecast to be **$7.5M favourable** against the revised budget

Net operating results by activity (excludes Rates, Capital Contributions & Support Costs)

Key favourable forecast variances are:

- $6M in Wastewater, mainly due to underspend on the treatment plant and lower depreciation of $4M.
- $4M in Water supply, mainly due to underspend in monitoring and investigations and lower depreciation of $1.5M.
- $1.6M in City Development, mainly due to delays with the Development Incentives funding programme.

Key unfavourable forecast variances are:

- $1.9M in Solid Waste, mainly due to higher landfill aftercare provision costs, reduced commercial revenue driven by volumes and higher operational costs.
- $0.4M in Stormwater, mainly due to higher insurance costs, partly offset by underspend on network and investigations.
- $0.4M in Connectivity, Creativity, Learning & Recreation, mainly due to reduced revenue and higher utility costs in Aquatics.
- $0.4M in Corporate Services, mainly due to savings budgeted in this area but achieved elsewhere, such as City Development.
- $0.3M in Transport, mainly due to a shortfall in parking revenue as a result of delays in implementing changes to central area paid parking, storm damage costs, offset by reduced depreciation.
- $0.3M in Community Partnering & Support, mainly due to additional depreciation costs linked to community facilities.
- $0.2M in Regulatory Services, mainly due to higher costs of enforcement activities.

Pūtea whakahaere | Net Operating Results

Key:

Favourable or minimal variance =>1%:

Moderate variance:

High unfavourable variance<-5%:

Net operating results by activity

(excludes Rates, Capital Contributions & Support Costs)

$Million	YTD Actual	YTD Revised Budget	Variance	%	Annual Forecast	Annual Revised Budget	Variance	%	Annual Plan Budget
Environmental Wellbeing									
Water Supply	(41.1)	(44.0)	2.9	6.6%	(54.8)	(58.8)	4.0	6.8%	(58.8)
Wastewater	(37.3)	(39.9)	2.5	6.3%	(47.7)	(53.6)	6.0	11.2%	(53.6)
Stormwater	(20.0)	(19.3)	(0.7)	3.6%	(26.0)	(25.6)	(0.4)	1.6%	(25.6)
Solid Waste	(1.3)	0.2	(1.5)	982.3%	(1.7)	0.2	(1.9)	1214.8%	0.2
Sustainability & Resilience	(1.1)	(1.2)	0.1	8.3%	(1.7)	(1.6)	(0.1)	6.3%	(1.6)
Regulatory Services	0.2	(0.4)	0.6	139.8%	(1.2)	(1.0)	(0.2)	19.9%	(1.0)
Environmental Wellbeing Total	**(100.7)**	**(104.7)**	**3.9**	3.7%	**(133.2)**	**(140.5)**	**7.3**	5.2%	**(140.5)**
Economic Wellbeing									
Transport	(22.4)	(24.5)	2.1	8.6%	(33.3)	(33.0)	(0.3)	0.9%	(32.6)
City Development	(5.1)	(8.3)	3.2	38.6%	(9.3)	(10.8)	1.6	14.8%	(10.6)
Economic Wellbeing Total	**(27.6)**	**(32.8)**	**5.3**	15.9%	**(42.5)**	**(43.8)**	**1.3**	3.0%	**(43.2)**
Social & Cultural Wellbeing									
Community Partnering & Support	(6.9)	(7.5)	0.6	8.0%	(10.5)	(10.2)	(0.3)	2.9%	(9.8)
Open Spaces, Parks & Reserves	(12.4)	(14.6)	2.2	15.0%	(19.6)	(19.5)	-	0.0%	(18.6)
Connectivity, Creativity, Learning & Recreation	(19.7)	(19.2)	(0.5)	2.6%	(26.3)	(25.8)	(0.4)	1.5%	(25.7)
Governance Strategy & Partnerships	(2.9)	(2.9)	-	0.0%	(3.9)	(3.9)	-	0.0%	(4.1)
Corporate Services	(23.6)	(25.9)	2.3	8.9%	(35.0)	(34.6)	(0.4)	1.2%	(34.0)
Social & Cultural Wellbeing Total	**(65.7)**	**(70.2)**	**4.5**	**6.4%**	**(95.2)**	**(94.1)**	**(1.1)**	**1.2%**	**(92.1)**
Total Council	**(194.0)**	**(207.7)**	**13.7**	6.5%	**(270.9)**	**(278.4)**	**7.5**	2.7%	**(275.8)**

HUTT CITY TE AWA KAIRANGI

Q3 Performance Report

Ngā hua haumitanga | Capital Investment Results

Overview

Year-end capital spend is forecast to be **less than revised budget by $43.6M or 17.8%**

Key forecast variances

Environmental wellbeing

- $5.7M underspend in Water Supply, which includes underspend on Network renewals and upgrades due to programme reprioritisation and rescheduling
- $5.4M underspend in Stormwater, mainly due to delays with the Valley Floor Infrastructure project ($2.7M), and the balance relates to several Wellington Water delivered projects where the work schedules have been revised
- $3.9M underspend in Wastewater, primarily driven by the Seaview WWTP programme delays
- $1.5M underspend in Solid Waste, mainly due to Landfill delays and Manor Park affecting the Transfer station project.

Economic wellbeing

- $4.2M underspend in Transport, mainly due to delays with Traffic Safety, Resilience and Road Network Improvements projects. Delays are a result of rescoping/design decisions linked to resourcing constraints.
- $5.5M underspend in City Development, mainly due to delays with Te Wai Takamori o Te Awa Kairangi as a result of timing differences for property purchases and Urban Growth Strategy projects due to external dependencies.

Social and cultural wellbeing

- $8.2M underspend in Open Spaces, Parks & Reserves is mostly due to changes in project timing and revision of the programme.
- $6.1M underspend in Connectivity, Creativity, Learning & Recreation relates mainly to Petone Library Renewal, pool renewals and Dowse heat pump projects being deferred due to resourcing capacity.
- $2.3M underspend in Corporate services, mainly due to underspend in the Facilities Seismic Strengthening and Contingent Facilities Fund, which are deferred due to interdependencies with other delayed projects.
- $0.9M underspend in Community Partnering & Support is related to renewal projects across community halls, community houses and hubs. Some projects are tracking under budget, while others are delayed in 2025-26 due to resourcing constraints.

These underspends will require carryovers to future years.

Ngā hua haumitanga | Capital Investment Results

Capex results by activity

Category $million	YTD Actual	YTD Revised Budget	Variance	%		Annual Forecast	Annual Revised Budget	Variance	%		Annual Plan Budget
Environmental Wellbeing											
Water Supply	7.3	14.5	7.2	49.7%		19.6	25.3	5.7	22.6%		28.1
Wastewater	31.8	51.9	20.1	38.7%		88.7	92.6	3.9	4.2%		74.3
Stormwater	2.1	7.4	5.3	71.9%		5.1	10.5	5.4	51.7%		12.8
Solid Waste	6.6	11.9	5.4	45.2%		14.4	15.9	1.5	9.4%		15.0
Sustainability & Resilience	-	0.2	(0.2)	104.2%		0.3	0.3	-	0.0%		-
Regulatory Services	-	-	-			-	-	-			-
Environmental Wellbeing Total	**47.8**	**85.9**	**38.1**	**44.4%**		**128.1**	**144.5**	**16.4**	**11.3%**		**130.2**
Economic Wellbeing											
Transport	30.5	42.3	11.8	27.9%		46.3	50.5	4.2	8.3%		68.9
City Development	4.4	5.5	1.1	20.1%		8.2	13.7	5.5	40.2%		14.2
Economic Wellbeing Total	**34.9**	**47.8**	**12.9**	**27.0%**		**54.4**	**64.2**	**9.8**	**15.3%**		**83.1**
Social & Cultural Wellbeing											
Community Partnering & Support	0.1	1.0	0.9	93.6%		0.4	1.2	0.9	72.5%		1.1
Open Spaces, Parks & Reserves	3.5	8.8	5.3	59.9%		7.7	15.9	8.2	51.6%		21.4
Connectivity, Creativity, Learning & Recreation	6.5	9.3	2.8	30.0%		8.0	14.1	6.1	43.4%		14.5
Governance Strategy & Partnerships	-	-	-			-	-	-			-
Corporate Services	1.7	3.7	2.0	53.8%		2.7	4.9	2.3	46.7%		5.3
Social & Cultural Wellbeing Total	**11.8**	**22.9**	**11.1**	**48.5%**		**18.7**	**36.1**	**17.4**	**48.2%**		**42.3**
Total Council	**94.5**	**156.6**	**62.1**	**39.7%**		**201.2**	**244.8**	**43.6**	**17.8%**		**255.6**

HUTT CITY TE AWA KAIRANGI

Q3 Performance Report

Tahua whakahaere taurite | Balanced Operating Budget Result

- The Long Term Plan 2024-2034 includes a financial strategy that outlines important principles that provide the foundation for prudent, sustainable financial management. This includes achieving a balanced operating budget over time and ensuring that everyday costs are paid for by everyday income. The Annual Plan 2025-26 projected that a balanced budget would not be achieved until 2027-28.
- With the year end forecast deficit of $55.1M, the year end balanced operating budget position for 2025-26 is currently forecast to be $8.5M favourable compared to the planned position, as reflected in the table below.

