Te Kaunihera o Te Hiku o te Ika
Far North District Council

AGENDA

Te Miromiro Committee for Assurance, Risk and Finance Meeting

Tuesday, 11 August 2026

Time:	**10:00 am**
Location:	**Council Chamber**
	Memorial Ave
	Kaikohe

Membership:

Chairperson Graeme McGlinn - Chairperson
Deputy Chairperson John Vujcich
Cr Rachel Baucke
Cr Felicity Foy
Cr Hilda Halkyard-Harawira
Cr Davina Smolders
(Ex-officio Member) Kahika - Mayor Moko Tepania
Independent Member Graham Naylor

Te Kaunihera o Te Hiku o te Ika Far North District Council	**Authorising Body**	Council
	Status	Standing Committee
COUNCIL COMMITTEE	**Title**	Te Miromiro Committee for Assurance, Risk and Finance Terms of Reference
	Terms of Reference Adoption	11 December 2025
	Responsible Officer	Group Manager Corporate Services

(1) Kaupapa / Purpose

The purpose of Te Miromiro Committee for Assurance, Risk and Finance is to assist and advise the Governing Body in discharging its responsibility and ownership of finance, risk and internal control.

Committee will review the effectiveness of the following aspects:

1.1 The robustness of financial management practices;
1.2 The integrity and appropriateness of internal and external reports and accountability arrangements;
1.3 The robustness of the risk management framework;
1.4 The robustness of internal controls and the internal audit framework;
1.5 Compliance with applicable laws, regulations, standards and best practice guidelines;
1.6 The establishment and maintenance of controls to safeguard the Council's financial and non-financial assets;
1.7 Data governance framework

To perform his or her role effectively, each member must develop and maintain his or her skills and knowledge, including an understanding of the Committees responsibilities, and of the Council's business, operations and risks.

(2) Ngā Huānga / Membership

The Council will determine the membership of the Committee including at least one independent appointment with suitable financial and risk management knowledge and experience.

The Committee will comprise of elected members, and one independent appointed member, appointed as Chair with full voting rights.

Kahika / Mayor Moko Tepania is an ex-officio member of all Committees.

Graeme McGlinn – Chairperson and Independent Member

Cr John Vujcich -Deputy Chairperson

Cr Rachel Baucke

Cr Hilda Halkyard-Harawira

Cr Felicity Foy

Cr Davina Smolders

Graham Naylor - Independent Member

(3) Kōrama / Quorum

The quorum at a meeting of the Committee is 4 members.

(4) Ngā Hui / Frequency of Meetings

The Committee shall meet every 12 weeks.

(5) Ngā Apatono / Power to Delegate

The responsibilities, duties and powers of the Committee are subject to the prohibition on delegation of powers under Clause 32(1), Schedule 7, Local Government Act 2002, and any other restrictions on delegation under any other relevant legislation.

The Committee may not delegate any of its responsibilities, duties or powers.

(6) Ngā Herenga Paetae / Responsibilities

The Committees responsibilities are described below:

6.1 Financial systems and performance of the Council

- **6.1.1** Review the Council's financial and non-financial performance against the Long-Term Plan and Annual Plan
- **6.1.2** Review Council quarterly financial statements and draft Annual Report

6.2 Risk Management

- **6.2.1** Review appropriateness of Council's risk management framework and associated procedures for effective risk identification, evaluation and treatment
- **6.2.2** Receive and review risk management dashboard reports
- **6.2.3** Provide input, annually, into the setting of the risk management programme of work
- **6.2.4** Receive updates on current litigation and legal liabilities

6.3 Internal Audit and Controls

- **6.3.1** Review whether management has in place a current and comprehensive internal audit framework
- **6.3.2** Receive and review the internal audit dashboard reports
- **6.3.3** Provide input, annually, into the setting of the internal audit programme of work
- **6.3.4** Review whether there are appropriate processes and systems in place to identify and investigate fraudulent behaviour

The Committee will manage Council's relationship with external auditor.

(7) Ngā Ture / Rules and Procedures

Council's Standing Orders and Elected Member Code of Conduct apply to all meetings.

(8) Reporting and Review of Committee Terms of Reference

In December of each year, the Responsible Officer alongside Democracy Services will submit a report to Council. The report will summarise the activities of the Committee and how it has contributed to the Council's governance and strategic objectives. This will look at whether the Council are meeting the full requirements of the Committee Terms of Reference and whether any amendments are required to the Committees terms of reference to increase efficient and effective decision making.

The Terms of Reference of the Committee will be reviewed as part of this report but can be amended by Council at any point throughout the term.

Far North District Council
Te Miromiro Committee for Assurance, Risk and Finance Meeting
will be held in the Council Chamber, Memorial Ave, Kaikohe on:
Tuesday 11 August 2026 at 10:00 am

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1 KARAKIA TĪMATANGA / OPENING PRAYER

2 NGĀ WHAKAPĀHA ME NGĀ PĀNGA MEMA / APOLOGIES AND DECLARATIONS OF INTEREST

Members need to stand aside from decision-making when a conflict arises between their role as a Member of the Committee and any private or other external interest they might have. This note is provided as a reminder to Members to review the matters on the agenda and assess and identify where they may have a pecuniary or other conflict of interest, or where there may be a perception of a conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the meeting or of the relevant item of business and refrain from participating in the discussion or voting on that item. If a Member thinks they may have a conflict of interest, they can seek advice from the Chief Executive Officer or the Manager - Democracy Services (preferably before the meeting).

It is noted that while members can seek advice the final decision as to whether a conflict exists rests with the member.

3 NGĀ TONO KŌRERO / DEPUTATION

No requests for deputations were received at the time of the Agenda going to print.

4 TE WHAKAAETANGA O NGĀ MENETI O MUA / CONFIRMATION OF PREVIOUS MINUTES

4.1 CONFIRMATION OF PREVIOUS MINUTES

File Number: **A5891789**

Author: **Marysa Maheno, Democracy Advisor**

Authoriser: **Aisha Huriwai, Manager - Democracy Services**

TAKE PŪRONGO / PURPOSE OF THE REPORT

The minutes are attached to allow the Committee to confirm that the minutes are a true and correct record of previous meetings.

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro Committee for Assurance, Risk and Finance confirm the minutes of the meeting held 12 May 2026 are true and correct.

1) TĀHUHU KŌRERO / BACKGROUND

Local Government Act 2002 Schedule 7 Section 28 states that a local authority must keep minutes of its proceedings. The minutes of these proceedings duly entered and authenticated as prescribed by a local authority are prima facie evidence of those meetings.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

The minutes of the meetings are attached.

Far North District Council Standing Orders Section 27.3 states that no discussion shall arise on the substance of the minutes in any succeeding meeting, except as to their correctness.

TAKE TŪTOHUNGA / REASON FOR THE RECOMMENDATION

The reason for the recommendation is to confirm the minutes are a true and correct record of the previous meetings.

3) PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There are no financial implications or the need for budgetary provision as a result of this report.

ATTACHMENTS

1. **2026-05-12 Te Miromiro Committee for Assurance, Risk and Finance Minutes - A5767030** ⇩

Hōtaka Take Ōkawa / Compliance schedule:

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
    a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
    b) Assess the options in terms of their advantages and disadvantages; and
    c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.
2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

He Take Ōkawa / Compliance Requirement	Aromatawai Kaimahi / Staff Assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	This is a matter of low significance.
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	This report complies with the Local Government Act 2002 Schedule 7 Section 28.
State whether this issue or proposal has a District wide relevance and, if not, the ways in which the appropriate Community Board's views have been sought.	It is the responsibility of each meeting to confirm their minutes therefore the views of another meeting are not relevant.
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water.	There are no implications for Māori in confirming minutes from a previous meeting. Any implications on Māori arising from matters included in meeting minutes should be considered as part of the relevant report.
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to their views or preferences (for example, youth, the aged and those with disabilities).	This report is asking for minutes to be confirmed as true and correct record, any interests that affect other people should be considered as part of the individual reports.
State the financial implications and where budgetary provisions have been made to support this decision.	There are no financial implications or the need for budgetary provision arising from this report.
Chief Financial Officer review.	The Chief Financial Officer has not reviewed this report.

UNCONFIRMED

**MINUTES OF FAR NORTH DISTRICT COUNCIL
TE MIROMIRO COMMITTEE FOR ASSURANCE, RISK AND FINANCE MEETING
HELD AT THE COUNCIL CHAMBER, MEMORIAL AVE, KAIKOHE
ON TUESDAY, 12 MAY 2026 AT 10:00 AM**

PRESENT: Chairperson Graeme McGlinn, Deputy Chairperson John Vujcich, Cr Rachel Baucke, Cr Felicity Foy (online), Cr Hilda Halkyard-Harawira (online), Cr Davina Smolders, (Ex-officio Member) Kahika - Mayor Moko Tepania (online), Independent Member Graham Naylor.

IN ATTENDANCE: Kohepū-Deputy Mayor Chicky Rudkin, Cr Arohanui Allen (online), Cr Ann Court (online), Cr Tāmati Rākena (online),

STAFF PRESENT: Jacine Warmington (Group Manager – Strategic Relationships), Ruben Garcia (Group Manager – Community and Engagement), Roger Ackers (Head of Strategic Reform Initiatives), Ken MacDonald (Chief Financial Officer), Margriet Veenstra (Manager – Property Information & Business Compliance), Charlie Billington (Group Manager – Corporate Services), Emma Healy (Chief of Staff), Joshna Panday (Risk & Assurance Specialist), Guy Holroyd (Chief Executive Officer), Tanya Proctor (Head of Infrastructure), Ken Lewis (Manager – Communications & Engagement), Ian Wilson (Manager – Health Safety and Wellbeing)(online), Michelle Sharp (Team Leader – Business Compliance), Zena Tango (online), Hilary Sumpter, Rebecca Rowsell, Amber Wihongi-Alderton (Executive Assistant to Group Manager – Corporate Services), Jodi Langbien (Contract Management Specialist), Kayla Jonas (Manager – People & Capability), Marysa Maheno (Democracy Advisor)

1 KARAKIA TIMATANGA / OPENING PRAYER

Kohepū-Deputy Mayor Chicky Rudkin commenced the meeting with a karakia at 10:05am.

2 NGĀ WHAKAPĀHA ME NGĀ PĀNGA MEMA / APOLOGIES AND DECLARATIONS OF INTEREST

Chair Graeme McGlinn noted the online attendance of Kahika-Mayor Moko Tepania and Cr Felicity Foy.

3 NGĀ TONO KŌRERO / DEPUTATION

Nil.

4 NGĀ KŌRERO A HEAMANA/ CHAIRPERSON ANNOUNCEMENTS

- Chair Graeme McGlinn noted that there is supplementary information for agenda item 5.1, Fuel Supply Disruption Risk – Mitigation and Current Risk Position, which has commercially sensitive information so this will be discussed within the public excluded part of the meeting.
- Chair Graeme McGlinn also welcomed and introduced the new independent member to the committee, Graham Naylor.

UNCONFIRMED

5 TE WHAKAAETANGA O NGĀ MENETI O MUA / CONFIRMATION OF PREVIOUS MINUTES

5.1 CONFIRMATION OF PREVIOUS MINUTES

Agenda item 4.1 document number A5672868, pages 10 - 15 refers

RESOLUTION 2026/6

Moved: Deputy Chairperson John Vujcich
Seconded: Cr Davina Smolders

That Te Miromiro Committee for Assurance, Risk and Finance confirm the minutes of the meeting held 17 February 2026 are true and correct.

CARRIED

6 NGĀ PŪRONGO TAIPITOPITO / INFORMATION REPORTS

6.1 FUEL SUPPLY DISRUPTION RISK – MITIGATION AND CURRENT RISK POSITION

Agenda item 5.1 document number A5729774, pages 16 - 28 refers

RESOLUTION 2026/7

Moved: Cr Davina Smolders
Seconded: Independent Member Graham Naylor

That Te Miromiro Committee for Assurance, Risk and Finance receive the report Fuel Supply Disruption Risk – Mitigation and Current Risk Position.

CARRIED

10:19AM Cr Hilda Halkyard-Harawira joined the meeting.

6.2 REVENUE RECOVERY REPORT AS AT 31 MARCH 2026

Agenda item 5.2 document number A5711554, pages 29 - 38 refers

RESOLUTION 2026/8

Moved: Deputy Chairperson John Vujcich
Seconded: Independent Member Graham Naylor

That Te Miromiro Committee for Assurance, Risk and Finance receive the report Revenue Recovery Report as at 31 March 2026.

CARRIED

6.3 CHIEF OF STAFF Q3 2025-26 (JANUARY - MARCH)

Agenda item 5.3 document number A5737648, pages 39 - 48 refers

RESOLUTION 2026/9

Moved: Independent Member Graham Naylor
Seconded: Cr Davina Smolders

That Te Miromiro Committee for Assurance, Risk and Finance receive the report Chief of

Staff Q3 2025-26 (January - March).

CARRIED

6.4 FINANCIAL REPORT FOR THE PERIOD ENDING 28 FEBRUARY 2026

Agenda item 5.4 document number A5742503, pages 49 - 61 refers

RESOLUTION 2026/10

Moved: Deputy Chairperson John Vujcich
Seconded: Independent Member Graham Naylor

That Te Miromiro Committee for Assurance Risk and Finance receive the Far North District Council Financial Report for the period ending 28 February 2026.

CARRIED

6.5 HEALTH, SAFETY AND WELLBEING REPORT

Agenda item 5.5 document number A5750323, pages 62 - 66 refers

RESOLUTION 2026/11

Moved: Independent Member Graham Naylor
Seconded: Cr Davina Smolders

That Te Miromiro Committee for Assurance, Risk and Finance receive the report Health, Safety and Wellbeing Report.

CARRIED

6.6 LOCAL GOVERNMENT REFORMS HEAD START PATHWAY - FNDC IMPLICATIONS, RISKS

Supplementary Agenda item 5.6 document number A5765386, pages 4 - 12 refers

RESOLUTION 2026/12

Moved: Deputy Chairperson John Vujcich
Seconded: Independent Member Graham Naylor

That Te Miromiro Committee for Assurance, Risk and Finance leave to lie the report Local Government Reforms Head Start Pathway - FNDC implications, risks.

CARRIED

7 TE WĀHANGA TŪMATAITI / PUBLIC EXCLUDED

RESOLUTION TO EXCLUDE THE PUBLIC

RESOLUTION 2026/13

Moved: Cr Davina Smolders
Seconded: Deputy Chairperson John Vujcich

That the public be excluded from the following parts of the proceedings of this meeting.

UNCONFIRMED

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
6.1 - Confirmation of Previous Minutes - Public Excluded	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.2 - Risk Management Update	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.3 - Infrastructure Compliance	s7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.4 - Tender Panel and Procurement Activity 1 Jan - 31 March 2026	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure

	information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	of information for which good reason for withholding would exist under section 6 or section 7
6.5 - Contingent Liabilities - Litigation and Emerging Claims	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

8 MEETING CLOSE

The meeting closed at 12:42PM.