$Million	YTD Actual	YTD Revised Budget	Variance	%	Annual Forecast	Annual Revised Budget	Variance	%	Annual Plan Budget
Net Operating	18.0	2.0	16.0	800.0%	(58.9)	(68.3)	9.4	13.8%	(65.7)
Plus Capital Renewal subsidies	2.8	3.5	(0.7)	20.0%	3.8	4.7	(0.9)	19.0%	4.7
Total	**20.8**	**5.5**	**15.3**	**280.0%**	**(55.1)**	**(63.6)**	**8.5**	**10.0%**	**(61.0)**

Note: The Hutt City Council balanced operating budget target is defined as the Local Government (Financial Reporting and Prudence) Regulations 2014 definition, modified to exclude from the definition of revenue Waka Kotahi's capital improvement subsidies, National Infrastructure Acceleration Fund grants and central government COVID-19 Response and Recovery co-funding for Tupua Horo Nuku.

Mahere ā-tau/Mahere hou | Annual Plan v Revised Plan

- The current Annual Plan 2025-26 was approved by Council on 27 June 2025. The annual budgets included for 2025-26 were based on the best financial information and estimates available at the time of preparation.
- A revised budget for 2025-26 was created to reflect the budget updates required to improve the accuracy of budgets and the associated reporting of variances. The focus of performance monitoring is on financial results compared to the revised budget, as this is most meaningful from a performance perspective.
- The following table provides a summary view of the budget changes made to date and includes decisions made at Council meetings as well as upcoming decisions assumed to be approved as per officer advice.

$Million	Net Surplus/ (Deficit) 2024-25	Capital 2024-25	Change reference
Annual Plan 2025-26	(17.6)	255.6	
	Deficit		
2024-25 year end carryovers	(2.0)	15.6	Council meeting 7 October 2025
Draft Annual Plan 2026-27 changes	(2.1)	(12.4)	Council meeting 16 December 2025
Draft Annual Plan 2026-27 rephasing changes	(5.4)	(14.0)	Council meeting 27 February 2026
Revised budget 2025-26 as at 28 February 2026	(27.1)	244.8	
	Deficit		

8 Te Whakahaere Pūtea Treasury management summary

What this section covers:

This section provides an overview of Council's treasury management performance for the quarter, focusing on how borrowing, liquidity, and interest rate risk are being managed within the limits set by the Treasury Risk Management Policy.

It outlines Council's compliance with key policy limits, the use of debt and financial instruments to support capital delivery, and the effectiveness of treasury activities in managing financial risk in a changing economic environment.

The section is intended as a high-level assurance view, helping decision-makers, elected members, and the community understand how treasury settings are supporting financial sustainability, maintaining liquidity, and managing exposure to interest rate and funding risks.

Te Pūrongo takotoranga moni | Treasury report

Our focus

The focus of treasury management activity has been on:

- preparing for the Tiaki Wai water services transition changes on 1 July 2026
- managing interest rate risk and minimising funding costs
- monitoring cash flow and liquidity
- managing debt requirements and the maturity profile.

Highlights

- Interest costs were favourable to the budget by $0.7 million for the period, mainly due to slightly lower debt levels than anticipated.
- Interest earned on cash holdings was favourable to the budget by $0.7 million for the period, mainly due to higher cash and term deposit holdings.
- An average cost of funds of 4.5% has been achieved year to date, which is in line with budget.

	Actual YTD	YTD Budget	Variance
Average cost of funds	4.54%	4.54%	0.0%
Interest expense – borrowings	($21.4M)	($22.1M)	$0.7M
Interest earned	$3.0M	$2.3M	$0.7M
Fair value gain on derivatives	$1.5M	-	-

HUTT CITY TE AWA KAIRANGI

Q3 Performance Report

Moni tārewa | Debt portfolio performance

Debt levels

- Net debt* decreased from $500.5 million at 31 December 2025 to $494.2 million at 31 March 2026. Gross debt increased from $591.7 million at 31 December 2025 to $606.7 million as at 31 March 2026.
- $15 million of Floating Rate debt was issued during the three months to 31 March 2026. Over the same period, there were no debt maturities.
- Both revolving credit facilities, $35 million with Local Government Funding Agency and $25 million with Westpac, remain undrawn as at 31 March 2026.

*Net debt is calculated from Gross Debt, *less* CCO investment, LGFA Borrower Notes, pre-funding Term Deposits and cash holdings

Interest rate swaps

- Council uses interest rate swap agreements totalling $158 million to manage interest rate risk and provide greater certainty over future borrowing costs. The value of these agreements changes over time as market interest rates move.
- As at 31 March 2026, an accounting fair value gain of $1.5 million was recorded. This reflects market movements only and is a non-cash accounting adjustment. There are no cash flow impacts from this valuation change, and the swap agreements continue to perform their intended risk management role.
- In March 2026, $9M of Interest Rate swaps matured.

Kaupapa here me ngā ārai tūraru | Policy compliance and risk controls

Policy Compliance

Measures	Policy	Actual 31 March 2026	Compliant
Net external debt/total revenue	Maximum 250%	151.1%	Yes
Net interest on external debt/total revenue	Maximum 15%	6.2%	Yes
Net interest to annual rates income	Maximum 25%	8.8%	Yes
Liquidity ratio	Minimum 110%	118.3%	Yes

Funding Risk Control Limits

Period	Minimum %	Maximum %	Actual gross debt Not including Revolving Credit Facility ($60M)	Actual % 31 March 2026	Compliant
0 to 3 years	15%	60%	$300.7M	49%	Yes
3 to 7 years	25%	85%	$301.0M	50%	Yes
7 years plus	0%	60%	$5.0M	1%	Yes
		Total	$606.7M	100%	

HUTT CITY TE AWA KAIRANGI

Q3 Performance Report

Ngā Take Tai Ōhanga | Tiaki Wai: Treasury matters

Debt portfolio

- Officers have been working with the Tiaki Wai Establishment team and treasury advisors to plan for the various treasury related transition aspects, including debt transfer and security arrangements.
- Hutt City Council water services debt is projected to be ~$288 million at transition on 1 July 2026, although it may be lower due to capital delivery risks.
- The Local Government Funding Agency novation path is expected to be applied to transfer water debt across to Tiaki Wai in July 2026.

Identified breach of policy

Interest Rate Risk Control Limits

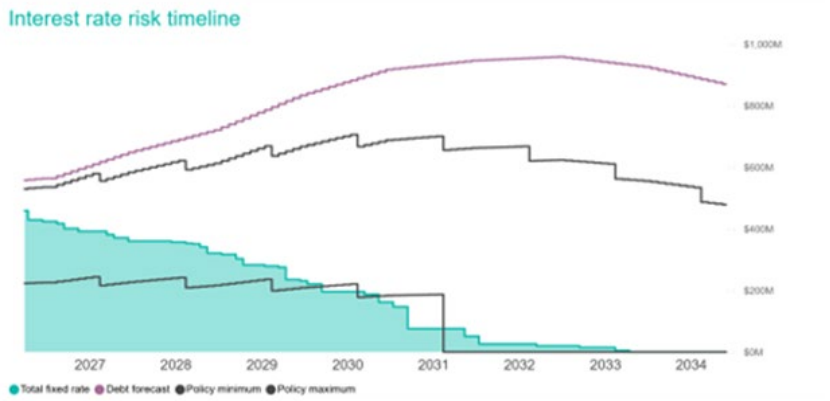
- Officers have identified a breach of policy in the 5-year interest rate band whereby the minimum fixed rate drops to 14%, which is below the required 20% threshold (refer to the table below).
- Potential policy breaches have also been identified post 1 July 2026, but will be dependent on the final water services debt transfer position at that point. Both are due to the transfer of water-related debt on 1 July 2026 that has created tension in the application of the Policy, particularly in relation to both funding and interest rate risk management.
- These matters have been reported to the Audit and Risk Subcommittee in April 2026 (Report ARSC2026/2/66). Officers anticipate that corrective action will be completed in July 2026, but no later than 30 September 2026.

Month
February 2026

Currency
NZD

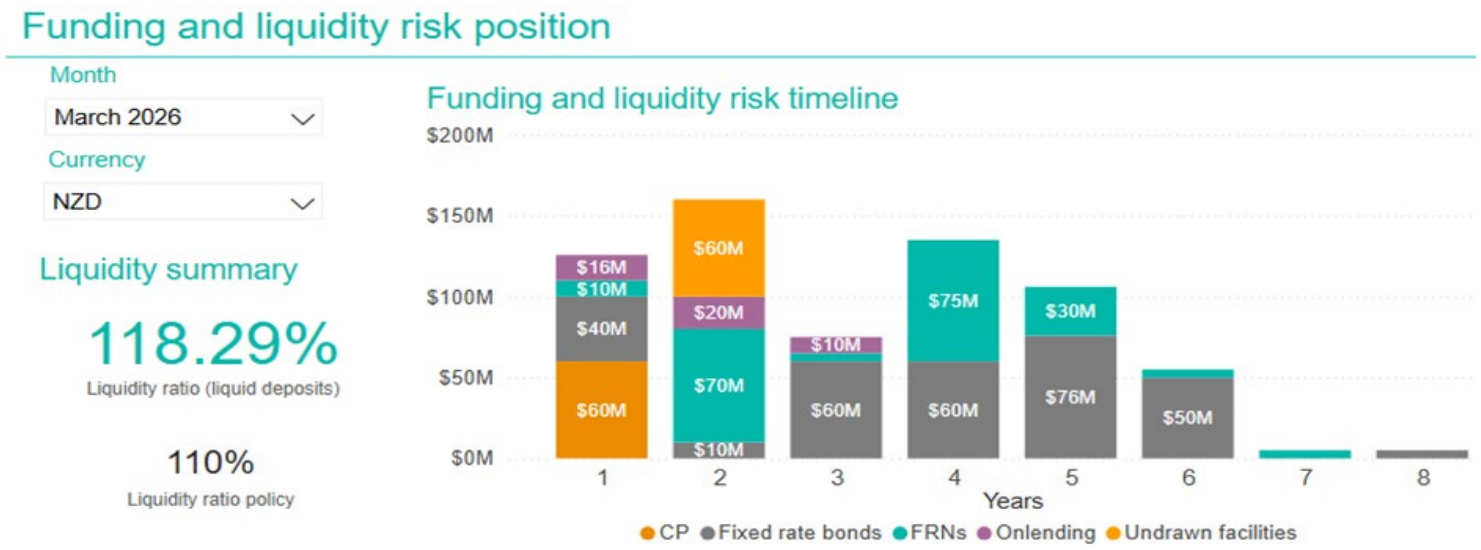
Interest rate summary

#	Bucket	Min	Max	Actual
1	0 - 12	40%	95%	73%
2	12 - 24	35%	90%	56%
3	24 - 36	30%	85%	43%
4	36 - 48	25%	80%	27%
5	48 - 60	20%	75%	14%
6	60 - 72	0%	70%	5%
7	72 - 84	0%	65%	2%
8	84 - 96	0%	60%	0%
9	96 - 108	0%	55%	0%



Te maoatanga pūtea me te pāpātanga itareti | Funding maturity and interest rate risk

Funding maturity profile

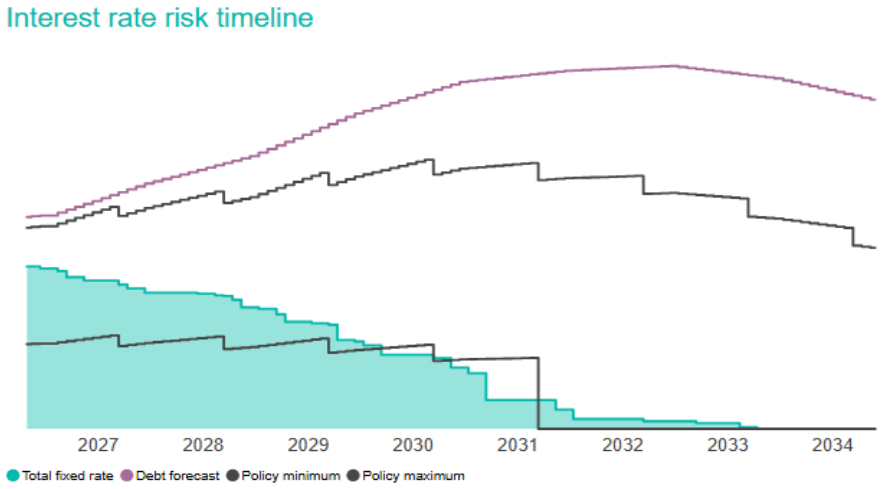


Liquidity – Cash available to meet commitments
Commercial Paper – Short term cash flow funding
Fixed rate bonds – Long term debt with stable interest costs
Floating rate notes (FRNs) – Debt with flexible interest rates
Onlending – Council borrowing on behalf of Council Controlled Organisations
Undrawn facilities – Standby funding if required

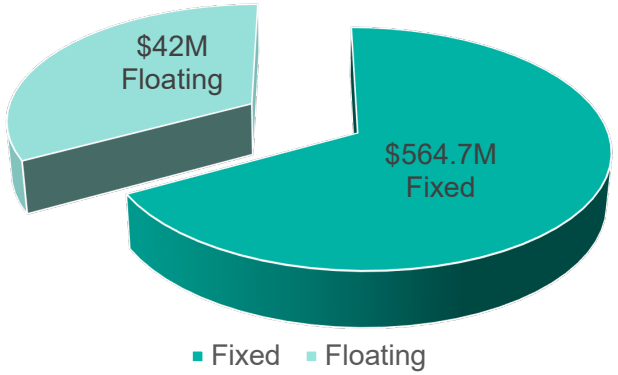
Te maoatanga pūtea me te pāpātanga itareti | Funding maturity and interest rate risk

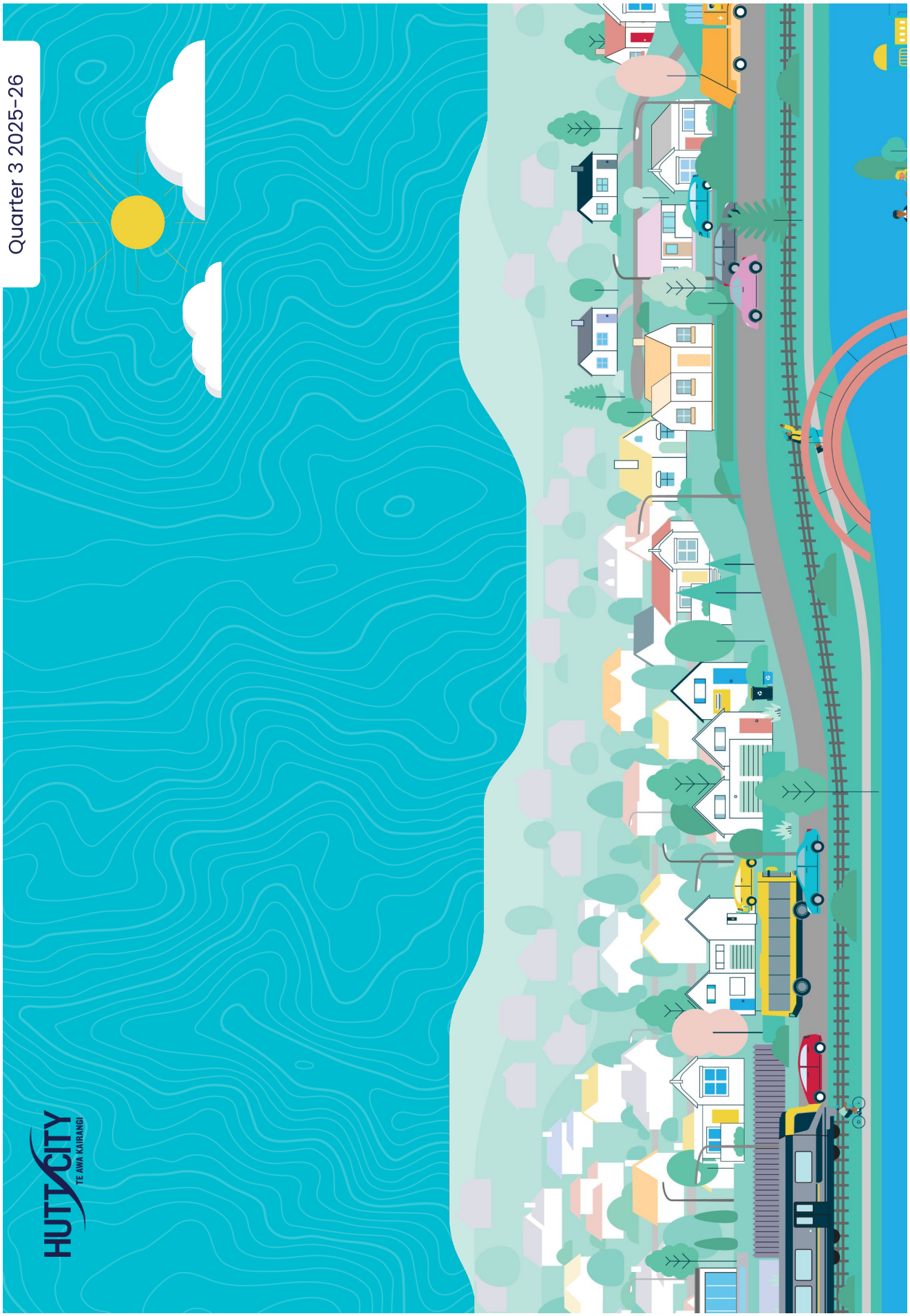
Interest rate risk control limits

Interest rate risk is managed through the risk control limits. The graph that follows shows the level of fixed rate cover in place within the minimum and maximum limits of the treasury risk management policy.



After overlaying interest rate swaps, the split between fixed and floating debt is as follows:




Quarter 3 2025-26
HUTT CITY
TE AWA KAIRANGI

HUTT CITY TE AWA KAIRANGI **Policy and Performance Committee**

15 April 2026

Report no: PPC2026/2/120

Quarterly progress report: Te Whiringa

Purpose of Report

1. To provide the Policy and Performance Committee with an overview of progress against Te Whiringa – Our Engagement Framework, and to highlight the importance of continued investment in engagement capability to support delivery of Council's priorities, particularly the Target Operating Model (TOM) and Long Term Plan (LTP).

Recommendations

That the Committee:

(1) notes that on 16 December 2025, Council adopted Te Whiringa – Our Engagement Framework (at Appendix 1);
(2) notes progress against Te Whiringa's Action Plan (pages 14 & 15 of Appendix 1); and
(3) notes that a summary of the full Te Whiringa Quarterly Report (at Appendix 2), will be published on Hutt City Council's website following this meeting for the purpose of updating the community.

Background

2. On 16 December 2025, Council adopted Te Whiringa – Our Engagement Framework (at Appendix 1).

3. Te Whiringa sets out Council's approach to improving engagement with the community, including a set of principles that guide practice and an Action Plan to deliver tangible improvements.