The minutes of this meeting will be confirmed at Te Miromiro Committee for Assurance, Risk and Finance Meeting held on 11 August 2026.

....

CHAIRPERSON

5 NGĀ PŪRONGO TAIPITOPITO / INFORMATION REPORTS

5.1 HEALTH, SAFETY AND WELLBEING REPORT

File Number: **A5872063**

Author: **Ian Wilson, Manager - Health, Safety and Well Being**

Authoriser: **Jacine Warmington, Group Manager - Strategic Relationships**

TAKE PŪRONGO / PURPOSE OF THE REPORT

The purpose of this report is to provide Te Miromiro – Assurance, Risk and Finance Committee with an overview of key activities related to Health Safety and Wellbeing across the organisation for June 2026.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

HSW performance remained generally stable in June 2026, with no lost-time injuries recorded and overall incident reporting lower than the previous year.

Threatening behaviour remains the most frequently reported incident and continues to be a key risk for public-facing staff. Lone working and psychosocial hazards remain priority critical risks under review.

EAP use increased during June, with career concerns, manager relationships, and restructuring featuring prominently. Sick leave continues to fluctuate seasonally rather than showing a sustained upward trend.

Policy reviews, critical-risk improvements, and targeted HSW training continued during the month.

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro Committee for Assurance, Risk and Finance receive the report Health, Safety and Wellbeing Report.

OPERATIONAL HIGHLIGHTS FOR THE JUNE 2026 REPORTING PERIOD

Lost Time Injuries (LTIs)

No LTI’s in June (data from ACC).

Table 1: ACC claims for the last and current financial year.

Accident Date	Injury Description
27/08/2025	Contusion, knee
20/11/2025	Lumbar sprain
27/11/2025	Sprain of shoulder and upper arm
13/01/2026	Tooth symptom NOS
17/02/2026	Lumbar sprain
27/02/2026	Contusion, hip and thigh
27/02/2026	Rotator cuff sprain
3/03/2026	Contusion, knee and lower leg
15/05/26	Lumbar sprain
24/05/26	Thoracic sprain

All workplace injuries must be logged in PeopleSafe at the time of the incident. Failure to do so will result in ACC claims not being supported by the HSW team.

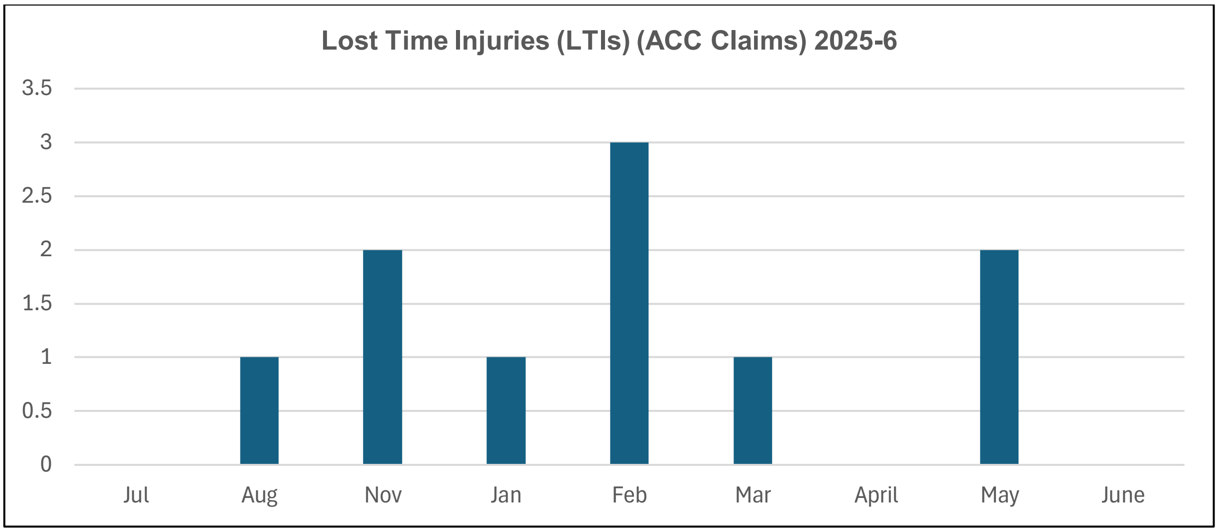


Figure 1: ACC claims for the last financial year.

Wellbeing

EAP Services (Employee Assistance Programme) has recently changed its name to Habit Health. Habit Health provides wraparound mental health support for the emotional, social, physical, and practical needs of FNDC staff. The services are delivered by a multidisciplinary team of counsellors, personal trainers, physiotherapists, advisors and educators.

It can be seen in Figure 2 that new counselling appointments increased in June compared to May, but ongoing client programmes decreased as staff completed their sessions.

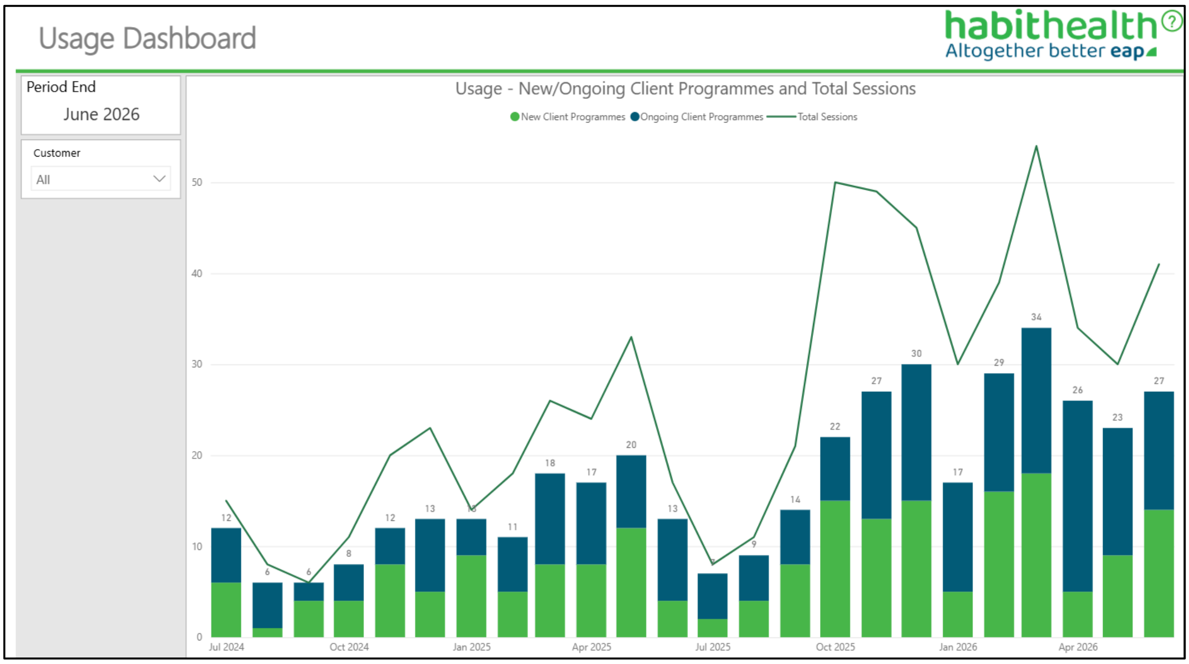


Figure 2: The Usage Dashboard shows on a month-by-month basis, new programmes of support started in a month, existing programmes (started in a previous month) and how many sessions were delivered in that month.

The main work issues reported on are concerns around careers, relationships with managers, and workload, as can be seen in Figure 3 below. Concerns around workload, bullying, and restructuring have increased since last year.

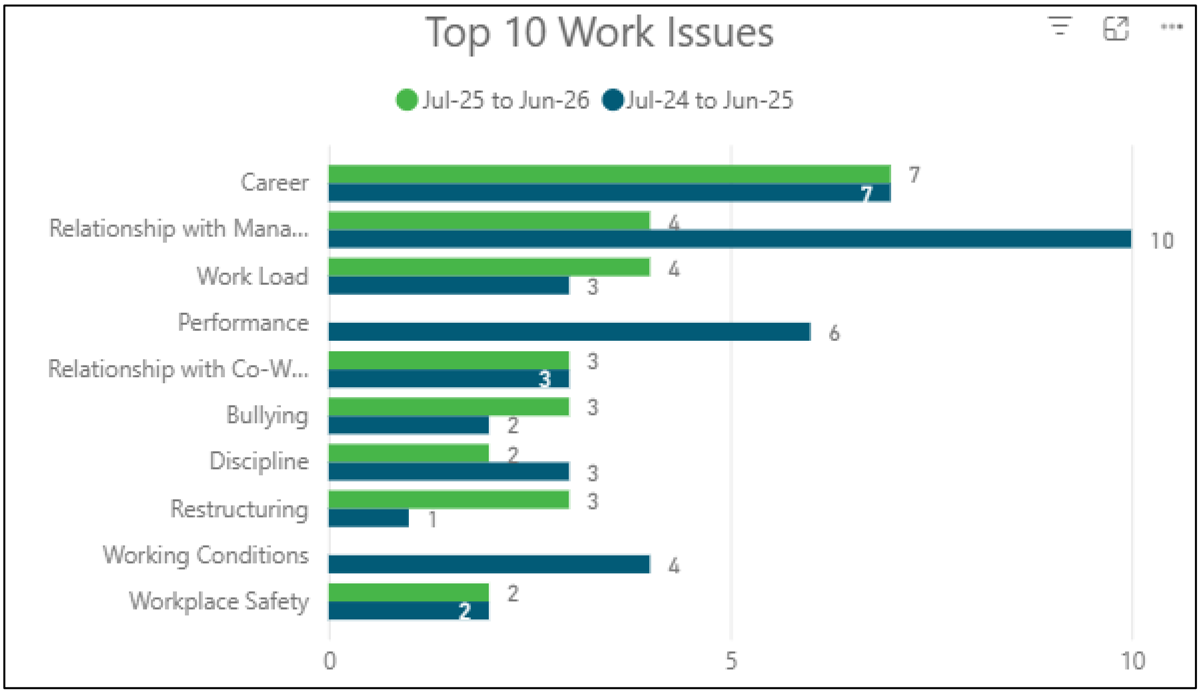


Figure 3: Comparison of the Top 10 work related issues reported to EAP last year and this year until June.

June spending has increased compared to May. Overall spending on EAP has increased almost monthly, as can be seen in Figure 4.

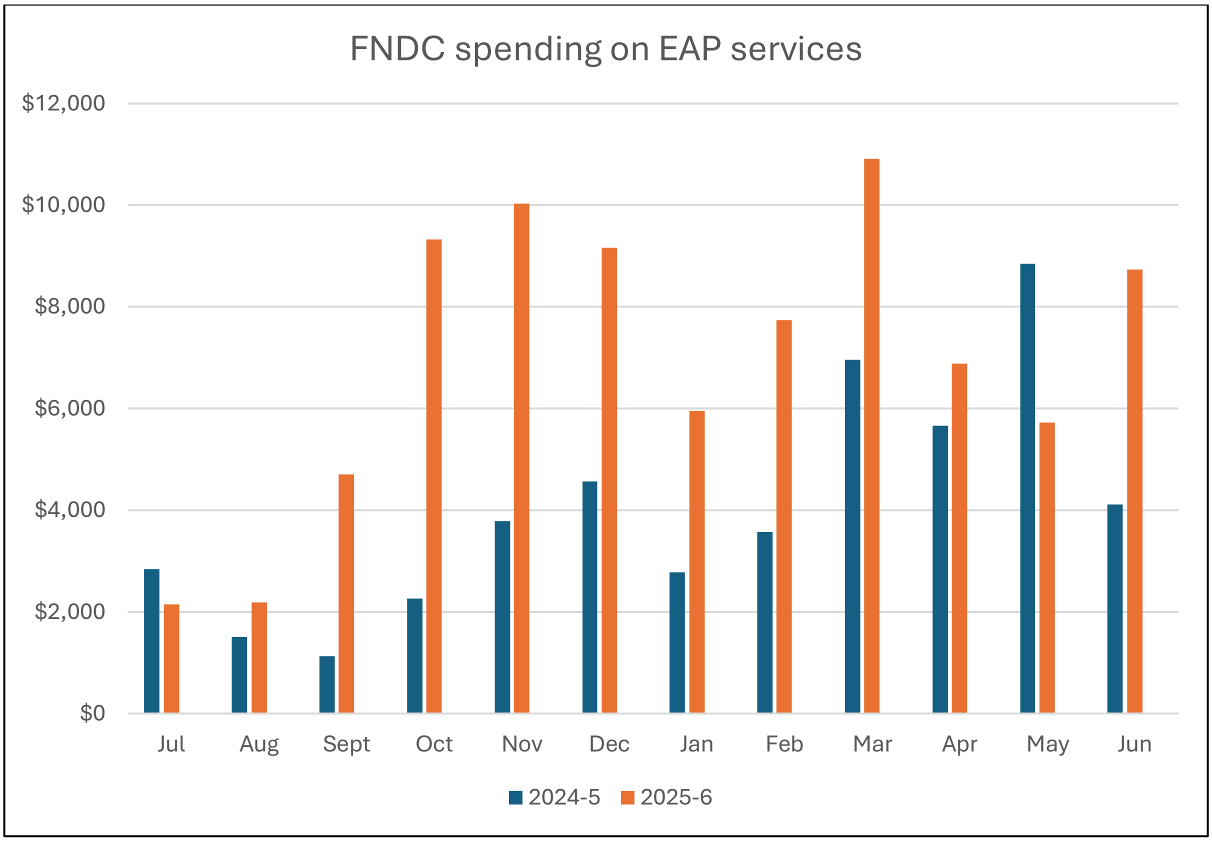


Figure 4: Comparison of EAP expenditure for FYs 2024-25 and 2025-26

Staff wellbeing is core to council's Health and Safety Management System (HSMS) framework so wellbeing initiatives are offered on a monthly basis.

Table 2: Wellbeing initiatives

Date	Topic	No. of attendees	Description	Notes
24/06/2026	Psychosocial Hazards	108	MEW - July wellbeing focus – Sleep smarter	108 views on TK 3

Wellbeing and Elected Members

LGNZ offers a free counselling and support service for any elected member who needs it. Free access is available to a 24/7 helpline and online resources, including digital tools to help track and manage your wellbeing, reducing stress, managing anxiety, improving sleep or supporting loved ones. Details remain fully confidential — no identifying information is shared with LGNZ or council. More details on the LGNZ website www.lgnz.co.nz/learning-support/get-help-support/ or access link here: Get help & support - LGNZ

HSW Policy reviews

- HSW 002 Lone Working Policy currently under review.
- HSW 021 Health monitoring currently under review.
- HSW 017 Psychosocial Hazards in the Workplace under review.
- HSW 001 H&S Management Policy under review.
- Bomb Threat and Suspicious Items standard operating procedure (SOP).