4. Te Whiringa's Action Plan (pages 14 & 15 of Appendix 1) outlines six focus areas each with a range of initiatives aimed at strengthening Council's engagement practice.

5. The Engagement Team's 2025–26 work programme is guided by the Action Plan and sets out a coordinated programme of work across Council.

6. When Te Whiringa was adopted in December 2025, officers committed to reporting quarterly on progress.

7. Since adoption, the operating context for local government has continued to evolve, including increasing financial pressures, delivery of the Target Operating Model, Annual and Long-Term Plans, and ongoing reform and amalgamation discussions.

8. In this context, strengthening Council's engagement practice is essential to ensure that decisions are well-informed, understood by the community, and are more likely to be supported and sustained over time.

Discussion

9. Progress this quarter demonstrates early but important shifts toward embedding more consistent, inclusive, and participatory engagement practices across Council.

10. While many initiatives remain in foundational stages, this work is critical to enabling more effective conversations with the community, particularly as Council navigates complex and potentially contentious decisions.

11. Investment in engagement capability is a key enabler of the Target Operating Model, supporting improved decision-making, stronger community trust, and better long-term outcomes.

12. Over time, this will support Council to move toward more participatory approaches to engagement, and position Council well in the context of potential regional reform or amalgamation, while also enabling our aspiration to deliver an LTP process that is more participatory and regionally aligned than in the past.

13. In the current local government environment, strengthening engagement practice should be viewed as essential rather than discretionary, as it underpins Council's ability to make informed, transparent, and enduring decisions in the face of financial constraints, policy change, and potential structural reform.

14. The Quarterly Report (see Appendix 2) provides a comprehensive update on delivery, including progress against each focus area and RAG status. This paper provides a strategic summary of key themes and insights.

15. Delivery of the 2025–26 work programme for this quarter, period January - March 2026, is progressing well across all six Te Whiringa Action Plan focus areas (summarised from paragraphs 17-40).

16. Officers report three areas of risk:

    (a) Due to internal staff movements, the Engagement Team is currently operating with two vacant full-time equivalent roles. Given the team's small size (three full-time equivalent roles), this creates a risk to the timely delivery of Te Whiringa. Recruitment to fill these roles is underway.

    (b) Participatory budgeting was due to have been trialled by now, however, changes to funding structures have delayed this. We are looking for new opportunities to trial.

    (c) While we await confirmation of whether CRM can house our stakeholder related information, our stakeholder prioritisation and support framework remains on hold.

Focus area 1: Strategic Planning and Governance

17. Progress has focused on establishing the foundations required to support more deliberate and consistent engagement practice across Council.

18. This includes the development of a deliberative methods guide to support participatory approaches, the implementation of an engagement pathway to better integrate engagement into project planning, and the introduction of lessons-learned processes to improve future practice.

19. Early application of this work is being seen in the design of the Long Term Plan engagement programme, where participatory approaches are being explored to enable more meaningful community input into key decisions.

20. Collectively, these initiatives represent a shift from ad hoc engagement toward more structured and participatory decision-making processes, which will be critical as Council navigates complex and high-impact decisions

Focus area 2: Mana Whenua Partnership

21. Council continues to build on its well-established relationships and processes with Mana Whenua, with a focus on internal alignment, capability, and forward planning across engagement activities.

22. This includes working alongside Te Tira Māori to support internal engagement practices, developing practical guidance on tikanga-aligned engagement (such as koha and manaaki practices), and maintaining visibility of key Māori events to inform engagement activities.

23. In addition, there is a focus on further staff development and learning opportunities.

24. These initiatives sit alongside existing practices and contribute to a consistent and coordinated organisational approach to our Mana Whenua partnerships.

Focus area 3: Inclusive and Accessible Participation

25. A range of initiatives are underway to reduce barriers to participation and broaden the diversity of voices informing Council decisions.

26. This includes development of a 'Council 101' resource to improve understanding of Council processes, exploration of translation and multilingual feedback options, and improvements to the Kōrero Mai webpage to increase visibility and accessibility of engagement opportunities.

27. New approaches are also being explored, such as reusable engagement spaces in neighbourhood hubs and storytelling approaches that elevate community voices, including the use of community reference group members in communications.

28. These initiatives will enable engagement to shift toward more inclusive and accessible participation, ensuring that Council decision-making better reflects the diversity of the community.

Focus area 4: Relationships and Community Outreach

29. Initial progress has focused on strengthening how Council builds and maintains relationships with communities and stakeholders.

30. This includes the development of a draft stakeholder prioritisation framework, the establishment of engagement champions within neighbourhood hubs, and the creation of internal channels to share engagement best practices and insights across the organisation.

31. These approaches are improving coordination and consistency in how Council engages, while also strengthening frontline capability to support more responsive and locally informed engagement.

32. Over time, this will enable more effective two-way relationships with communities, improving the quality of insights available to inform Council decisions.

Focus area 5: Engagement Tools, Resources and Capability

33. Significant progress has been made in building organisational capability to support effective engagement.

34. This includes the launch of an internal Te Whiringa Engagement Hub providing tools and templates, development of a multi-method training programme, which includes an online module (now incorporated into staff induction), and procurement of a new online engagement platform to improve how feedback is gathered and analysed.

35. Additional initiatives include embedding engagement expectations into performance and development processes and developing branded 'Kōrero Mai' engagement kits to create a consistent and recognisable presence across Council engagement activities.

36. Together, these initiatives are strengthening organisational capability and consistency, supporting a more mature and effective approach to engagement across Council.

Focus area 6: Quality, Standards and Internal Culture

37. Work is underway to strengthen the consistency, transparency, and accountability of engagement practice across Council.

38. This includes development of minimum standards for engagement, establishment of a measurement framework, and implementation of a reporting dashboard to track engagement activity and performance.

39. Further initiatives being explored include decisions register to improve transparency, trialling the release of raw engagement data, and strengthening 'closing the loop' processes to demonstrate how community feedback has influenced decisions.

40. These initiatives represent an important shift toward measurable and transparent engagement practice, supporting Council to demonstrate how it is incorporating community views into decision-making and building greater trust with the community.

Next steps

41. A summarised version of the full Te Whiringa Quarterly Report (please refer to Appendix 2 attached to the report) will be published on t Hutt City Council website's following this meeting, to report progress and update the community.

42. Work will continue to embed Te Whiringa across Council, with a particular focus on applying participatory approaches to the Long Term Plan engagement process, strengthening organisational capability, and identifying opportunities to trial innovative engagement methods.

43. A further update will be provided to the Committee in September.

Options

44. There are no options to consider.

Climate Change Impact and Considerations

45. The matters addressed in this report have been considered in accordance with the process set out in Council's Climate Change Considerations Guide.

Consultation

46. This programme of work has been informed by extensive community, elected members and Council staff consultation.

Legal Considerations

47. This work better enables us to meet our obligations under sections 76–83 and 76AA of the Local Government Act 2002, including requirements for informed decision-making and meaningful community engagement.

Financial Considerations

48. There are no financial considerations.

Target Operating Model (TOM) Implications

49. This work supports all the Target Operating Model design principles of customer experience, organisational agility, preparedness for amalgamation, service prioritisation and asset utilisation.

50. Strengthening engagement capability through Te Whiringa improves how Council interacts with the community, enabling more consistent, accessible, and participatory engagement approaches, including for the Annual Plan and Long-Term Plan over the next 18 months.

51. This supports more adaptable ways of working and positions Council to respond to changing community expectations and potential future structural reform.

Appendices

No.	Title	Page
1⇩	Te Whiringa - Our Engagement Framework	159
2⇩	Te Whiringa A3 Quarterly Report (Jan-Mar 2026)	179

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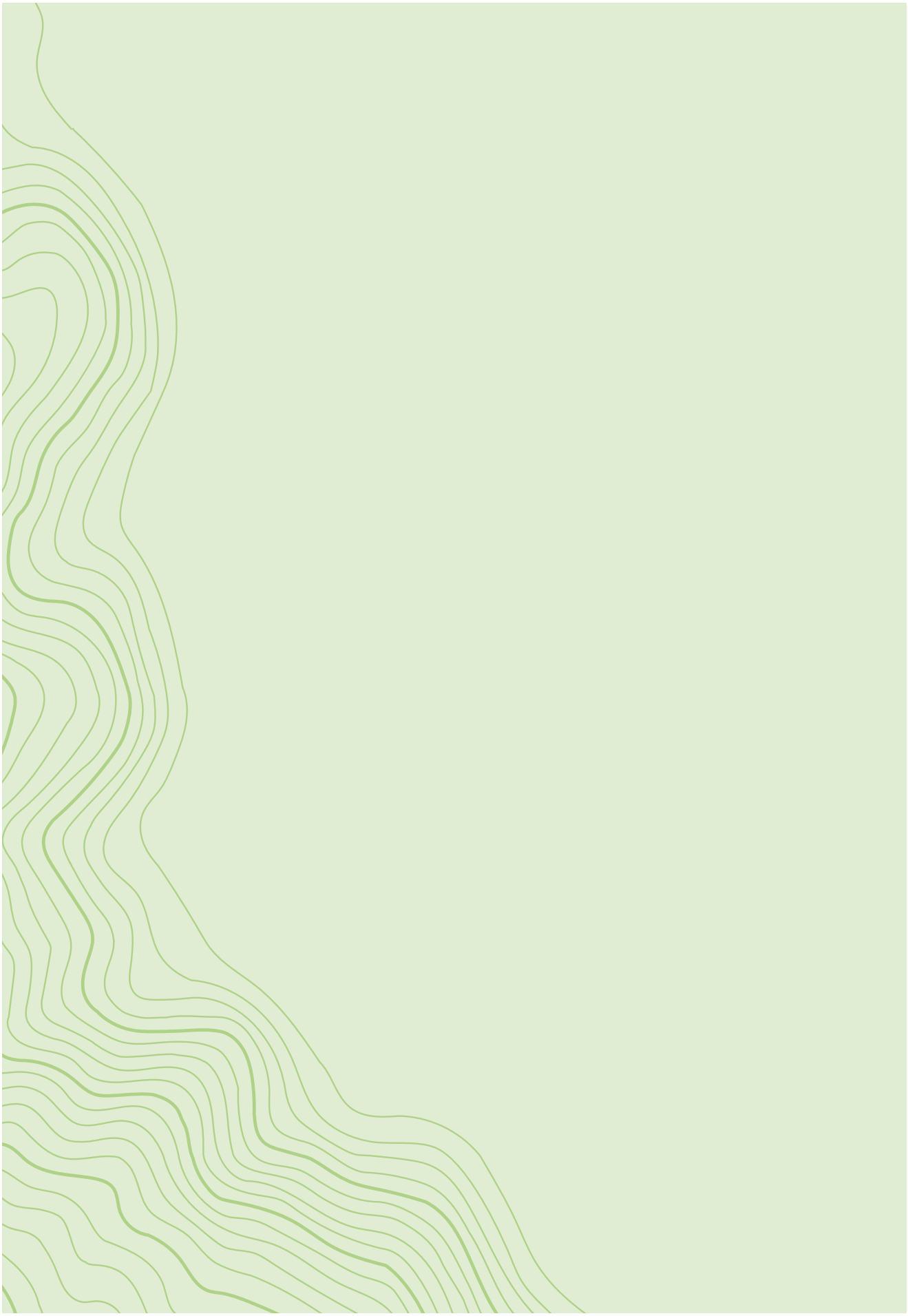
Director Strategy and Engagement

HUTT CITY
TE AWA KAIRANGI

Te Whiringa
Our Engagement Framework



Ngā Hua o Roto
Contents

This framework is structured to guide our approach, ensuring engagement is meaningful, consistent, and impactful.

Horopaki
The context 4

Ngā kōrero kua rāngona e mātou
What we've heard 5

Ngā Hapori o Te Awa Kairangi ki Tai
The communities we serve 6

He Whakatakinga
Introduction and purpose 7

Te Hiranga o Te Whiringa
Why engagement matters 8

Ngā Mātāpono o Te Whiringa
Engagement Principles 9

Te kawe i Te Whiringa
Our engagement approach 10

Te Whakamahinga
How we apply this 11

Ngā tūranga me ōna haepapa
Roles and responsibilities 12

Te tātari me te pūrongo
Monitoring and reporting 13

Mahere mahi
Action plan 14

Kaputaka
Glossary 16

Horopaki
The context

Te Whiringa is how Hutt City Council plans to reconnect with the community and rebuild trust by involving people more in decisions. Many residents feel disconnected from decision-making, with varying levels of distrust across wards and demographics.

Feedback highlights a strong desire for more accessible, transparent, and meaningful engagement - where people see their input reflected in outcomes, are informed early, and can participate in ways that suit their needs. The framework responds to this by aiming to build trust through more inclusive, responsive, and visible Council-community relationships.

Trust in local government is low across the country. Across 8 cities surveyed in 2024, only 28% of people rated local government positively for trust, with 45% indicating some level of distrust[1].

Hutt City Council is trusted by our community a bit more compared to other city councils, but overall, more people don't trust us than do (32% trust vs 40% don't trust). While trust in our city may be higher than in others, there is still plenty room for improvement[1].

This trust varies widely between locations and demographics in our city. The Northern Ward (Taitā and Stokes Valley) reported 59% distrust, while the Harbour Ward (Eastern Bays, Petone, Korokoro) reported only 28% distrust[1]. Māori and Pacific respondents also showed higher distrust (50% and 45%), as did those aged 25-34 (54%)[1].

54%[1] of residents feel they have little or no influence on Council's decisions. When asked whether they were confident that Council takes community feedback into account when making decisions 32% agreed versus 44% disagreed[2].

Satisfaction with Council's Communications and Engagement[2]

1. Source: Ipsos Quality of Life Survey 2024
2. Source: Hutt City Council Resident's Satisfaction Survey 2024

Ngā kōrero kua rāngona e mātou
What we've heard

We've heard from our community how they'd like to see our engagement improve. Here are some of those insights:

People want to be engaged within their own spaces, with Council coming to them. Places like libraries, parks, markets, schools, places of worship and events.

"All residents should have equal ability to engage and be considered regardless of where they come from."
- Tirohanga Resident

People want to be able to see the response to their feedback, and the impact that it has on Council decision-making. Engagement shouldn't feel like a tick-box exercise where nothing changes.

"...You need honest listening and an ability to understand the lived perspectives of other, sometimes less fortunate people."
- Stokes Valley Resident

People want to be informed of what Council is engaging on well in advance, so that they can decide how much they want to be involved.

"There is a very low level of trust with HCC among people I know. You need to do much better..."
- Wainuiomata Resident

People want to see more kinds of engagement. Online surveys are fine, but there also needs to be in-person discussions, workshops, community forums etc. These need to be at times that most people can make, like evenings and weekends.

"Make sure there are diverse ways to send or gather feedback. Face to face, meetings, email, paper responses. Not everyone can afford a computer..."
- Waterloo Resident

People are worried that some groups are heard from or listened to more than others. They want more transparency around how Council weighs up the feedback it receives and ensures fairness.

"We need to work together to make the best decisions so people can feel positive about changes in their communities"
- Naenae Resident

The quotes throughout this document have been shared by residents through different Council engagement activities.

Ngā Hapori o Te Awa Kairangi ki Tai
The communities we serve

Population:
Census 2023

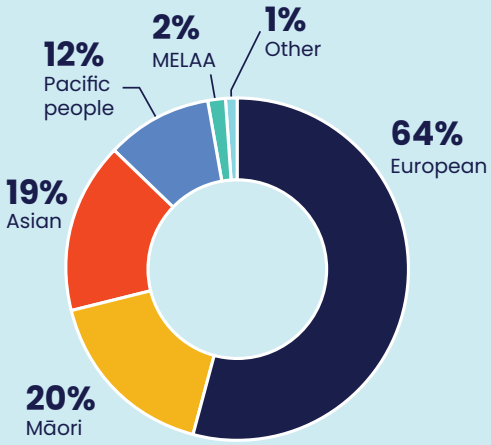
107,562
residents

42,504
dwellings

Projected population:
Sense Partners 2023

125,000 – 150,000
projected population by 2054

Ethnicity:
Census 2023



Languages we use:
Census 2023

95% English

2% Northern Chinese (incl Mandarin)

4% Te Reo Māori

2% Hindi

Kia ora

18% Other

2% None (too young to talk)

4% Samoan

Population by age:
Census 2023

Increase/decrease compared to 2013

↓ **13,419** 0-9	↓ **14,355** 40-49
↑ **13,557** 10-19	↑ **13,305** 50-59
↑ **13,512** 20-29	↑ **11,208** 60-69
↑ **17,403** 30-39	↑ **10,800** 70+

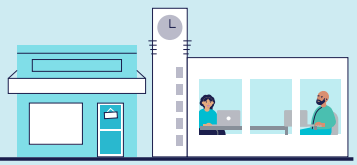
Birthplace:
Census 2023

72.3% born in NZ

27.7% born overseas

Businesses:
Census 2023

11,571



He Whakatakinga
Introduction and purpose

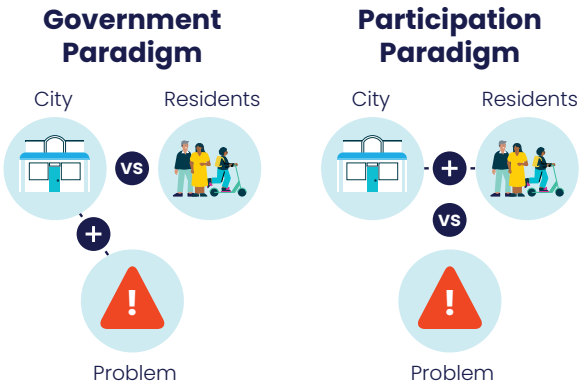
Hutt City Council's vision is a connected, resilient and inclusive city where everyone thrives.

We've heard that people want more meaningful involvement and better experiences with Council. Feedback shows a clear opportunity to do things differently, build trust, and support stronger participation.

We acknowledge engagement hasn't always met expectations. This Framework sets a new direction. It helps us engage in ways that are inclusive, transparent, and collaborative, and gives us a clear plan to improve how we work with our community. It's grounded in best practice, including International Association for Public Participation (IAP2) and public innovation from Harvard Bloomberg, and shaped by what we've heard from the community. It's underpinned by our Engagement Principles and Te Ao Māori (the Māori worldview).

We're building on strong foundations to work more closely with our community. We recognise not all voices start from the same place. This Framework helps by prioritising inclusion and influence for underrepresented communities. This shift is about partnership - combining community and Council insight to tackle shared challenges.

The diagram below illustrates a shift: from a traditional model where Council and community sit apart, to one where we work together to solve problems.