Critical risk reviews

Lone working process currently under review. New technology is being reviewed e.g. the use of WhatsApp and mobile phones with satellite accessibility.

Psychosocial hazards in the workplace are also a critical risk and under review.

Incidents

HSW incidents are recorded in PeopleSafe. As can be seen in Table 3 there were ten new incident reports during June 2026. Threatening behaviour was the most widely reported incident.

Table 3: HSW incidents reported during June 2026.

5/06/2026	Threatening Behaviour	Service Centre - Kaikohe	Customer interaction
8/06/2026	Serious Injury	Service Centre - Kawakawa	Parked Vehicle
10/06/2026	Threatening Behaviour	Off Site (Monitoring-compliance-inspection)	Public Interaction
11/06/2026	Near miss	Off Site (Monitoring-compliance-inspection)	Inspection/Site visit
12/06/2026	Pain & Discomfort	Ward - Bay of Islands-Whangaroa	Phone call
22/06/2026	Threatening Behaviour	Library Kerikeri Proctor	Public Interaction
22/06/2026	Threatening Behaviour	Car Park - Te Ahu	Observing
22/06/2026	Near miss	Service Centre - Kawakawa	Customer interaction

23/06/2026	Threatening Behaviour	Car Park - Te Ahu	Observing
30/06/2026	Accident	Service Centre - Rawene	Inspection/Site visit

Threatening behaviour remains the highest reported incident annually. Current data, as can be seen in Figure 5, indicates that nearly all types of reported incidents have reduced when compared with the previous year.

The annual trend for the number of incidents reported has also reduced when compared to the previous year, as can be seen in Figure 6.

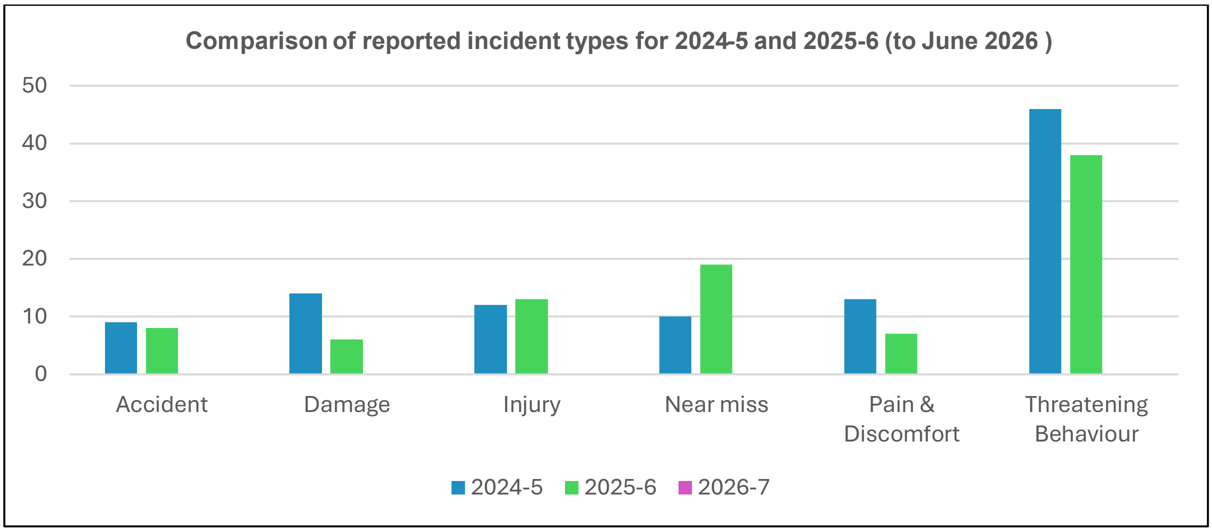


Figure 5: Incident types compared for the last and current financial years.

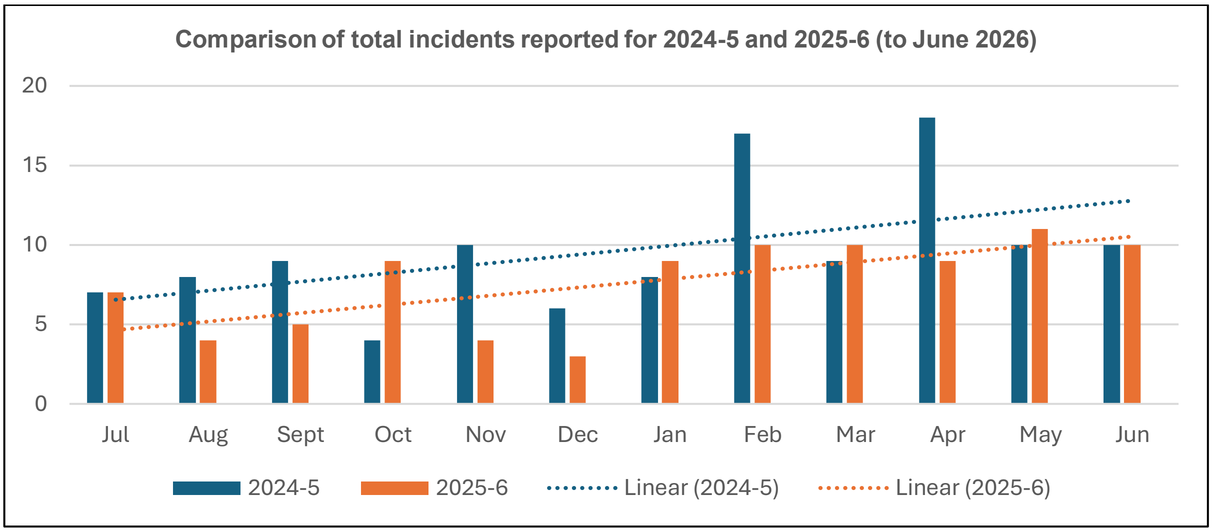


Figure 6: Total incident reports compared for the last and current financial years with trend lines.

HSW Training

Date	Topic
2/06/2026	Fire Warden Training
2/06/2026	Health, Safety & Wellbeing Rep Training (External)
2/06/2026	Fleetcoach
9/06/2026	Fire Warden Training
9/06/2026	Health, Safety & Wellbeing Rep Training (External)
10/06/2026	Mental Health First Aid
11/06/2026	Health, Safety & Wellbeing Rep Induction

14/06/2026	Health, Safety & Wellbeing Rep Training (External)
19/06/2026	Dog Safe Workplace Training
22/06/2026	New starter HSW induction
22/06/2026	Fleetcoach
30/06/2026	Fleetcoach

ACTIONS FROM PREVIOUS MEETING

1. Research other council's reports to Assurance Committees – in progress.
2. Work with appropriate group/s to organise HSW walkthroughs of key council projects – ongoing.
3. Investigate provision of specialist legal advice to the Committee – Site Safe providing recommendations to HSW team.

PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There are no financial implications.

ĀPITIHANGA / ATTACHMENTS

Nil

5.2 PUBLIC AND OPERATIONAL POLICY WORK PROGRAMME OVERVIEW

File Number: **A5845967**

Author: **Briar Macken, Manager - Strategy & Policy**

Authoriser: **Kate Ivicheva, Group Manager - Planning & Policy**

TAKE PŪRONGO / PURPOSE OF THE REPORT

To provide Te Miromiro Committee for Assurance, Risk and Finance with an overview of the Public and Operational policy review work programme.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- Te Miromiro Committee for Assurance, Risk and Finance have requested an overview of the Public and Operational policy review work programme.
- Staff have provided a report highlighting the policy review schedule, expiry risks and legislative triggers.

TŪTOHUNGA / RECOMMENDATION

That the Te Miromiro Committee for Assurance, Risk and Finance receive the report Public and Operational Policy Work Programme Overview.

TĀHUHU KŌRERO / BACKGROUND

Te Miromiro Committee for Assurance, Risk and Finance have requested an overview of the public and operational policy review work programme to enable governance assurance that our organisational policies are being maintained adequately.

Council develops and maintains two types of policy instrument (Public and Operational).

Operational Policies

- Operational procedures / guidelines
- Prepared by operational teams
- New policies or amendments approved by SLT
- Public consultation not required
- May be visible to the public
- Often informed by public policies
- Council approval not required

Public Policy

- A political statement reflecting the values, priorities, and mandates of elected officials and the communities they serve
- Includes bylaws, strategies, public policies, and plans
- Always visible to the public
- Usually requires public consultation
- Requires Council approval

Te Kūkupa Committee for Strategy, Policy and Regulation provide governance oversight of the Public Policy Work Programme.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

Operational Policies

Operational policies are developed by the teams responsible for those activities and functions, with monitoring and oversight from SLT.

An overview of the Operational Policy review programme is provided in attachment 01.

Most policies have been reviewed within expected review timeframes. Three policies are overdue for review; however, those policies are currently under review. A report regarding the Sensitive Expenditure, Motor Vehicle Usage, Asset Disposal, and Money Laundering, policies is due to be presented to Te Miromiro in August.

Strategies, Policies, and Bylaws

Te Kūkupa Committee for Strategy, Policy and Regulation provide governance oversight of the Public Policy Work Programme.

Central Government has recently announced the Head Start for Simplifying Local Government pathway. The outcome of the local government reforms may have implications regarding FNDC's strategies, policies, and bylaws. All upcoming reviews will consider potential reform outcomes, including the possibility of amalgamating into a single regional unitary authority. In the meantime, it is prudent to:

- maintain compliance with current legislation
- identify current problems that can be regulated by a bylaw, as these problems will continue despite any local government reform
- continue with implementation where appropriate
- continue to align our policy instruments with our neighbouring councils where appropriate
- be conscious of the upcoming reform timeframe when proposing amendments.

Strategies
A report was provided on the implementation of the Council's adopted strategies to Te Kūkupa Committee for Strategy, Policy and Regulation 08 July 2026 meeting (agenda item 6.1)

Council has adopted or endorsed eight strategies. Three strategies, created in partnership with other Northland councils and agencies and endorsed by FNDC, are the Te Rerenga Regional Economic Development Strategy, the Te Tai Tokerau Regional Accessibility Strategy, and the Far North Spaces and Places Plan. Council has adopted five strategies: Far North 2100, Toi Mana Arts, Culture and Heritage Strategy, Solid Waste Strategy and WMMP, Halls and Facilities Strategy, and Integrated Transport Strategy.

Policies and Bylaws

A report was provided on the bylaw review programme to Te Kūkupa Committee for Strategy, Policy and Regulation 08 July 2026 meeting (agenda item 6.2). The information from that report plus an overview of the policy review programme is in attachment 02.

Over the past few years, the Policy team has prioritised completing statutory reviews within the required timeframe. Staff are confident that they will be able to continue to complete statutory reviews on time. The upcoming statutory review of the Vehicle Crossing Bylaw is on track to be delivered to Council before the statutory review date.

The Treated Water Supply and Wastewater Drainage Bylaw review dates have been deferred to 27 August 2027 by the Water Services Act.

The Policy team is now focusing on reviewing and developing policies and bylaws that do not have a statutory review requirement. This work programme is influenced by elected member priorities, with oversight from Te Kūkupa. For example, currently underway are the Cemeteries Bylaw and Policy review, the development of a smoke-free/vape-free policy, and the development of a Local Alcohol Policy.

PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There are no financial implications from the decision to receive this report.

All costs for the Operational and Public Policy review programmes will be covered by existing budgets, subject to normal budget oversight.

Any additional initiatives, implementation, or enforcement costs that cannot be managed within existing budgets will need to be identified by the teams responsible for implementation and enforcement and considered through the appropriate budgeting and planning processes

ĀPITIHANGA / ATTACHMENTS

1. **Operational Policy Review Programme July 2026 - A5875209** ⇩
2. **Bylaw and Policy Review Programme July 2026 - A5875153** ⇩

Policy Number	Policy name	Previous Review date	Next Review Due	Review Status
	P & C			
PC 001	Children's Policy	Feb-20	Feb-30	
PC 002	Gifts & Inducements Policy	Mar-22	Nov-27	
PC 003	Learning & Development Policy	Apr-22	Apr-27	
PC 004	Code of Conduct - Employee	Apr-22	Apr-27	
PC 005	Payment of Professional Body Fees Policy	Nov-23	Nov-28	
PC 006	Workplace, Harassment, Discrimination & Bullying Prevention Policy	Aug-22	Apr-29	
PC 008	Equal Employmnet Opportunities (EEO) Policy	Aug-22	Feb-27	
PC 009	Remuneration & Reward Policy	Aug-22	Oct-26	On hold until after PSA negotiations
PC 010	Flexible Working Policy	May-22	May-27	
PC 011	Voluntary Emergency Services Policy	Mar-20	Mar-29	
PC 012	Leave Provisions Policy	Apr-25	May-28	
PC 013	Overtime - TOIL Policy	Nov-21	Sept-26	Under review
PC 014	Acting Up/Secondment Policy	Jun-22	Jun-27	
PC 016	Drug and Alcohol Policy	Oct-24	Oct-26	Under review
PC 017	Dress Code Policy	Feb-22	Feb-27	
PC 018	Smoke Free Workplace Policy	Nov-22	Nov-26	
PC 019	Medical Retirement Policy	Jun-21	May-30	
PC 020	Dealing With Complaints Policy	Aug-22	Dec-26	
PC 021	Children in the Workplace Policy	Aug-22	Dec-26	
PC 022	Employee Relations Policy (ex Disciplinary Matters)	Apr-20	Mar-27	
PC 023	Breast Feeding Policy	Sept-25	Sept-27	
PC 030	Principles of Change Policy	Sept-21	Sept-27	
PC 031	Family Violence Policy	Oct-22	Oct-26	
PC 033	Privacy Policy	Dec-23	Dec-26	
PC 035	Wellness Leave Policy	May-23	Jul-29	
PC 036	Recruitment Policy	Jan-11	Sept-26	Under review
PC 037	Job Sizing Policy	Sept-22	Sept-28	
PC 038	Diversity & Inclusion Policy	Jun-22	Jun-28	

PC 039	Redirection of Staff in an Emergency Policy	May-20	Mar-27	
PC 040	Transition to Retirement Policy	Jul-23	Jul-29	
PC 041	Remote Working Policy	Dec-20	Apr-26	Under review
PC 042	Council Office & Workplace Standards	Feb-21	Dec-26	
PC 043	Protected Disclosures Policy Policy	Jul-22	May-28	
PC 045	Payroll Management Policy & Procedure	Mar-25	Mar-28	

	HS&W			
HSW 001	Health, Safety & Wellbeing Management Policy	Mar-24	Mar-26	Under review
HSW 002	Working Alone Policy	May-22	Nov-25	Under review
HSW 006	Return to Work Rehabilitation Policy	Nov-25	Dec-27	
HSW 007	Volunteer Health, Safety & Wellbeing Procedure	Nov-25	Sept-27	
HSW 017	Psychosocial Risks in the Workplace	Jul-26	Jul-28	
HSW 019	Employee Assistance Programme (EAP) Policy	Sept-25	Sept-27	
	Community and Engagement Policies			
	Communications Policy	Aug-25	Aug-28	
	Corporate Services Group			
	Koha Policy	Jun-24	Jun-27	
	Procurement Policy	Feb-24	Jun-27	
	Sensitive Expenditure Policy	Sept-21	Sept-27	Under review
	Motor Vehicle Useage Policy	Jul-25	Dec-27	
	LIM Refund Policy	Aug-25	Aug-26	
	Anti-Money Laundering Policy	Jun-21	Jun-24	Under review
	Project Management Policy	Jul-24	Jun-26	
	Asset Disposal Policy	Jul-21	Jul-24	Under review
	Official Information Request Policy 2020	Nov-26	Jan-27	
	Risk Management Policy	Oct-23	Sept-26	
	Risk Management Framework	Oct-23	Sept-26	
	Generative Artificial Intelligence (GenAI) Policy	Oct-25	Aug-26	

	Delivery & Operations			
	Wearable video Camera Policy	Jun-24	Jun-27	
	Enforcement Policy	Apr-25	Apr-28	
	Encroachment Policy	Apr-25	Apr-26	
	Te Hono			
	Tikanga Māori Policy	Apr-25	Apr-28	
	Tikanga Māori Guidelines	Apr-25	Apr-28	
	Democracy Services			
	Credit Card Expenditure Policy (2016)	Nov-16		Under review
	Elected Members Allowances and Reimbursement Policy	Oct-22		Under review

Bylaws					
Bylaw Title	**Empowering Legislation**	**When made**	**Date of last review**	**Review required by**	**Review Status**
Dog Management	s10 Dog Control Act 1996	13/12/2018	28/05/2026	28/05/2036	Under amendment
Vehicle Crossings	s145, 146 LGA 2002 Land Transport Act 1998	23/09/2021		23/09/2026	Under review - report due to Te Kūkupa August
On-Site Wastewater Disposal Systems	s146 LGA 2002	24/02/2022		24/02/2027	
Road Use	s145,146 LGA 2002 s22AB Land Transport Act 1998	19/05/2022		19/05/2027	
Parking	s22AB Land Transport Act 1998	19/05/2022		19/05/2027	
Treated Water Supply	s145,146 LGA 2002	23/09/2021		27/08/2027	Review deferred by Water Services Act
Wastewater Drainage	s145,146 LGA 2002	24/05/2018		27/08/2027	Review deferred by Water Services Act
Pou Herenga Tai Twin Coast Cycle Trail	s145 LGA 2002 s11 Freedom Camping Act 2011	8/09/2016	12/08/2021	22/09/2027	New Freedom Camping component made 22/09/22 therefore requires 5-year review

Parks and Reserves	s145 of the LGA 2002 s106 Reserves Act 1977	9/02/2023		9/02/2028	
Maritime Facilities	s145,146 LGA 2002	13/02/2025		13/02/2030	
Keeping of Animals	s145,146 LGA 2002 Health Act 1956	28/08/2025		28/08/2030	
Solid Waste	LGA 2002, Health Act 1956, Litter Act 1979, Waste Minimisation Act 2008	5/08/2021	5/08/2021	05/08/2031	
Alcohol Control	s147 LGA 2002	13/12/2018	16/11/2023	16/11/2033	
Control of Earthworks	s145 LGA 2002	07/10/2019	12/09/2024	12/09/2034	To be reviewed following PDP appeal period closing (12 Aug)
Land Drainage	s145, 146 LGA 2002 Part 29 of the LGA 1974 Land Drainage Act 1908	07/10/2019	24/09/2024	24/09/2034	Under amendment awaiting PDP appeal period to close (12 Aug)
Cemeteries & Crematoria	Burial and Cremation Act 1964	28/11/1990	NA	Not legally required	Under review

Control of Brothel Premises, Location and Advertising Signs	Prostitution Reform Act 2003	02/12/2004	NA	Not legally required	
Nuisances	Health Act 1956	28/11/1990	NA	Not legally required	

Policies

Policy Title	Empowering Legislation	When made	Date of last review	Review required by	Review Status
Mandatory under legislation					
Appointment and Remuneration of Directors for Council Organisations	s57 LGA 2002	Jun-2003	Aug-2025	Jun-2028	
Class 4 Gaming and TAB Venue	s101 Gambling Act 2003 s96 Racing Industry Act 2020	Apr-2004	Feb- 2025	Feb-2028	
Dangerous Insanitary and Earthquake-prone Buildings	s131 Building Act 2004	Sept-2006	Feb - 2025	Feb-2030	
Development Contributions	s102, s106 LGA 2002	Oct-2025		Oct-2028	To be reviewed alongside LTP

Dog Management	s10 Requirement under Dog Control Act 1996	2018	May -2026	May-2036	Under amendment
Rating Relief Policies	s102 LGA 2002	2018	May-2025	May -2031	
Revenue and Financing	s102, s103 LGA 2002	2018	Apr-2026	2027	To be reviewed alongside LTP
Significance and Engagement	LGA subpart 1	2021		2027	Under review To be reviewed alongside LTP
Treasury Policies	s102, s104, s105 LGA 2002	2021		2027	To be reviewed alongside LTP
Discretionary under legislation					
Appointment of Commissioners to Hear Council Applications	s34 RMA	Nov-1998	Nov-2016	Nov-2022	
Easter Sunday Trading	s5A Shop Trading Hours Act 2016	Feb-2023		Feb-2028	

Psychoactive Substances Local Approved Products	s69 Psychoactive Substance Act 2013	Oct-2014	Apr-2026	Apr-2031	
Other – Not required under legislation and no statutory review timeline					
Art and Memorials in Public Places		Mar-2017			
Camping in Public Places		Oct-2016			
Cemeteries		Jun-2013	Nov-2016		To be reviewed alongside bylaw review
Community Gardens		Jul-2013			
Community Halls		Sept-2016			To be reviewed alongside strategy review
Community Initiated Infrastructure Roading Contribution		2014	Jun-2015		Under review

Community Sport and Recreation Loan Scheme		May-2014			
Council-owned Campgrounds		Mar-1985	2016		
Election Hoardings		Dec-2014	Sept-2020		
Accessibility		Aug-2022			
Footpaths		Sept-2012	Sept-2016		
Graffiti Removal		Mar-2017			
Library		Mar-2017			
Limits of Council Responsibility for Formation Maintenance of Roads		Nov-1998	Sept-2021		Under review
Mayoral Discretionary Fund		May-2014	Nov-2016		

Museum Services		Nov-1998	Mar-2017		
Parks and Reserves		Jun-2022			
Public Toilets		Nov-1998	Nov-2016		
Naming Policy		Sept-2022			
Road Speed Limits		Aug-2014	Sept-2016		
Street Lighting		Nov-1998	Jan-2014		

5.3 CHIEF OF STAFF Q4 REPORT 2025/26 (APRIL - JUNE)

File Number: **A5880332**

Author: **Philippa Boye, Project & Facilities Coordinator**

Authoriser: **Emma Healy, Chief of Staff**

TAKE PŪRONGO / PURPOSE OF THE REPORT

The purpose of this report is to present Te Miromiro – Assurance, Risk and Finance Committee with a Quarter 4 update on Chief of Staff portfolio activity for April to June 2026, with a focus on matters relevant to governance oversight, organisational risk, assurance and stewardship.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

Included in the report is information on:

- workforce and exit interview insights, including emerging themes and management responses;
- recruitment activity and workforce capacity considerations;
- employment relations trends, resolution types and mitigations;
- culture, leadership and organisational development activity;
- Mayor’s Taskforce for Jobs and related programme stewardship; and
- Executive Projects activity.

TŪTOHUNGA / RECOMMENDATION

That the Te Miromiro Committee for Assurance, Risk and Finance receive the report Chief of Staff Q4 Report 2025/26 (April - June).

TĀHUHU KŌRERO / BACKGROUND

This quarterly report is provided to Te Miromiro – Assurance, Risk and Finance Committee as part of Council’s governance reporting rhythm. It supports elected members to understand key matters withing this portfolio that may affect organisational performance, risk management, service delivery and stewardship.

The report is intentionally presented at a governance level with individual employment matters, commercially sensitive matters and operational detail excluded or summarised where appropriate.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

The report is Information Only.

PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

Nil

ĀPITIHANGA / ATTACHMENTS

1. **CoS ARF Report Q4 2025-2026 (April - June) - A5880282** ⇩

Te Kaunihera o Te Hiku o te Ika
Far North District Council

Chief of Staff Report to Te Miromiro - Assurance, Risk and Finance Committee
Q4 2025-26 (April - June)

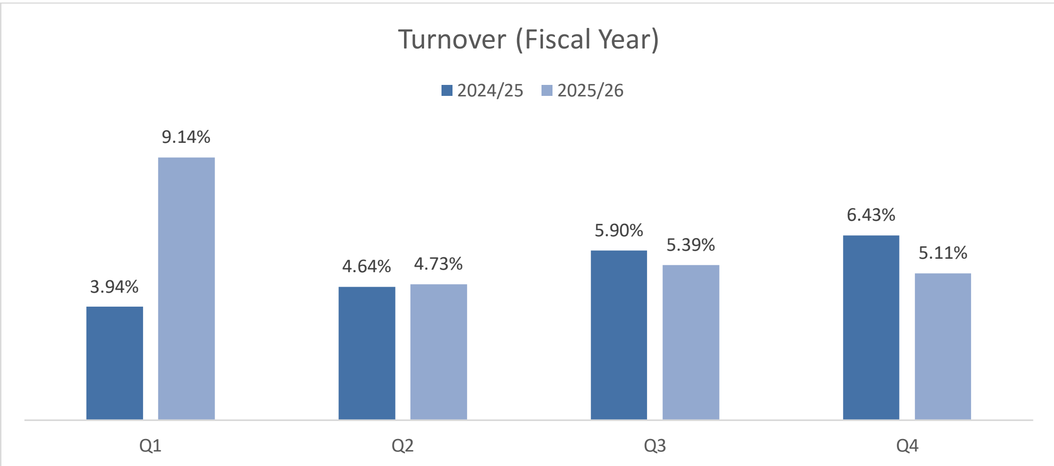
1. EXECUTIVE SUMMARY

This report provides a high-level summary of key matters within the Chief of Staff portfolio for Quarter 4, with a focus on workforce movement, recruitment, exit interview themes, employment relations, the Mayor's Taskforce for Jobs, and priority executive projects. Future reporting will continue to highlight key trends; emerging risks and the actions being taken to maintain organisational capability and support service delivery.

2. WORKFORCE MOVEMENT – TURNOVER (QUARTER 4: APRIL - JUNE 2026)

Workforce stability is monitored because sustained turnover can create service delivery risk, increase recruitment and onboarding costs, and reduce organisational capability and continuity. In Q4, 23 employees left FNDC (turnover 5.11%, compared with 6.43% for the same quarter last year).

The quarter shows improved stability and slight reduction by just over 1% compared with the same period last year. Turnover can be volatile and influenced by one-off events (including restructures), so management monitors turnover distribution and drivers across the organisation rather than relying on headline numbers alone. Key controls include exit interview analysis, leadership capability development, vacancy scrutiny, targeted retention actions and recruitment prioritisation where vacancies may affect service delivery.



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3. WORKFORCE MOVEMENT – TURNOVER ANALYSIS

Year-to-date turnover is 23%. At this level, workforce churn remains a governance watchpoint because it can affect organisational capability, continuity and cost. Turnover is not evenly distributed across the organisation and has been materially impacted by one-off events; for example, the Transportation team restructure in Q2 contributed to higher movement reported in Infrastructure-related results.

Management's focus is not only on total turnover, but on whether turnover is concentrated in critical or difficult-to-replace roles and whether it reflects avoidable causes. Current mitigations include heightened vacancy scrutiny (now with SLT challenge and oversight), targeted retention actions in identified areas, leadership development, and ongoing monitoring of workforce impacts on service delivery and cost pressures.

Publicly available benchmarks suggest turnover in the wider New Zealand labour market and public sector has generally sat in the low-to-mid teens through to the low-20% range in recent years[1]. These measures are not directly comparable to FNDC's methodology, but they indicate FNDC's year-to-date turnover is not clearly outside broader market experience. The more important governance question is whether regrettable departures are increasing and whether turnover is concentrated in roles that are critical to service delivery.

Regrettable v Non-regrettable Departures

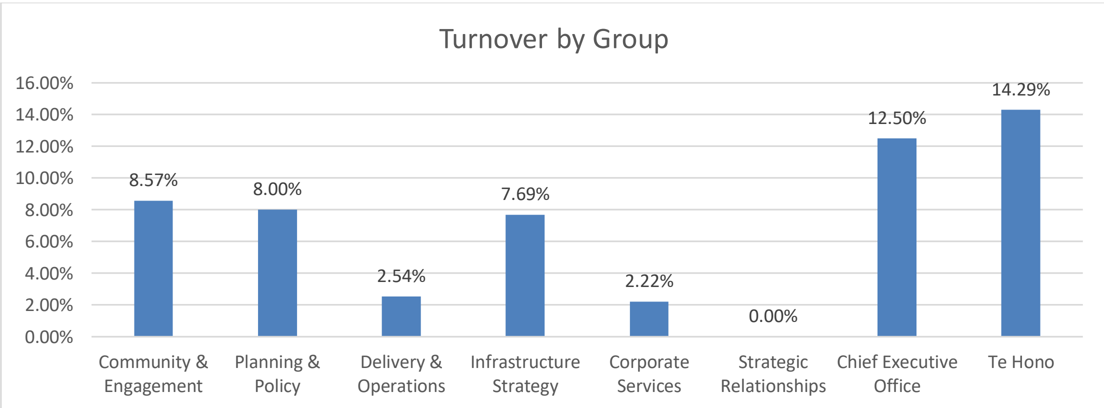
Management has applied an internal classification framework to distinguish regrettable and non-regrettable departures for reporting purposes. This provides a more meaningful governance view of workforce risk than total departures alone.

Regrettable departures are those involving strong performers, those in critical roles, hold difficult-to-replace capability, or departures where the loss creates service delivery or institutional knowledge risk and where avoidable factors may have contributed, such as leadership, culture, pay relativity or development opportunity. Exit themes indicate attention is needed on leadership consistency, staff experience during change, development opportunities and role clarity.