Te Whiringa - Our Engagement Framework

Te Whiringa speaks to the act of weaving - the deliberate twisting and plaiting of individual strands into a unified whole. In Te Ao Māori, this process is not just physical, but deeply symbolic. It is through whiri that strength is created, relationships are honoured, and kaupapa are bound together. This name reflects our engagement framework: a living braid of voices, values, responsibilities, and relationships. Each thread - whether community, Mana Whenua, or Council - contributes to the integrity and resilience of the whole.

Te Kaunihera o Te Awa Kairangi Hutt City Council respects and upholds its commitments as a Tiriti partner by honouring the status and authority of Mana Whenua and tangata whenua. The Local Government Act 2002 mandates Council to enhance outcomes for hapori Māori (Māori communities) and our dedication extends beyond these statutory obligations. We recognise Mana Whenua and hapori Māori as our partners - they are kaitiaki (guardians), knowledge holders and leaders whose intergenerational expertise shapes the historical, cultural, natural, physical, economic, and social identity of Te Awa Kairangi ki Tai Lower Hutt.

Our Tākai Here (Memoranda of Partnerships), Te Herenga Kairangi (Māori Strategy), and this document provide a foundational understanding of our Tiriti-based relationships to guide the future of our community - through strengthened governance, shared decision-making processes, and an investment in Council's capability to partner authentically. These reflect our enduring commitment to collaborate between Māori and Council, and effectively outlines our ambitions to improve the way we engage with our community.

Strategic Alignment

Our framework aligns to all of Council activity, key strategic plans and policies, and supports us in meeting our legal obligations, specifically under the Local Government Act 2002.

References:
1. International Association for Public Participation www.iap2.org - IAP2's Core Values, Code of Ethics, and Quality Assurance Standard.
2. Bloomberg Harvard's Path to Public Innovation

Te Hiranga o Te Whiringa
Why engagement matters

Engagement means more than just asking for feedback. It's about listening, learning, and working together. When done well, it builds trust, improves decisions, and creates a stronger, more connected city - where every voice helps shape the future.

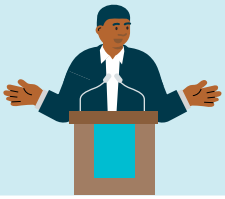
Like every strong structure, the top (Impact) relies on a solid foundation (Values) and effective processes (Process). Without our values driving us and robust engagement processes in place, we cannot deliver what we aspire to (Impact). This pyramid makes clear that what we achieve depends entirely on why and how we do it.

The Framework rests on three core elements to ensure our approach is consistent, credible and community-led:

- **Engagement Principles** (page 9): What our commitments to communities are
- **Practices for meaningful engagement** (page 10): How we embed those principles every day
- **Action Plan focus areas** (pages 14-15): Where we prioritise change and invest in engagement quality

Ngā Mātāpono o Te Whiringa Engagement Principles

We will...



Engage when it counts, in ways that work for you

We'll share clear, early updates about the council work you can help shape and offer a range of ways to have your say - so you can decide what matters and how you'd like to take part.

Be inclusive and accessible

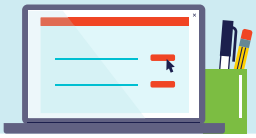
We want to hear from everyone in Lower Hutt, especially people who haven't been heard before or have struggled with council processes. We'll listen at times and places that work for you.

Be responsible partners under Te Tiriti

We recognise the unique role that Mana Whenua play and are committed to engaging with Mana Whenua and hapori Māori in good faith, upholding tikanga and our commitment to Te Tiriti.

Engage genuinely with clear intentions

We'll be clear about why we're asking for your input and what influence you have in each decision. We'll listen, make room for new ideas, and be upfront when we need to change direction and why.



Be clear about the impact of your feedback

We'll share what we heard and how it shaped our decisions - focusing on key themes and insights. When feedback isn't used, we'll explain why.

These principles act as our commitments to our community.
Shaped by community input and endorsed by Mana Whenua, these principles reflect what our community value in engagement. These principles guide how we work - and are the foundation for our organisation-wide approach to engagement.

Te kawe i Te Whiringa
Our engagement approach

Our practices for meaningful engagement

Our engagement practices describe how we will transform the way Council engage. They put our Engagement Principles into action, and guide the priorities in our Action Plan. Together, they support a shift toward more inclusive, transparent and trusted relationships between Council and our community.

While individual practices may reflect some principles and action plan focus areas more strongly, together they support all aspects and are guided by our shared commitment to meaningful, inclusive, and transparent engagement.

Practice	What this means
Grow capability across Council	Build the mindsets, skills, and support to embed consistent, best practice engagement.
Use community voices and experiences to guide our work	Use lived experience, feedback, and data to shape engagement and inform decisions.
Expand and adapt our tools and methods	Provide a wider range of inclusive, accessible, and culturally responsive engagement methods.
Plan early, keep improving, and show how feedback is used	Engage early with clear purpose, use what we learn to improve each step, and always show how feedback shapes decisions.
Rebuilding and earning trust	Go beyond individual relationships to build trust. Show up consistently, listen, follow through, and create spaces where people feel seen, safe, and valued.
Measure what matters and keep improving	Track what's working, share results, and use feedback to continuously evolve how we engage.

Te Whakamahinga
How we apply this

IAP2 Spectrum of Public Participation

The IAP2 Spectrum helps determine how much influence the community has in each engagement - from informing to empowering. Influence doesn't always mean decision-making, but the spectrum helps match the right level of engagement to the issue's purpose, impact, and who's affected.

Council uses this alongside our Significance and Engagement Policy to decide when, how, and how much to engage. It supports our principles and is built into our engagement cycle, helping us plan well and set clear expectations.

Increasing impact on the decision

	Inform	Consult	Involve	Collaborate	Empower
Public participation goal	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
Promise to the public	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

IAP2 International Federation 2018. All rights reserved. 20181112_v1

Our approach to engagement

Good engagement doesn't just happen, it requires thoughtful planning and a consistent approach. We are implementing a structured, stepped process that all teams will follow to ensure engagement is inclusive, purposeful, and impactful.

This process is grounded in best practice and integrates all aspects of this Framework, from our principles and engagement practices to the use of the IAP2 Spectrum and our Significance and Engagement Policy.

It helps us plan early, tailor our approach to the community and kaupapa, adapt based on what we learn, and close the loop by showing how feedback has influenced decisions.

By embedding this consistent way of working, we can improve transparency, build trust, and support better outcomes across all engagement activity.

Ngā tūranga me ōna haepapa Roles and responsibilities

While Council leads engagement processes, there is a role for everyone in effective engagement between Community and Council, and increased civic participation.

Roles	Responsibilities
Mayor and Elected Members (Councillors and Community Board members)	Leads by example, actively connects with the community, encourages participation, seeks out feedback, and ensures community voices are heard and considered in key decisions. This includes our Community Boards who play a key role in listening to local concerns, representing community needs to the council, and advocating for improvements in their areas.
CEO and Corporate Leadership Team	Lead a culture of best-practice engagement by ensuring structures are in place to support effective, inclusive participation and feedback use.
Council Staff	Designs and delivers fit-for-purpose, inclusive, and transparent engagement. This includes sharing clear information, enabling participation, collecting and sharing insights, and helping ensure engagement is measured, reported on, and continuously improved.
Mana Whenua	Te Tiriti partners in design and decision-making; guide engagement in accordance with tikanga and aligned with kaupapa Māori.
Advisory Groups	Provide advice based on lived experience or expertise, encourage participation, and help shape engagement approaches (within agreed operating requirements).
Stakeholders (e.g. Non-Governmental Organisations (NGO's), Greater Wellington, advocacy groups, business, delivery partners etc.)	Collaborate on issues of shared interest, contribute insights, encourage participation, and help inform solutions.
Community Members	Participate in decisions that affect them by focusing on the decisions to be made or questions being asked, share their perspectives, recognise Council need to consider the needs of the whole community, and hold Council accountable.

Te tātari me te pūrongo Monitoring and reporting

Delivering on our commitments matters. Meaningful change starts from within, so we have begun by strengthening how we measure and monitor engagement.

We have analysed Quality of Life and Resident Satisfaction Survey data to better understand current trust levels and opportunities for improvement.

To track and improve our engagement work, we have developed an internal measurement process. At the end of each engagement phase, project teams will review their work against the Key Success Indicators, identifying strengths as well as areas for improvement. These results will feed into an internal dashboard so we can spot patterns, build a baseline, and see how engagement is working across Council. This process will guide continuous improvement and lay the foundation for future reporting.

Our Key Success Indicators draw on our Engagement Principles (page 9) and the Power Metrics model developed by Professor Liz McKenna (Harvard University) and Joy Cushman (Democracy & Power Innovation Fund).

By taking a targeted approach to measuring and improving engagement, we can give council staff practical tools to monitor, evaluate, and adapt their practices in real time. Over time, this will enable more targeted, effective, and impactful engagement, helping more of our communities to understand and participate in council processes.

We are not yet setting formal targets for our success indicators. Instead, we are using the first phase to establish a baseline across engagements. This baseline will give us a clear picture of where we are now and allow us to set meaningful, evidence-based targets in the future.

This is only our first step. We will review the approach in late 2026 and consider introducing public dashboards to report on progress. In the meantime, we will share quarterly updates with the community so you can see how we are tracking against our Action Plan on the following pages.