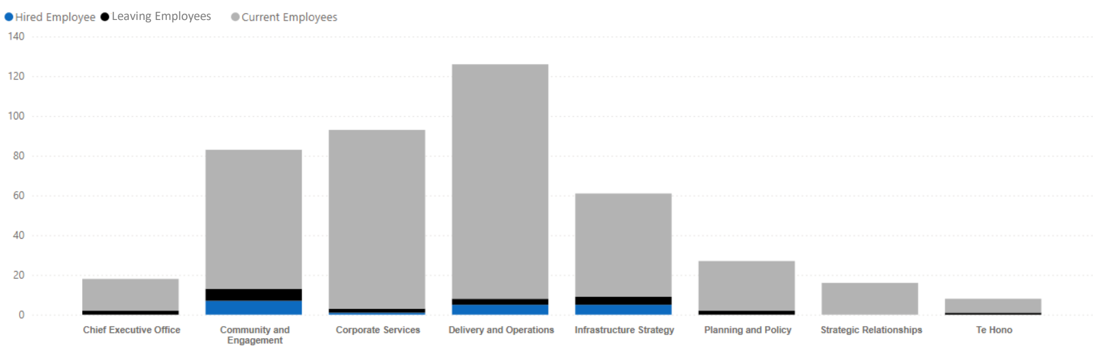
Non-regrettable departures are those involving performance or capability concerns, role fit concerns, the end of a temporary arrangement, retirement or departure with low business impact, or a mutually agreed exit where workforce risk is reduced.

Total Departures 2025 - 2026	Regrettable	Non-regrettable
100	21	79

[1] Lawson Williams New Zealand Staff Turnover Survey Report 2024 New Zealand Staff Turnover Report



Turnover percentages can appear higher in smaller teams because a single departure represents a larger proportion of the workforce than it would in a larger group.

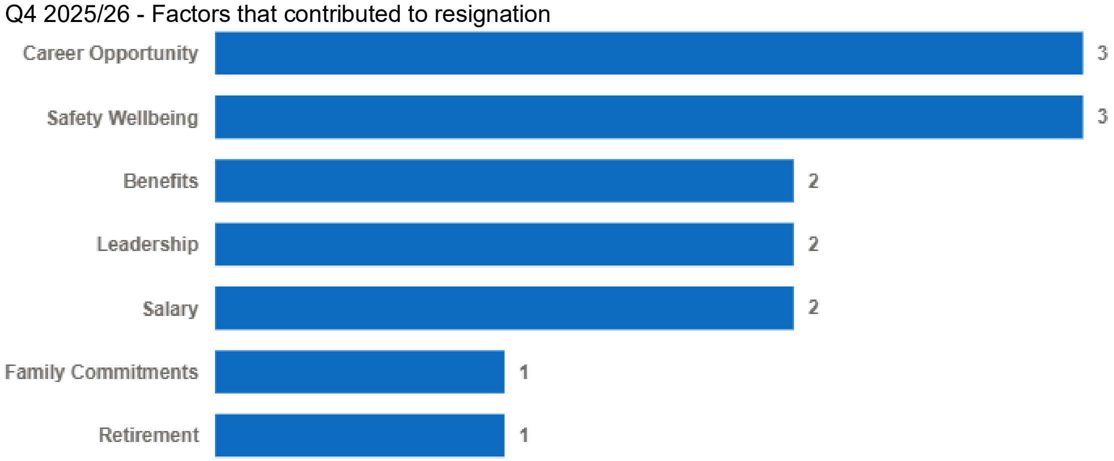


4. EXIT INTERVIEW INSIGHTS (GOVERNANCE SUMMARY

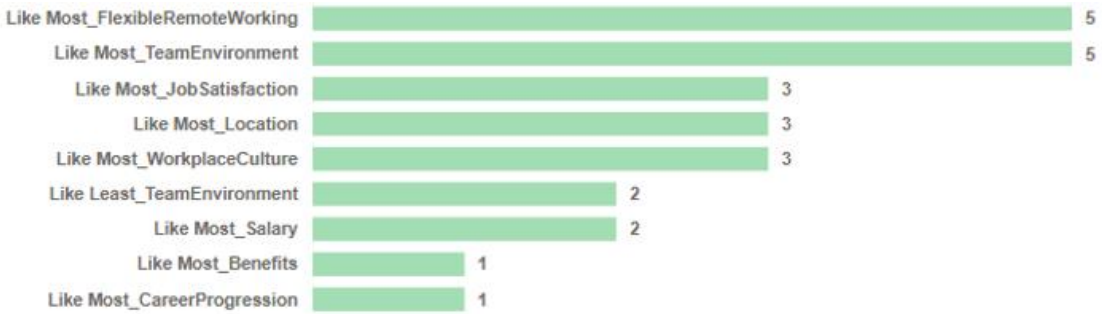
Exit interview data is useful as a leading indicator of workforce risk because it can highlight whether avoidable drivers of turnover are emerging before they become systemic. Themes remain broadly consistent with the previous financial year.

Nine exiting employees completed an exit interview in Quarter 4, with 32 completed year-to-date. The strongest protective factors continue to be team environment and flexible working, while key risk themes include workplace culture, job satisfaction, leadership consistency, career opportunity and role clarity.

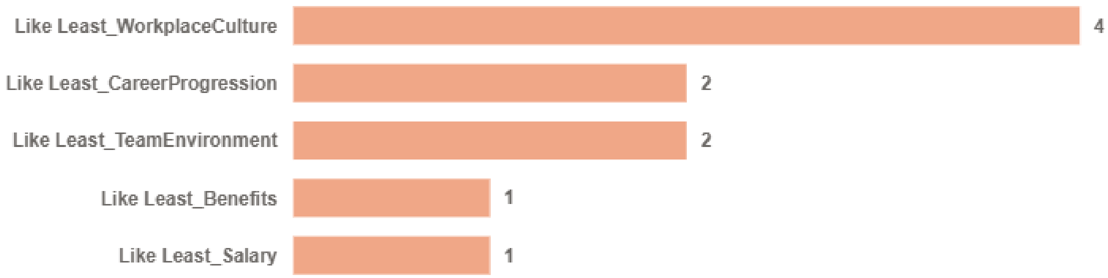
Q4 2025/26 - Factors that contributed to resignation



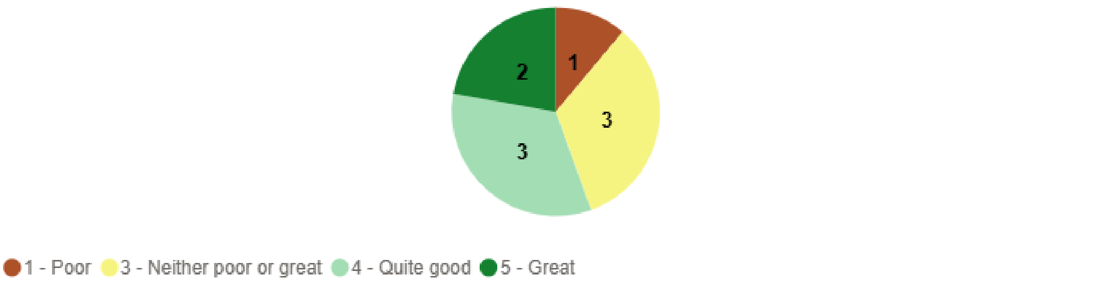
Q4 2025/26 - What you like most about working at FNDC?

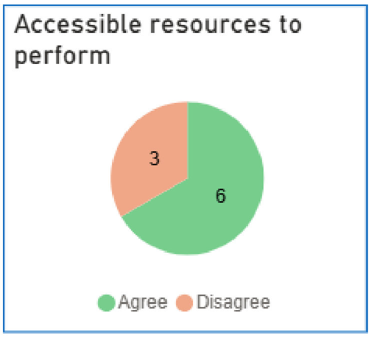


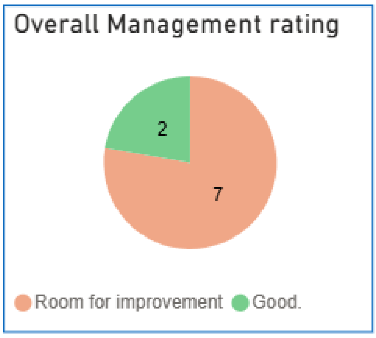
Q4 2025/26 – What you like least about working at FNDC

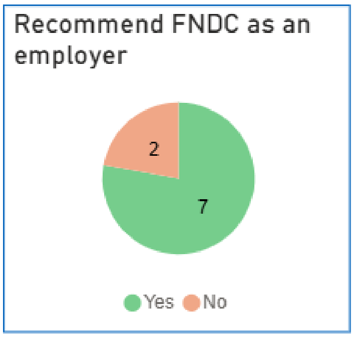


Q4 2025/26 – Overall culture rating





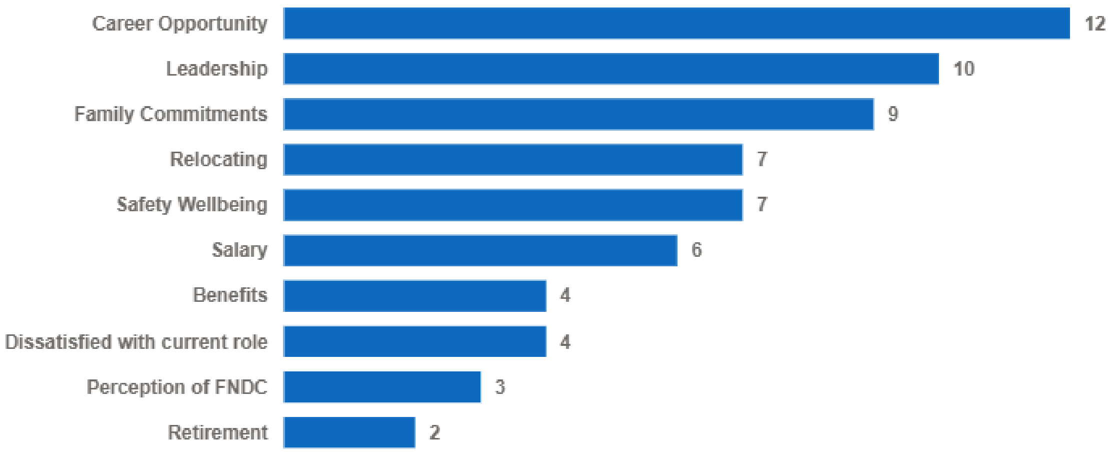




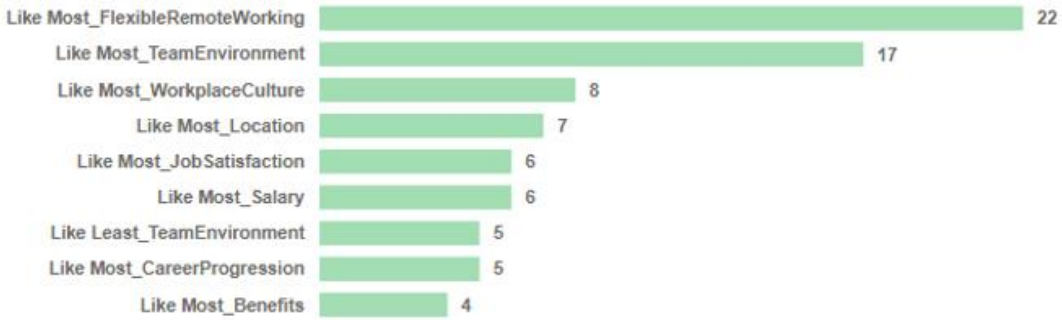
Year End Exit Interview Insights

32 exiting employees completed exit interviews during the 2025/26 financial year. Top three strongest protective factors for the year were flexible working, team environment and workplace culture, whilst the top three key risk themes included workplace culture, job satisfaction and salary.

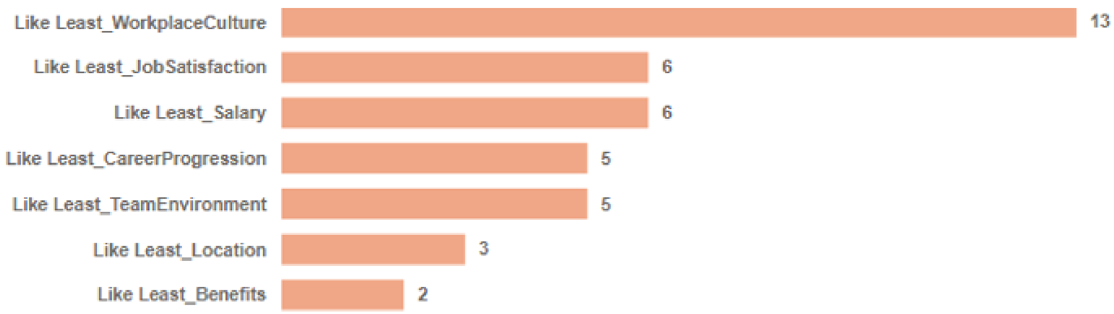
Overall factors that contributed to 2025/26 resignations



Year End 2025/26 - What you like most about working at FNDC?



Year End 2025/26 – What you like least about working at FNDC



5. RESPONSE TO EXIT INTERVIEW ANALYSIS

Risk / signal	Mitigation / control	Assurance indicator / intended outcome
Leadership consistency	***Leadership in Focus programme*** prioritising Strategic Thinking & Planning, Change Management & Leadership, Decision Making & Critical Thinking, Emotional Intelligence, Political & Business Acumen development. 19 leaders have completed the Leadership in Focus assessment. 3 x bespoke core skill workshops created and delivered. ***People leader workshops*** held quarterly with content focused on strategic priorities and leadership capability building. June workshop focused on HS&W priority. Next workshop is scheduled for September. ***Clearer expectations for people leadership*** set via Leadership in Focus programme and Key Success Factors (individual performance framework) aligned to the organisational strategic priorities. ***Structured senior leader engagement*** with teams via engagement action planning and core skill workshops. HS&W strategic priority focused on in Q4 offsite people leader hui. ***People Leader 101*** held quarterly with new leaders. 2 leaders completed this quarter. ***SLT engagement action plan*** focus areas identified: communication and strategic direction to uplift overall engagement.	• Improved engagement scores relating to leadership communication, direction and trust • Reduced repeat exit interview themes relating to leadership inconsistency • Fewer avoidable escalations linked to people management practice.
Staff connection/recognition	***Quarterly recognition activity*** (He Tohu Whakapau Kaha - Love Your Work Awards) held in person in Chambers which also welcomes new starters. ***All staff meetings*** scheduled monthly from June providing updates on key initiatives across the organisation and celebrating success. ***Organisational team building*** activity resources created and available that reinforce connection, belonging and values-aligned behaviours. ***Team charters*** outline each team's operating rhythm and include engagement, culture and wellbeing actions - 42 sessions. ***Organisational strategy*** – workplans aligned to strategic priorities as well as individual Key	• Improved engagement results for belonging, recognition and connection • Increased participation in organisation-wide engagement and recognition activities • Sustained positive exit interview commentary on team environment and workplace culture.