Key Success Indicators

Reach & Participation	• Identify the groups and individuals we engage • Measure demographic and geographic representativeness
Inclusion	• Ensure Communities of Interest (COI) are meaningfully involved • Provide genuine opportunities to influence decisions
Accessibility	• Anticipate cultural and language needs • Remove barriers that limit participation
Transparency	• Acknowledge and act on community feedback • Clearly communicate how feedback informs decisions
Impact	• Measure engagement's influence on Council decisions • Ensure equitable and fair resource allocation
Learnings	• Capture and share practitioner insights • Apply lessons learned for continuous improvement

Mahere mahi Action plan

The Engagement Framework sets the strategic direction for community engagement, while the Action Plan outlines the practical steps to achieve these goals. Together, they ensure our engagement practices are consistent, effective, and aligned across the organisation.

We've developed an action plan to lift the quality and consistency of engagement. It's built around 6 key focus areas, each with clear actions to strengthen how we work with community.

Here's what the Action Plan focuses on:

1. Strategic planning & Governance

- Improved planning so fewer projects need your feedback all at once, giving you time to be more involved.
- Engaging earlier when there is more opportunity for change.
- Plan engagement consistently, allowing for flexibility in how we engage to best suit different communities' needs.
- Trial new ways of engaging that give the community more voice - like Citizens Panels, where community help explore issues and make recommendations.
- Trial participatory budgeting where community choose how funds are spent.

2. Mana Whenua Partnership

- Supporting marae-based engagement hubs and kaupapa Māori initiatives.
- Embedding tikanga and kaupapa Māori as essential principles across engagement approaches, guided by our Mana Whenua partners.
- Planning engagement with Māori around a calendar of significant Māori events and opportunities.
- Providing Mana Whenua partners with feedback and insights from consultation where appropriate.

3. Inclusive & Accessible Participation

- Making information easier to find and understand, using plain everyday language.
- Offering engagement face to face and online, at spaces and times convenient to all our communities.
- Trialling new and consistent ways of communicating to both educate and share updates.
- Creating a space for community to easily share ideas, vote for ideas they like and track how their feedback shapes decisions.
- Involving community when designing projects and solutions.
- Supporting community and youth-led projects that help people get involved and understand how decisions are made.
- Keep asking for community feedback where it's required but also ask what else community want to have a say on.

4. Relationships & Community Outreach

- Building trust and enduring relationships through outreach to communities (especially those underrepresented).
- Hosting drop-in sessions where we're just there to listen and answer questions.
- Learning more about our various communities and their wants and needs.
- Partnering with representatives from the community to be directly involved in projects and engagement.

5. Engagement Tools, Resources & Capability

- Giving Council staff the right tools, training and resources to plan good engagement with the community.
- Consistently applying best practice around cultural, accessibility and privacy needs.
- Helping Council staff choose the right way to engage, depending on the topic and the community.
- Providing cultural competency and Te Tiriti training.

6. Quality, Standards & Internal Culture

- Setting and applying minimum standards for all engagements.
- Consistently applying our Significance & Engagement Policy and IAP2 Spectrum to choose the right approach.
- Monitoring and reporting on engagement performance to look for opportunities to improve.
- Using existing information and data to help with making engagement more suited to our communities.
- Clearly showing how community input influences each decision.
- Using shared planning tools and engagement calendars.
- Building a culture where engagement is seen as everyone's job.

Please note, this summary highlights the focus areas and high-level actions we'll take. Some actions will be implemented in the short term, while others will take longer to achieve. A full detailed action plan has been developed for internal operational purposes that will guide our work to deliver on these priorities.

References: 1. International Association for Public Participation www.iap2.org - IAP2's Core Values, Code of Ethics, and Quality Assurance Standard.
2.Bloomberg Harvard's Path to Public Innovation

Kaputaka
Glossary

Te Reo Māori terms

Hapori Māori	Māori communities; groups of Māori people connected by genealogy, location, or a shared purpose.
Kaitiaki	Guardians or stewards who protect and care for people, places, taonga (treasures), often with spiritual or cultural responsibility.
Kaupapa	A guiding principle, purpose, topic, policy or matter for discussion, proposal, agenda.
Mana Whenua	Local Māori with territorial rights and responsibilities over the land and its natural resources.
Marae	A communal and sacred meeting place that serves as the focal point for Māori social, cultural and spiritual life.
Tangata whenua	Literally 'people of the land' and refers to Māori as the indigenous people of Aotearoa New Zealand.
Te Ao Māori	The Māori worldview.
Te Whiringa	The name of Hutt City Council's Engagement Framework, which speaks to the act of weaving (refer page 7).
Tikanga	Customs, protocols, and correct practices that guide behaviour in accordance with cultural values.
Tiriti / Te Tiriti o Waitangi	The Treaty of Waitangi, Aotearoa New Zealand's founding document.
Whiri	To twist, plait, or weave strands together.

Other terms

Citizens Panels	Groups of residents involved in structured discussions or recommendations on issues.
Civic participation	When community members get involved by sharing their views, voting, joining local activities, or working with council to help shape the place they live.
Communities of Interest (COI)	Groups of people connected by place, identity, or shared needs. These include both local communities (our wards: Northern, Central, Western, Harbour, Wainuiomata, and Mana Kairangi ki Tai Māori) and city-wide communities such as tangata whenua, ethnic and migrant groups, Pacific peoples, youth, disabled people, and the rainbow community (as identified in the Representation Review 2023-24).
Community Engagement	An intentional process with the purpose of working in inclusive and respectful ways to shape decisions, actions, impacts or change (IAP2 definition).
Culturally responsive	Recognising, respecting, and responding to the different cultural values, traditions, and needs of people in the community.
Engagement Framework	A guiding approach and set of principles used to plan, carry out, and evaluate how Council connects with, listens to, and involves our communities in decision-making.
IAP2	International Association of Public Participation. An international organization advancing the practice of public participation (reference: www.iap2.org).
IAP2 Spectrum of Public Participation	Framework describing levels of community influence: Inform, Consult, Involve, Collaborate, Empower.
Key Success Indicators	Metrics used to measure effectiveness of engagement.
Lived Experience	Firsthand knowledge or perspectives based on personal life circumstances.
Participatory Budgeting	A process where community members help decide how public funds are allocated.
Public Innovation (Harvard Bloomberg)	Refers to methods/tools developed through the Bloomberg Harvard City Leadership Initiative aimed at equipping city leaders with tackling complex issues and transforming communities for the better.
Significance and Engagement Policy	A Council policy that helps determine how important different matters are and sets out how and when people will be involved in shaping decisions.
Underrepresented communities	Groups or individuals that have limited or lesser representation or voice in Council processes.

HUTT CITY
TE AWA KAIRANGI

Te Whiringa | Our Engagement Framework
Quarterly Report | Jan-Mar 2026

Quarterly Overview

We have made strong progress across all focus areas of the Te Whiringa Action Plan.

The action most at risk is participatory budgeting, which is on hold due to changes in community funding. We are looking for a new opportunity to trial this engagement method.

Due to some staff movements, there are two FTE vacant in the Engagement Team. These are being recruited for, but given the team's small size (three FTE) if not filled soon the timely delivery of Te Whiringa may be at risk.

Focus Area 1: Strategic Planning & Governance

Status: Some risk

Summary:

+ Engagement best practice being integrated into project planning.
+ Deliberative methods guide developed to support more participatory engagement methods.
+ Working on a programme of participatory engagement for the LTP.
- Community funding participatory budgeting trial on hold.

Coming up

Finding opportunities to trial participatory and deliberative practices in active engagements.

Focus Area 2: Mana Whenua Partnership

Status: On track

Summary:

+ Internal guidance documents developed to support our commitment to tikanga, and assist with participation.
+ Further '*Engaging with Māori*' training being explored.
+ Māori events calendar being drafted to assist with engagement planning.

Coming up

Explore a summer/ iwi intern programme to provide rangatahi work experience.

Focus Area 3: Inclusive & Accessible Participation

Status: On track

Summary:

+ Exploring cost-efficient and ethical processes for translating non-English feedback.
+ Community Boards and Residents Association processes to keep them updated on engagement plans/projects.
+ Visibility of engagement on the HCC website improved.

Coming up

Trialling a reusable engagement kiosk in a Neighbourhood Hub.

Focus Area 4: Relationships & Community Outreach

Status: Some risk

Summary:

+ Stakeholder prioritisation and support framework drafted for CLT approval.
+ Dedicated engagement champions in each Neighbourhood Hub. Training / mentoring to build capability among frontline staff.
+ Started organisation-wide stakeholder directory.
- Slight delays due to wait for approval and CRM capability review.

Coming up

Stakeholder prioritisation and information gathering for the directory.

Focus Area 5: Engagement Tools, Resources & Capability

Status: On track

Summary:

+ Internal staff Engagement Hub on Te Pātaka with tools, resources, training and guidance.
+ Te Whiringa Go1 training module live.
+ Procurement underway for an improved online engagement platform.

Coming up

Webinars and 'lunch & learn' sessions on engagement fundamentals to help upskill staff.

Focus Area 6: Quality, Standards & Internal Culture

Status: On track

Summary:

+ Council-wide roadshow underway to introduce Te Whiringa to all teams.
+ Minimum Standards for Engagement introduced to support consistent high-quality engagement.
+ New measurement framework, including a dashboard for simplified reporting.

Coming up

Trial releasing raw feedback and submission data to enable greater transparency and citizen science.

HUTT CITY TE AWA KAIRANGI **Policy and Performance Committee**

10 April 2026

Report no: PPC2026/2/127

Strategy and Policy Work Programme 2026 Update

Purpose of Report

1. This report provides the Committee with an update on the Strategy and Policy work programme to 31 December 2029 and seeks agreement on work programme priorities.