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	Success Factors that measure individual performance ***Diversity, Equity & Inclusion*** celebration days and awareness: April – Easter & ANZAC, May - NZSL, Pink Shirt Day, June – Samoa Language Week, Matariki	
Change fatigue / uncertainty	***Team-based engagement action plans*** encouraged to include change activity. ***Enterprise Change Roadmap*** - initial data captured and dashboard drafted. Improved change planning disciplines via Change management framework. Workshops for leaders & teams delivered and supported by templates and change resources – 8 sessions delivered this quarter and 5 plans developed.	• Improved visibility of organisational change activity through the Enterprise Change Roadmap • Fewer change-related concerns raised through engagement feedback • Exit interviews and employment relations matters • Evidence that major change initiatives have documented change plans and communication approaches.
Role clarity / consistency	***Clearer performance and behavioural expectations*** utilising work-planning tools and linking to KSFs and strategic priorities. ***ProMapp (process mapping tool)*** creates clear understanding of how work is done, highlights improvement opportunities and supports better decisions on simplification and, automation- 4 team sessions, 5 training sessions, annual review in progress.	• Improved clarity of roles, decision rights and work processes • Fewer concerns raised about accountability, workload allocation and inconsistent practice • Increased use of documented processes and work-planning tools.
Career opportunities	***Learning and development pathways*** promoted with individual advice and plans provided on request. ***Internal development and training opportunities*** communicated on TK3 intranet and training communications on internal systems. ***Succession planning*** for 18 critical roles identified and mapped. Leaders are provided with plans and follow up to track progress. ***Recruitment settings*** that support visibility of internal opportunities where appropriate. - Recruitment policy updated in Q4 to highlight the secondment process and internal movement opportunities ***Internal postings for Waters CCO secondment*** opportunities upcoming.	• Improved visibility of internal development pathways and secondment opportunities • Progress against succession plans for identified critical roles • Reduced regrettable turnover where lack of career opportunity is a contributing factor.
Salary	***Remuneration pressures*** continue to be monitored through market information, recruitment	• Pay-related workforce risks are identified early, with

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	experience and retention patterns, with targeted responses considered where pay relativity presents a material workforce risk.	improved visibility of roles where salary settings may affect recruitment, retention or internal equity. • Recruitment and retention trends for hard-to-fill roles are monitored to identify where remuneration settings may create delivery risk.

6. RECRUITMENT ACTIVITY

Recruitment is a key control for maintaining service delivery capacity and leadership continuity. A total of 19 new employees commenced in Quarter 4, including a key Strategic Leadership Team appointment for GM Policy and Planning, alongside a range of specialist and operational positions.

The primary governance question is likely not only how many appointments were made, but whether FNDC continues to attract sufficient candidate volume and quality in roles where vacancies would materially affect service delivery. Recruitment activity is managed to maintain critical capability while aligning with budgets. Where vacancies pose delivery risk, roles are prioritised and mitigations such as interim arrangements, workload reprioritisation and targeted sourcing are being applied.

Quarterly new starters (detail)

Position Title	Hired
Property & Contract Officer	22-Jun-2026
Building Control Officer	22-Jun-2026
Infrastructure Consents Planner	25-May-2026
Senior Infrastructure Consents Planner	25-May-2026
Animal Management Officer - North	25-May-2026
Visitor Information Consultant	25-May-2026
Customer Services Officer - Multiskilled	25-May-2026
Casual - Library (Kerikeri)	25-May-2026
Casual - Library (Kerikeri)	25-May-2026
Casual - iSite (Opononi)	11-May-2026
Procurement Specialist	11-May-2026
Visitor Information Consultant	11-May-2026
Customer Service Officer - Multiskilled	11-May-2026
Team Leader - Technical Operations	28-Apr-2026
Development Engineer - Waters	28-Apr-2026
Group Manager - Planning and Policy	13-Apr-2026
Contract Administrator	13-Apr-2026
Senior Resource Planner	13-Apr-2026
Waters Design Engineer	13-Apr-2026

Recruitment Indicators

Recruitment activity can provide early warning of organisational attractiveness. Future reporting for the 2026 – 2027 financial year will include:

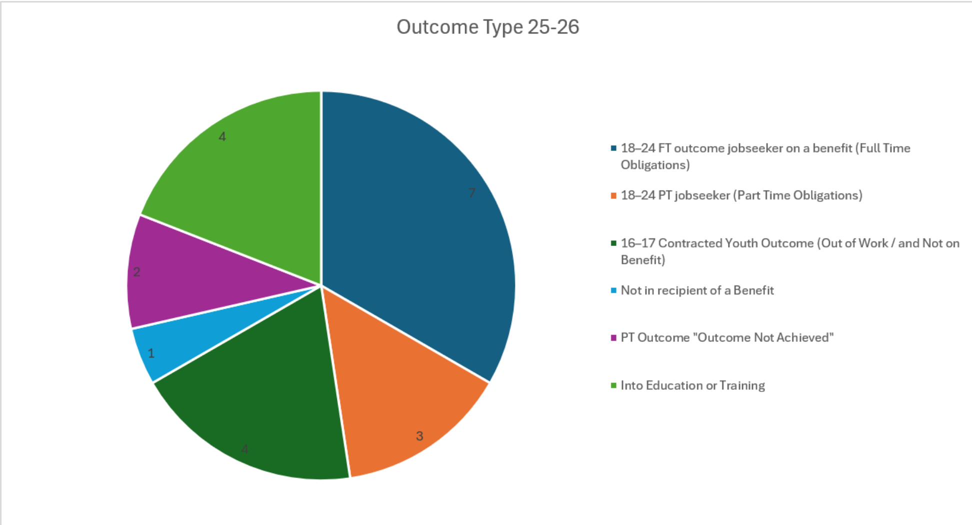
- Average applications per vacancy
- Hard to fill roles / repeated recruitment campaigns

- Declined offers of employment / themes
- Any other application trends emerging

This will help elected members to see whether recruitment conditions are strengthening or weakening before workforce risk becomes visible through turnover.

7. MAYOR'S TASKFORCE FOR JOBS (MTFJ)

The Mayor's Taskforce for Jobs (MTFJ) is a partnership programme with the Ministry of Social Development that supports rangatahi who are not in employment, education or training into sustainable work, training and other positive pathways. Delivery is locally led and undertaken in partnership with MSD and employers.



2025 – 2026 Contract and Placement details:

- $179,250 (plus GST) total funding
  - $110,000 (plus GST) at commencement of the contract – *Tranche 1*
  - $69,250 (plus GST) when 80% of Tranche 1 spend **and** when 14 MSD client placements have been made – *Tranche 2*
- 22 Outcomes of Employment Placements
  - 18 must be MSD main benefit clients
  - 4 are any others meeting the NEET requirements

At the time of writing, 17 sustainable employment placements have been achieved. Final placement outcomes will be confirmed through the end-of-year reconciliation process, with any unspent funding associated with unmet placement targets returned in accordance with programme requirements.

Throughout the quarter, the team continued to support rangatahi with a particular focus on education and skills development initiatives to enhance the capability and work readiness of participants, improving their competitiveness in the job market and increasing their likelihood of securing employment.

From 1 July 2026, the Mayor's Taskforce for Jobs will transition from the People & Capability Department to the Office of the Mayor. This realignment is intended to strengthen strategic alignment with the programme's governance structure, enhance stakeholder relationships, and support the continued delivery of positive employment outcomes for Far North rangatahi.

8. EMPLOYMENT RELATIONS

Employment relations matters are reported for governance oversight because they can indicate underlying control weaknesses in people management, organisational change processes, documentation, decision-making or staff experience. This section excludes individual case detail and identifiable information. The focus is on trend, broad themes, resolution type and mitigation actions.

Employment relations volume summary

For governance purposes, personal grievances can be grouped into broad thematic categories and by the nature of settlement. This helps distinguish matters resolved pragmatically for efficiency from those indicating more substantive underlying people-management or process issues. A pragmatic settlement is a commercial or efficient resolution with limited admission or no substantive findings. A substantive settlement is one that reflects more material process failure, legal exposure or a more serious underlying issue.

	Quarter One (July – Sept 2025)	Quarter Two (Oct – Dec 2025)	Quarter Three (Jan – March)	Quarter Four (April – June)	Financial Year to Date / Total (July 2025 – Jun 2026)
Number of personal grievances (completed)	1	1	7	2	11
Negotiated exits & medical retirements	0	2	1	2	5

Context and themes	Summary
Primary themes	Completed grievances primarily related to restructuring/process matters, performance management, interpersonal conflict, conduct or disciplinary process, management practice/communication, and health, safety or wellbeing-related matters. Notably, all Q3 and Q4 personal grievances were a result of organisational change, rather than a broad-based organisation trend.
Nature of settlements	Settlement analysis will continue to distinguish between pragmatic resolutions reached for efficiency and matters involving more substantive underlying employment issues.
Overall observation	9 of the 11 total grievances were expected as a result of a restructure with the remaining 2 from the same employee whose employment was ended due to sustained poor performance and behaviour. There was 1 medical retirement and the remaining 4 negotiated exits were mutual pragmatic solutions.

Mitigations

- Policy and process reviews to strengthen consistency, documentation quality and procedural compliance, which are undertaken on a regular basis.
- People leader training and coaching to improve communication, decision-making, documentation and early issue resolution.
- Stronger change planning and oversight to reduce process risk during restructures and organisational change activity.
- Ongoing engagement with unions and employees to support early resolution and reduce escalation where appropriate.
- External legal advice where required to support risk assessment, consistency and compliance in higher-risk matters.

Relevant key staff risks are captured through regular Risk Management Update reports to this Committee.

9. EXECUTIVE PROJECTS

Executive Projects is a small team that provides a focal point for complex, cross-organisation work that supports sound decision-making in relation to targeted (primarily land development) projects. The team progresses priority workstreams and provides advisory support to enable timely escalation and resolution where required.

Projects include:

- ***Housing for the Elderly:*** Elected members had a workshop on 20 May where divestment progress with Far North Holdings Limited (FNHL) and potential forward pathways were discussed. Staff were given direction to pursue a hybrid divestment pathway. Hybrid options have been developed and are being independently reviewed; a decision report will come to Te Koukou committee and Council in Quarter 4
- ***11 Matthews Ave*** and its future use.
- ***Te Puāwaitanga:*** Providing support to projects relating to the future of the site, including an upcoming decision report to Council in July to commence public engagement regarding divesting a portion of balance land to support funding future development stages.
- ***Development of a Property (land) Acquisition, Retention and Disposal Policy***: Currently undergoing legal review.
- ***Establishing the future use of the Old Kaikohe Library building***: Community engagement occurred 1-30 May with the results, and proposed recommendation to Te Koukou committee, presented to Kaikohe-Hokianga Community Board at their July meeting for endorsement. Decision report will go to Te Koukou in August.
- ***Harmony Lane, Waipapa (Baysport):*** Investigations have begun into how Council acquired the land to determine next steps for land development.
- ***Long Term Plan:*** Progress includes identifying key workstreams, decision points and areas where project work may inform future investment and prioritisation choices. This work remains at an early stage and will continue to be refined as elected member direction, financial settings and organisational priorities are developed.
- Support has also been given to other projects such as IAF Kawakawa, Kaikohe Library & Civic Hub, Kerikeri Bypass, implementation of Development Contributions, Northland Waters Done Well, and consideration of Council landholdings and necessary processes associated with these.

Work on these projects has also identified business improvement actions and opportunities to improve processes, some of which will feed into Long Term Plan decisions, which is ongoing work.

Closing comment: The matters outlined in this report are being actively monitored and managed through existing leadership, workforce, recruitment, employment relations and risk management processes. Future reporting will continue to focus on key trends, emerging risks and the actions being taken to maintain organisational capability and support service delivery.

5.4 MAYORAL DISCRETIONARY FUND - QUARTERLY UPDATE

File Number: **A5868157**

Author: **Rachel Smith, Executive Officer**

Authoriser: **Emma Healy, Chief of Staff**

TAKE PŪRONGO / PURPOSE OF THE REPORT

For Te Miromiro - Assurance, Risk and Finance Committee to note the quarterly expenditure from the Mayoral Discretionary Fund.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

Council policy requires reporting of the Mayoral Discretionary Fund to the Committee. This report covers Quarters 1, 2, 3 and 4 – for the period of 1 July 2025 to 30 June 2026. Organisation and individual names have been omitted from the report for privacy reasons.

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro Committee for Assurance, Risk and Finance receive the report Mayoral Discretionary Fund - Quarterly Update.

TĀHUHU KŌRERO / BACKGROUND

The Mayoral Discretionary Fund was established as a response to ongoing requests for financial assistance that are not eligible under other funding policies within Council, or the request is of an emergency assistance nature.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

All funding decisions are made at the mayor’s discretion; however, in the interest of transparency for ratepayers, Council policy requires that certain details of the awarded grants be made public.

Quarter 1 (1 July – 30 September 2025)

Purpose of Funding	Amount Awarded
• *Reason:* Sign Language Conference • *Date of payment:* 30/07/2025 • *Total cost of request:* $2080.00	$2080.00
• *Reason:* Speech Event Venue Hire • *Date of payment:* 30/07/2025 • *Total cost of request:* $1000.00	$1000.00
• *Reason:* Reimbursement for Clearing Roadside • *Date of payment:* 30/07/2025 • *Total cost of request:* $164.20	$164.20
• *Reason:* Travel support for AIMS games • *Date of payment:* 05/08/2025 • *Total cost of request:* $960.00	$500.00
• *Reason:* International Travel to represent NZ at Worlds Junior Pool tournament	$500.00

• *Date of payment:* 30/07/2025 • *Total cost of request:* $4208.20	
• *Reason:* FNDC sponsorship Award • *Date of payment:* 24/07/2025 • *Total cost of request:* $500.00	$500.00
• *Reason:* Support students attending Aqua Bots in Pōneke • *Date of payment:* 12/08/2025 • *Total cost of request:* $6202.00	$500.00
• *Reason:* Reimbursement for flyers printed • *Date of payment:* 12/08/2025 • *Total cost of request:* $180.00	$180.00
• *Reason:* Rangatahi participation in first kickboxing event in Auckland • *Date of payment:* 12/08/2025 • *Total cost of request:* $800.00	$500.00
Total Awarded for Q1:	**$5,924.20**

Quarter 2 (1 October – 31 December 2025)

Purpose of Funding	Amount Awarded
• *Reason:* Community mental health and suicide awareness event • *Date of payment:* 29/10/2025 • *Total cost of request:* $2032.25	$500.00
• *Reason:* Travel support for Softball team • *Date of payment:* 29/10/2025 • *Total cost of request:* $2844.88	$500.00
• *Reason:* Mayoral Prize for Service • *Date of payment:* 05/11/2025 • *Total cost of request:* $100.00	$100.00
• *Reason:* Local health care event funding • *Date of payment:* 12/11/2025 • *Total cost of request:* $5650.00	$500.00
• *Reason:* Community housing support initiative • *Date of payment:* 26/11/2025 • *Total cost of request:* $2700.00	$1200.00
Total Awarded for Q2:	**$2,800.00**

Quarter 3 (1 January – 31 March 2026)

Purpose of Funding	Amount Awarded
• *Reason:* Participation in NZ Māori Touch • *Date of payment:* 18/02/2026 • *Total cost of request:* $2500.00	$500.00

• *Reason:* Masters Hockey World Cup participation • *Date of payment:* 18/03/2026 • Total cost of request: $8175.00	$500.00
• *Reason:* Attendance at RFONZ AGM 2026 • *Date of payment:* 18/03/2026 • *Total cost of request:* $500.00	$500.00
• *Reason:* Club uniform support • *Date of payment:* 06/05/2026 • *Total cost of request:* $2700.00	$500.00
• *Reason:* Waitangi Breakfast contribution (LGNZ) • *Date of payment:* 26/03/2026 • *Total cost of request:* $1150.00	$1150.00
Total Awarded for Q3:	**$3,150.00**

Quarter 4 (1 April – 30 June 2026)

Purpose of Funding	Amount Awarded
• *Reason:* Year 11-Year 13 Careers Trip • *Date of payment:* 17/06/2026 • *Total cost of request:* $5000.00	$500.00
• *Reason:* Young Ambassadors Awards 2026 • *Date of payment:* 17/06/2026 • *Total cost of request:* $900.00	$900.00
• *Reason:* World Youth Pool Tournament • *Date of payment:* $17/06/2026 • *Total cost of request:* $8336.02	$500.00
• *Reason:* Rangatahi Golf Sponsorship • *Date of payment:* 17/06/2026 • *Total cost of request:* $20,000.00	$1000.00
• *Reason:* Award sponsorship • *Date of payment:* 01/07/2026 • *Total cost of request:* $500.00	$500.00
• *Reason:* Rumble in Russell • *Date of payment*: Yet to be paid • *Total cost of request:* $2500	$2500.00
Total Awarded for Q4:	**$5,900.00**

<u>*Summary*</u>	
July – Sep 2025	$5,924.20
Oct – Dec 2025	$2,800
Jan – Mar 2026	$3,150
Apr – Jun 2026	$5,900

Total	**$17, 774.20**

PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

The total fund amounts to $20,000 excluding GST and has been provisioned for in the annual budget.

Rumble in Russell is coming out of this financial year, to be paid from the 25/26 year budget, resulting in a total underspend of $2,225.80.

ĀPITIHANGA / ATTACHMENTS

Nil

5.5 REVENUE RECOVERY REPORT AS AT 30 JUNE 2026

File Number: **A5870246**

Author: **Zena Tango, Team Leader - Transaction Services**

Authoriser: **Charlie Billington, Group Manager - Corporate Services**

TAKE PŪRONGO / PURPOSE OF THE REPORT

The purpose of this report is to provide quarterly reporting to the Far North District Council Assurance, Risk, and Finance Committee

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

This is the final report for the financial year 2025-26 and provides information on quarter 4 actions since the last Te Miromiro Committee meeting to be taken to collect the arrears balances for rates, water and sundry debt this year, and to provide information on how collection is tracking against targets.

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro Committee for Assurance, Risk and Finance receive the report Revenue Recovery Report as at 30 June 2026.

TĀHUHU KŌRERO / BACKGROUND

This document has been prepared to outline the arrears balances for rates, water, and sundry debt as of 30 June 2026 (final quarter) and the actions taken by the Revenue Recovery team for the collection of the General Title rates and water, and sundry debt.

This information is part of the standing items reported to the Committee on a regular basis

The current balance of General Title Rates owed for the 2025/2026 rating year $17,602,086.77 and $1,914,736.66 for General Title Water.

We have received $125,666,704.55 towards General Title Rates 2025/2026 for all rating years rated.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

General Title rates and water debt

Key actions since the last report:

- Issued final demand notice to all major financial institutions. (BNZ, ASB, ANZ, Westpac, Kiwibank)
- Continued to contribute a large amount of team resources to collection of outstanding debt for rates and sundry debtors.
- Working with external law firm to start further recovery action.
- Rating sale completely processed.

Next actions:

- Provide Council reports to endorse rating sales.
- Continue collaboration with Building and Planning to reduce sundry debtor arrears.
- Continue with recovery action for rates and water.

- Follow new recovery process for sundry debtors to issue credit defaults.

For the total number of General Title rates accounts marked as 'Debt recovery action to commence':

- These are properties where there is no mortgage, and we do not have a payment arrangement or direct debit set up on the account.
- 30% of properties have last year's rates in arrears (2024-2025 year) and 21% have 2 years of arrears (2023-2024 year). Revenue Recovery continues to contact these owners by phone, email, or letter. Any water arrears are picked up at the same time.
- 12% of these accounts have arrears of 3 or more rating years (2022-2023 year and all prior years). Revenue recovery will start the final demand process for these per legislation, and per internal process which can result in referral to Council's legal services team or external to commence legal proceedings.

Māori Freehold Land rates and water debt

The rates debt has increased since the start of 1 July 2025 year. Signed off Māori Freehold Land remissions made up 9% ($677,324.75) of 2025/2026 rating year of rating relief remissions (See footnote A.2 in attachments). The water rates have also increased since 1 July 2025. (See footnote A.3 in attachments)

The current balance of Māori Freehold Land Rates owed for the 2025/2026 rating year $2,840,199.77 and for Māori Freehold Land Water $86,825.36.

We have received payments of $2,507,482.99 towards Māori Freehold Land 2025/2026 for all rating years.

Māori Freehold Land Property Reviews

A total arrears balance of $21,939.41 has been written off Far North District Council rates (non-rateable land under the Whenua Māori Amendment Act 2021) since 1 July 2025.

The total CE write-offs under Section 90 of the Whenua Māori Amendment Act 2021 processed since 1 July 2025 is $106,376.33.

Sundry debtors debt

The total sundry debtors aged debt balance has increased since the start of the year.

Since the prior report, debt for the resource consent department and building department has decreased.

The Revenue Recovery team continues to work closely with the Resource Consents department to manage the resource consent debt. This collaboration is beginning to deliver positive results, with a gradual reduction in outstanding debt.

(See footnote A.4 in attachments)

PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

Provision is made annually for doubtful debts in relation to the arrears owed to council. A higher provision for Māori Freehold land rates and water is made in comparison to General Title rates and water due to the difference in collection options available to Council.

ĀPITIHANGA / ATTACHMENTS

1. **Revenue recovery 30 June 2026 report attachment - A5876342** ⇩

Footnote A.1 General Title Rates and Water arrears comparison

General Title Rates

(Please note due to The Local Government Rating Act, period 2024-2025 rates invoiced 30 June 2025. Current rates do not get reflected till the end of 2025-2026 rating year.)

Current Quarter General Title Rates 2025-2026 30 June 2026

General Title Rates Categories	2024-2025	2023-2024	2022-2023	2021-2020	2020+	Total	# accounts
Abandoned Land	80,189	73,557	64,704	57,045	120,448	395,943	39
Payment Arrangement	10,021	5,974	3,183	-	-	19,178	6
Deceased Rate Payer	98,989	82,186	71,502	64,724	116,915	434,316	46
Mortgage Run 2024-2025	1,993,845	825,668	566,874	431,243	711,697	4,529,326	990
Legal Action Commenced (external)	100,018	84,857	89,773	81,731	365,931	722,311	46
Legal Action Commenced (FNDC)	76,093	69,423	61,392	52,946	116,911	376,764	25
Liquidation	2,463	2,286	2,183	2,074	3,904	12,910	2
Direct Debit	104,538	38,988	28,120	21,477	8,111	201,234	73
Debt recovery action to commence	584,720	950,663	675,665	516,630	574,353	3,302,031	199
Rates Total	3,050,875	2,133,603	1,563,395	1,227,869	2,018,271	9,994,013	1,426

Year on Year Quarter Comparison General Title Rates 2024-2025 30 June 2025

General Title Rates Categories	2023-2024	2022-2023	2021-2020	2020-2019	2019+	Total	# accounts
Abandoned Land	70,722	63,642	54,813	52,277	115,194	356,646	38
Payment Arrangement	11,017	5,275	1,157	-	-	17,449	6
Deceased Rate Payer	86,364	72,741	62,681	56,912	106,015	384,713	42
Mortgage Run 2024-2025	94,044	49,167	41,630	35,307	58,487	278,635	80
Legal Action Commenced (external)	88,847	91,427	82,548	76,841	300,251	639,914	44
Legal Action Commenced (FNDC)	26,459	23,706	22,486	21,328	43,332	137,311	11
Liquidation	2,286	2,183	2,074	1,938	3,858	12,339	2
Direct Debit	100,702	33,600	13,550	4,884	1,646	154,383	79
Debt recovery action to commence	2,105,361	1,295,563	904,859	739,143	826,724	5,871,649	990
Rates Total	2,585,801	1,637,304	1,185,798	988,629	1,455,507	7,853,040	1,292

Year on year quarter amount comparison	**465,074**	**496,299**	**377,597**	**239,240**	**562,764**	**2,140,973**	**134**
Year on year quarter percentage comparison	**18%**	**30%**	**32%**	**24%**	**39%**	**27%**	**10%**

Note: Approximately 5% of yearly rates invoiced for 2024-2025 Year is at debt recovery stage by the revenue recovery team. This process may include legal proceedings.

General Title Water

Current Quarter General Water Arrears 2025-2026 30 June 2026							
General Title Water Categories	**2024-2025**	**2023-2024**	**2022-2023**	**2021-2020**	**2020+**	**Total**	**# accounts**
Abandoned Land	-	-	-	-	-	-	-
Payment Arrangement	2,592	1,054	-	-	-	3,646	3
Deceased Rate Payer	20,495	13,958	10,288	6,799	36,287	87,827	13
Mortgage Run 2024-2025	312,958	87,025	53,185	34,110	44,451	531,729	411
Legal Action Commenced (external)	6,468	4,525	6,550	9,548	33,851	60,942	8
Legal Action Commenced (FNDC)	3,540	2,217	4,373	6,074	19,622	35,827	4
Liquidation	-	-	-	-	-	-	-
Direct Debit	118,909	77,238	23,707	11,031	56	230,940	68
Debt recovery action to commence	179,255	156,667	78,446	41,151	62,153	517,672	70
Water Total	644,217	342,685	176,548	108,713	196,420	1,468,582	577

Year on Year Quarter Comparison General Water Arrears 2024-2025 30 June 2025							
General Title Water Categories	**2023-2024**	**2022-2023**	**2021-2020**	**2020-2019**	**2019+**	**Total**	**# accounts**
Abandoned Land	-	-	-	-	-	-	-
Payment Arrangement	1,440	-	-	-	-	1,440	1
Deceased Rate Payer	14,653	11,194	7,448	11,491	45,418	90,204	10
Mortgage Run 2024-2025	-	-	-	-	-	-	-
Legal Action Commenced (external)	5,136	6,334	9,316	4,736	28,709	54,231	8
Legal Action Commenced (FNDC)	2,722	4,373	6,074	4,038	15,585	32,791	5
Liquidation	-	-	-	-	-	-	-
Direct Debit	68,919	5,778	3,147	3,678	1,533	83,055	48
Debt recovery action to commence	343,003	160,565	90,638	87,681	53,262	735,148	404
Water Total	435,873	188,244	116,622	111,624	144,506	996,869	476

Year on year quarter amount comparison	**208,344**	**154,441**	**59,926**	**- 2,911**	**51,914**	**471,713**	**101**
Year on year quarter percentage comparison	**48%**	**82%**	**51%**	**-3%**	**36%**	**47%**	**21%**

Footnote A.2 Māori Freehold Land Rates and Water

Māori Freehold Land Rates

Current Quarter MFL Rates Arrears 2025-2026 30 June 2026

MFL Rates Categories	2024-2025	2023-2024	2022-2023	2021-2020	2020+	Total	# accounts
Payment Arrangement	7,998	7,076	798	-	-	15,873	4
Deceased ratepayer	26,206	23,754	21,850	20,199	37,595	129,604	12
Direct debit	20,837	17,700	10,932	9,881	13,917	73,268	11
Abandoned Land	-	-	-	-	-	-	-
Debt recovery action to commence	2,300,686	2,218,818	1,895,815	1,825,995	3,225,061	11,466,374	995
Rates Total	2,355,727	2,267,348	1,929,396	1,856,075	3,276,573	11,685,119	1,022

Year on Year Quarter Comparison MFL Rates Arrears 2024-2025 30 June 2025

MFL Rates Categories	2023-2024	2022-2023	2021-2020	2020-2019	2019+	Total	# accounts
Payment Arrangement	7,593	1,348	-	-	-	8,941	3
Deceased ratepayer	22,143	20,276	19,308	18,637	25,287	105,651	10
Direct debit	33,163	26,316	21,659	21,129	32,560	134,828	12
Abandoned Land	1,213	1,194	1,139	1,067	2,192	6,804	1
Debt recovery action to commence	2,170,181	1,834,134	1,767,742	1,586,969	2,106,014	9,465,039	935
Rates Total	2,234,293	1,883,268	1,809,848	1,627,802	2,166,052	9,721,263	961

Year on year quarter amount comparison	**121,434**	**384,080**	**119,548**	**228,273**	**1,110,521**	**1,963,856**	**61**
Year on year quarter percentage comparison	**5%**	**20%**	**7%**	**14%**	**51%**	**20%**	**6%**

Māori Freehold Land Water

Current Quarter MFL Water Arrears 2025-2026 30 June 2026

MFL Water Categories	2024-2025	2023-2024	2022-2023	2021-2020	2020+	Total	# accounts
Payment Arrangement	1,749	611	-	-	-	2,360	1
Direct Debit	2,448	5,093	1,235	-	-	8,775	3
Debt recovery action to commence	67,988	50,657	39,113	41,380	103,000	302,138	43
Water total	72,185	56,361	40,348	41,380	103,000	313,273	47

Year on Year Quarter Comparison MFL Water Arrears 2024-2025 30 June 2025

MFL Water Categories	2023-2024	2022-2023	2021-2020	2020-2019	2019+	Total	# accounts
Payment Arrangement	751	-	-	-	-	751	1
Direct Debit	3,927	-	-	-	-	3,927	1
Debt recovery action to commence	45,903	33,844	32,274	52,411	67,310	231,741	38
Water total	50,581	33,844	32,274	52,411	67,310	236,420	40

Year on year quarter amount comparison	**21,604**	**22,517**	**8,074**	**- 11,031**	**35,690**	**76,853**	**7**
Year on year quarter percentage comparison	**43%**	**67%**	**25%**	**-21%**	**53%**	**33%**	**18%**

Footnote A.3 Sundry Debtors

Sundry Debtors

Note: Resource consents team now engage with progress invoicing. Sundry is high due to invoice timing for financial year end. i.e NZTA, MBIE

Current Quarter Sundry Debtors Aged Period Report as at 30 June 2026						
Category	**30 Days**	**60 Days**	**90 Days**	**90 Days +**	**Total**	**% Debt**
Sundry	1,802,202	115,787	22,974	320,662	2,261,625	50%
Bookings	4,780	-	2,415	24,209	31,404	1%
Septage	3,955	5,005	-	3,216	12,176	0%
Refuse	-	-	-	1,789	1,789	0%
Building	148,106	53,723	18,687	959,284	1,179,799	26%
Resource	59,240	17,874	5,494	853,906	936,514	21%
Liquor	12,049	3,741	0	1,926	17,717	0%
Health	9,983	5,752	8,981	61,923	86,639	2%
Total	2,040,314	201,883	58,551	2,226,914	4,527,663	100%

Year on Year Quarter Comparison Sundry Debtors Aged Period Report as at 30 June 2025						
Category	**30 Days**	**60 Days**	**90 Days**	**90 Days +**	**Total**	**% Debt**
Sundry	62,692	41,408	25,222	431,133	560,456	22%
Bookings	160	600	850	15,729	17,339	1%
Septage	-	-	-	5,159	5,159	0%
Refuse	-	-	-	3,027	3,027	0%
Building	43,133	43,966	25,340	802,358	914,796	36%
Resource	39,689	34,615	13,006	921,482	1,008,792	39%
Liquor	1,581	207	633	3,635	6,056	0%
Health	8,507	2,379	3,251	45,674	59,811	2%
Total	155,762	123,175	68,301	2,228,196	2,575,435	100%

Definitions of categories for rates and water.