Recommendations

That the Committee:

(1) agrees to the priority projects outlined in Table 1 of the report; and

(2) notes the three-year Strategy and Policy work programme attached as Appendix 1 to the report and provides any feedback to officers.

Background

2. On 6 May 2025, the Policy, Finance and Strategy Committee received the previous annual update on the Strategy and Policy work programme and agreed the priority projects for the following year. This includes key items from each team, i.e. Policy, Corporate Planning, and Research and Evaluation.

3. The agreed work programme was delivered successfully with no major setbacks or delays. Highlights included:

- the Briefing to the Incoming Council;
- supporting the development and launch of the City Strategy;
- statutorily required bylaw reviews;
- the launch of the Homelessness Dashboard;
- timely completion of the Annual Plan, Annual Report, and Long Term Plan 2024-2034 amendment; and
- an uplift in the response rate for the Resident Satisfaction Survey.

Discussion

4. The ongoing changes in Council's operating environment is putting pressure on resources across the Strategy and Policy team, requiring an adaptive approach to work programme planning. This includes factoring in capacity to manage changing work requirements to accommodate:

   - the impacts of the water reforms and supporting the establishment of Tiaki Wai;
   - other government legislative changes;
   - implementing the Target Operating Model recommendations through the development of the Annual Plan 2026-27 and the Long Term Plan 2027-2037; and
   - anticipation of work associated with the potential amalgamation of councils.

5. Given resource and timing constraints, it may not be possible to prioritise new project requests. Where additional items are added to the work programme, or something is moved up the priority list for earlier delivery, this will need to be done in a resource neutral way. This may mean de-prioritising other items and factoring them into the longer-term work programme or shifting the team's role from a lead to a support role within Council.

6. Given the considerations above, officers recommend that the Committee agrees on the priority projects outlined below in Table 1 for the period through to 30 June 2027. Officers will progress other items identified in the work programme as time and resources permit.

Table 1: Proposed priority projects to 30 June 2027

Activity	Priority
Policy	
Joint review of water services bylaws (regional)	High
Statutorily required bylaw and policy reviews	High
Infrastructure Strategy review	High
Significance and Engagement policy	High
Climate Adaptation project	Medium
Crisis Management Plan update	Medium
City Strategy implementation	Medium
Non-statutory policy reviews	Low
Corporate Planning	
Annual Plan 2026-27/ Long Term Plan Amendment	High
Annual Report 2025-26	High
Long Term Plan 2027-2037	High
Business Planning and Quarterly Reporting	Medium
Research and Evaluation	
Resident Satisfaction Survey 2027 report	High
Quality of Life Survey analysis	Med
Other projects	
Amalgamation work programme	High
Tiaki Wai establishment work programme	High

Three-year forward work programme

7. Officers have updated the three-year view of the policy work programme (attached as Appendix 1 to the report) through to December 2029.

8. The work programme includes bylaw and policy reviews driven by statutory timeframes, and strategy and policy work that will be delivered based on strategic priorities and available resources. Officers note that the timeframes indicated in Appendix 1 are provisional and could change depending on Council priorities. Officers also note that proposed standard timing for bylaw reviews will be reduced where practical.

9. Officers welcome any feedback from the Committee on the three-year policy work programme.

Options

10. There are no options to consider.

Next Steps

11. Officers will continue to prioritise projects using the following factors:

    - legislative drivers;
    - the high-profile nature of the project or issue; and
    - reputational risk to the organisation if we do not deliver.

12. Officers will continue to deliver other projects in the work programme and support other teams across Council. Officers will discuss any resourcing or delivery issues with the Director Strategy and Engagement (in consultation with other Directors as appropriate).

Climate Change Impact and Considerations

13. The matters addressed in this report have been considered in accordance with the process set out in Council's Climate Change Considerations Guide.

Consultation

14. There is no consultation requirements associated with this report.

Legal Considerations

15. Statutory timeframes and requirements (including consultation) drive some Strategy and Policy work programme items. Legal advice is sought where appropriate to ensure the work complies with relevant legislation.

Financial Considerations

16. There are no financial considerations.

Appendices

No.	Title	Page
1⇩	Appendix 1 - Strategy and Policy three-year work programme	184

Author: Rachel Houlbrooke
Policy Lead

Reviewed By: Richard Hardie
Head of Strategy and Policy

Approved By: Jarred Griffiths
Director Strategy and Engagement

Appendix 1 DRAFT Strategy and Policy 3-year work programme

	Year	2025-2026		2026-2027				2027-2028				2028-2029	
	Month	Jan-March	April-June	July-Sep	Oct-Dec	Jan-March	April-June	July-Sep	Oct-Dec	Jan-March	April-June	July-Sep	Oct-Dec
	Quarter	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Type	Title												
Bylaws	Public Places Bylaw (review)	Public Places Bylaw											
	Trading in Public Places Bylaw (review)	Trading in Public Places											
	Speed Limits Bylaw (review/revoke)	Speed Limits Bylaw											
	Water Supply Bylaw (joint review)		Water Supply Bylaw										
	Trade Waste Bylaw (joint review)		Trade Waste Bylaw										
	Cemeteries Bylaw (review)			Cemeteries Bylaw									
	Traffic Bylaw (review)				Traffic Bylaw								
	Parks and Reserves Bylaw (review)					Parks and Reserves Bylaw							
	Prevention of Nuisance from Fire and Smoke Bylaw (review)							Prevention of Nuisance from Fire and Smoke Bylaw					
	Conntrol of Animals Bylaw (review)							Control of Animals Bylaw					
	Solid Waste Management and Minimisation Bylaw (review)									Solid Waste Bylaw			
Strategies	City Strategy	City Strategy implementation											
	Climate Adaptation (Horizons/EU Project)		Climate Adaptation Project										
	Infrastructure Strategy (review)		Infrastructure Strategy										
Plans	Crisis Management Plan (review)	Crisis Management Plan											
	Amalgamation Work Programme		Amalgation Work Programme										
Policies	Significance and Engagement Policy (review)		Significance and Engagement Policy										
	Smokefree Outdoor Public Places Policy (review)		Smokefree Outdoor Public Places Policy										
	Dangerous, Affected and Insanitary Buildings Policy (review)		Dangerous, Affected and Insanitary Buildings Policy										
	Class 4 Gambling Venue and Board Venue Policy (review)				Class 4 Gambling Venue and Board Venue Policy								
	Local Alcohol Policy (review)					Local Alcohol Policy							
Corporate Planning	Annual Report	Annual Report 2025-26				Annual Report 2026-27				Annual Report 2027-28			
	Annual Plan	Annual Plan 2026-27 LTP Amendment							Annual Plan 2028-29				
	Long Term Plan	Long Term Plan 2027-2037											
	Quarterly Performace Reporting	Quartlery Performance Reporting											
	Business Plans		2026/27 Business Plans				2027/28 Business Plans				2028/29 Business Plans		
Res & Evaln	Resident Satisfaction Survey	RSS 2026			RSS 2027				RSS 2028				
	Quality of Life Survey	Quality of Life Survey 2026							Quality of Life Project 2028				

TO: **Chair and Members**
Policy and Performance Committee

FROM: **Vanessa Gilmou, Democracy Advisor**

DATE: **22 April 2026**

SUBJECT: **POLICY AND PERFORMANCE COMMITTEE FORWARD PROGRAMME 2026**

Purpose of Memorandum

1. To provide the Policy and Performance Committee with a forward Programme of work planned for the Committee for 2026.

Recommendation

That the Committee receives and notes the Forward Programme for 2026 attached as Appendix 1 to the memorandum.

Background

2. This Committee provides governance oversight of Council's policies and bylaws, monitors both financial and non-financial performance, and oversees the performance of Council Controlled Organisations as well as the new water entity (Tiaki Wai) starting from 1 July 2026.

3. The forward programme for 2026 provides a planning tool for both members and officers to co-ordinate programmes of work for the year. The forward programme is attached as Appendix 1 to the memorandum.

Forward Programme

4. The forward programme is a working document and is subject to change on a regular basis.

Appendices

No.	Title	Page
1⇩	Appendix 1 - Policy and Performance Committee Forward Programme 2026	186

Author: Vanessa Gilmour, Democracy Advisor
Reviewed By: Kate Glanville, Senior Democracy Advisor
Approved By: Kathryn Stannard, Head of Democratic Services

Policy and Performance Committee Forward Programme 2026						
Description	**Team**	**7 July 2026**	**21 Sep 2026**	**13 Oct 2026**	**28 Oct 2026**	**1 Dec 2026**
Forward Programme	Democratic Services	✓	✓		✓	✓
Public Places Bylaw and Trading in Public Places Bylaw (adopt bylaw)	Strategy and Policy	✓				
Quarterly progress report – Te Whiringa	Engagement		✓			✓
Resident Satisfaction Survey	Strategy and Policy	✓				
2025-26 Quarterly Reporting	Enterprise Portfolio Management Office	✓			✓	
Love Wainuiomata 12 Month Report	Business and Economy		✓			
Jackson Street Programme 12 Month Report	Business and Economy		✓			
Hutt Valley Chamber of Commerce 12 Month Report	Business and Economy		✓			

Quality of Life Survey	Strategy and Policy				✓	
Hutt City Group Annual Report	Strategy and Policy			✓		
Urban Plus Limited Annual Report	Finance		✓			
Seaview Marina Limited Annual Report	Finance		✓			

**This work programme is subject to change.*