Abandoned Land

Abandoned land means a rating unit for which rates have not been paid to the local authority for 3 years or more, and the ratepayer is either unknown, unlocatable, deceased with no representative, or has notified the local authority of their intent to abandon the land.

Payment Arrangement

This is a separate payment arrangement for a set period to halt penalties accumulating on the rate account.

Deceased Rate Payer

Probate process has not been completed.

Mortgage Run 2024/2025

These are properties that we have started the Mortgage demand process on.

Legal Action Commenced (external)

These are properties we have commenced legal action against with an external legal

representative.

Legal Actioned Commenced (FNDC)

These are properties we have commenced legal action against with FNDC legal services team.

Liquidation

The rate payer is a Company that has gone into liquidation, and we await the liquidation process to be complete.

Direct Debit

Properties that are paying by direct debit.

Debt recovery action to commence

These are properties with arrears that have no mortgage, and we do not have a payment

arrangement or direct debit set up on the account, next stage would likely be legal action.

5.6 FINANCIAL REPORT FOR THE PERIOD ENDING 31 MAY 2026

File Number: **A5878744**

Author: **Ken Macdonald, Chief Financial Officer**

Authoriser: **Charlie Billington, Group Manager - Corporate Services**

TAKE PŪRONGO / PURPOSE OF THE REPORT

To provide an overview and information on the current financial position and performance of the Far North District Council for the period ending 31 May 2026.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

This report provides a summary overview, Statement of Financial Performance and Capital Financial Performance.

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro Committee for Assurance Risk and Finance receive the Far North District Council Financial Report for the period ending 31 May 2026.

TĀHUHU KŌRERO / BACKGROUND

This report provides financial information for the 2025-26 financial year, for the period ending 31 May 2026.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

This report is for information only.

TAKE TŪTOHUNGA / REASON FOR THE RECOMMENDATION

Accept the commentary for the period ending 31 May 2026.

PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There are no financial implications or budgetary provisions required as a result of this report.

ĀPITIHANGA / ATTACHMENTS

1. **Te Huia Report for Period Ending 31 May 2026 -Final - A5884923** ⇩

SoFP-Detail (WC)

Whole of Council
Statement of Financial Performance
For the period ending 31-May-2026

	Year to Date: Actual vs Budget				Full Year: Budget vs Reforecast					
	Actual $000's	Budget $000's	Variance $000's	Variance %	Budget $000's	Reforecast $000's	Variance $000's	Variance %	Actuals YTD as a % of Total Budget	Actuals YTD as a % of Annual Reforecast
Operations										
Revenue										
Operational revenue										
Rates - general (excl water supply rates)	112,404	111,724	680	0.6%	122,204	122,204	-	-	92.0%	92.0%
Rates - penalties	1,523	1,518	5	0.3%	1,518	1,518	-	-	100.3%	100.3%
Fees & charges (inc water supply rates)	21,835	21,188	648	3.1%	23,153	23,153	-	-	94.3%	94.3%
Dividends	1,633	-	1,633	-	5,000	5,000	-	-	32.7%	32.7%
Other income (excluding dividends)	5,836	3,030	2,806	92.6%	3,312	4,493	1,181	35.6%	176.2%	129.9%
Central govt subsidies - admin & operational	21,210	20,452	758	3.7%	22,311	24,498	2,187	9.8%	95.1%	86.6%
Capital revenue			-	-			-	-	-	
Development and financial contributions	502	-	502	-	-	-	-	-	-	-
Central govt subsidies - new works	13,926	59,437	(45,510)	(76.6%)	88,287	80,163	(8,124)	(9.2%)	15.8%	17.4%
Central govt subsidies - renewals	17,975	29,507	(11,532)	(39.1%)	33,445	34,969	1,524	4.6%	53.7%	51.4%
Other contributions	7,825	31	7,794	25,328%	31	7,060	7,030	22,842.6%	25,427.7%	110.8%
Total revenue	**204,670**	**246,886**	**(42,216)**	**(17.1%)**	**299,261**	**303,059**	**3,797**	**1.3%**	**68.4%**	**67.5%**
Expenses										
Staff related costs	39,226	41,698	2,471	5.9%	45,209	45,256	47	0.1%	86.8%	86.7%
Contractor fees	50,982	52,414	1,432	2.7%	55,914	58,675	2,761	4.9%	91.2%	86.9%
Professional fees	9,542	9,991	450	4.5%	10,625	10,492	(132)	(1.2%)	89.8%	90.9%
External Services	11,023	8,546	(2,477)	(29.0%)	10,361	10,581	220	2.1%	106.4%	104.2%
Legal Costs	568	730	163	22.3%	797	797	-	-	71.3%	71.3%
Other (excl contractor fees, professional fees, external services & legal costs)	5,951	1,675	(4,276)	(255.3%)	1,827	2,673	846	46.3%	325.7%	222.7%
General expenses	9,726	10,739	1,012	9.4%	11,708	11,872	164	1.4%	83.1%	81.9%
Grants and donations	2,262	2,960	698	23.6%	3,210	3,210	-	-	70.5%	70.5%
Rate remissions	2,506	2,138	(368)	(17.2%)	2,150	2,150	-	-	116.5%	116.5%
Interest costs	6,571	7,520	949	12.6%	8,204	8,204	-	-	80.1%	80.1%
Gain or Loss on disposal	3,401	-	(3,401)	-	-	-	-	-	-	-
Depreciation and amortisation	49,407	53,097	3,690	7.0%	57,924	57,924	-	-	85.3%	85.3%
Total expenses	**191,165**	**191,508**	**343**	**0.2%**	**207,929**	**211,833**	**3,904**	**1.9%**	**91.9%**	**90.2%**
Net surplus/(deficit)	**13,504**	**55,377**	**(41,873)**	**(75.6%)**	**91,333**	**91,225**	**(107)**	**(0.1%)**	**14.8%**	**14.8%**

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Revenue Summary for period ending 31 May 2026

Rates-general favourable variance $680K to budget

Rates penalties to budget

<u>Fees & charges - favourable variance $648K reflects:</u>
Roading&Footpaths YTD (Ferries tickets)
•actuals of $446K against YTD budget of $465K resulting in an unfavourable variance of $19K.
•Ferry fees revenue $445K received for Hokianga Ferry slightly lower than budget of $465K due to the winter season.

Solid Waste YTD
$423K favourable variance
Solid Waste Full Year Forecast:
Transfer Stations have a $401K favourable variance due to a new contract for this financial year, which increased revenue by accounting for cost fluctuations and performance payments. We also have been collecting rent of $20K (Ventia 195 Puketona Rd) that is not in the budget).

District Facilities YTD
($194K) unfavourable variance
District Facilities Full Year Forecast:
The bulk is for less than expected income from HFTE of $200K, due to the large amount of vacancies (35 in total). This will continue through until end of FY as they are in need of major repairs.

Community Engagement (CE) Fees & Charges YTD
$178K favourable is mainly driven by higher sales of goods and commission revenue out of I-Site.
Sales of good is $114K over budget ($223K actuals vs $113K budgeted). Commission income is $72K favourable, largely due to increased activity from InterCity Group, Northland Ferries. ($117K budgeted vs $35K budgeted)
CCTO Dividends (from Far North Holdings Ltd). Budget for dividends is in June.

<u>Other income - favourable variance $2.80M reflects:</u>
Roading&Footpaths YTD
•actuals of $1.10M against YTD budget of $575K resulting in a favourable variance of $530K.
Roading&Footpaths Full Year Forecast
•actuals of $1.10M Other income received in this section, against $625K spending in external service cost categories below, resulting in a favourable variance of $480k (NZTA has provided a 100% subsidy for the Kaitaia -Awaroa camera project.

Planning & Policy YTD
$479K favourable variance
Planning & Policy Full Year Forecast
Operational Grants $420K for Climate Change and $124K for Integrated Plan. Unfavourable variance of (68K) in Private Plan Chanrges Recovery

Corporate Services YTD
$561K favourable variance
Corporatre Services Full Year Forecast
Interest Received $550K

Chief of Staff YTD
$199K favourable variance
Chief of Staff Full Year Forecast
Recruitment $227K favourable variance due to Operational Grant for MTFJ, offset by $28k miscellanous overspends

Water Supply Other income YTD:
$1.36M favourable YTD with actuals of $1.39M compared to budget of $29K.
The favourable variance is mainly due to $1.3M of Better Off Funding (BOF) received for the Asset Management Information System under project 571814 – DIA 3-Waters Transition Support. Of this amount, $850K was accrued from FY25 to complete Stages 1–3 of the AMIS project; however, this should have been treated as revenue received in advance.

WC Revenue Summary

Solid Waste YTD
$132K favourable variance
Solid Waste Full Year Forecast: Waste Disposal Levy has a favourable variance $131K

District Facilities YTD
($375K) unfavourable variance
District Facilities Full Year Forecast23/07/2026: Special Interest not yet allocated ($210K) and Recoveries ($162K) though this will be resolved by end of FY

Central govt subsidies - admin & operational favourable variance $758K reflects: solid roading maintenance season to budget carried out this year YTD.

Roading&Footpaths YTD
•actuals of $21.20M against YTD budget of $20.45M resulting in a favourable variance of $758K.

Roading&Footpaths Full Year Forecast
•actuals to end of May of $21.20M against Full year forecast to 30 June of $24.49M resulting in a variance currently of $3.29M.
•Footpath actuals of $53K against ytd budget of $104K resulting in an unfavourable variance of $51K due to funding not received from NZTA and low budgets to tackle this programme.
•Ferry acruals of $1.10M against ytd budget of $1.79M resulting in an unfavourable variance of $689K. Ferry work for deck major works maintenance has been deferred to FY2028 (per Mike Fox & NZTA NLTP)
•Emergency works acruals of $1.22M against a YTD budget of $66.38K resulting in an unfavourable variance of $1.51M. A budget reallocation needs to be done from Emergency works parent code to emergency works Capital & Operational roading projects.
• Roading network maintenance season season has actuals of $18.82M against YTD budget of $18.49M resulting in a small favourable variance of $339K. The variance of $339K is for low cost low risk $264K and Maint $75K.

Development Income WW – YTD
$502K favourable variance,
Development Income Full year forecast
The favourable variance is driven primarily by revenue from the Doland Road Wastewater Catchment Upgrade project (Project 551809). This income was not included in the original budget, resulting in the favourable variance.

Central govt subsidies - new works - unfavourable variance $45.51M reflects:
Roading&Footpaths YTD
•actuals of $5.56M against a YTD budget of $31.54M resulting in an unfavourable variance of $25.98M
Roading&Footpaths Full Year Forecast
•actuals of $5.56M against Full year forecast of $34.59M resulting in a variance of $29.03M.
•Footpaths actuals of $0 against ytd budget of $2.51M resulting in an unfavourable variance of $2.51M.
•Emergency works actuals of $4.14M against ytd budget of $13.34M resulting in an unfavourable variance of $9.20M.
•Roading network actuals of $1.42M against a ytd budget of $15.67M resulting in an unfavourable variance of $14.25M. This work relates to Minor Improvements.
NOTE: Please refer to capital spending underperformance in the Roading Capex area of the Capital Report on next page for details of underspend, causing under cliaming to budget)

Central Govt subsidies New Works YTD for Water and Wastewater
An unfavourable variance of $19.431M is reported across both IAF Wastewater and Water projects primarily driven by project timing delays, early-stage delivery, and the timing of funding claims.
•Wastewater: Actual revenue of $2.055M against a budget of $9.375M resulted in an unfavourable variance of ($7.320M). The variance mainly relates to the Kawakawa Wastewater project, which remains in the early feasibility stage with no claims submitted year-to-date, and Kaikohe Wastewater projects, where Stage 3 claims are still pending.
•Water Supply: Actual revenue of $6.3M against a budget of $18.4M resulted in an unfavourable variance of ($12.1M). Key drivers include the Kawakawa Water Treatment Plant Upgrade remaining in the early feasibility stage with no claims received, and Kaikohe Water projects where construction is underway but further claims are still pending. This was partially offset by a favourable variance on the Kaitaia and Kerikeri Fluoridation projects due to prior-year funding being accrued as revenue, rather than income in advance in FY25. So a timing differnece occurs in revenue vs expense in Fluoridation project ($2mill rev in FY25, & $2mill expense in FY26). Detailed reconciliations working with Waters Infrastructure & next month in June, as closing YTD jnls for loans & subsidies are are done for Kaikohe Project, with final claims, will ultimately result in a reduced YTD variance.

WC Revenue Summary

Central govt subsidies - renewals - unfavourable variance $11.53M reflects:
Roading&Footpaths YTD
•actuals of $17.84M against $29.50M May YTD budget resulting in an unfavourable variance of $11.65M.

Roading&Footpaths Full Year Forecast
•actuals of $17.84M against Full year budget (forecast budget) of $34.90M resulting in a variance of $17.06M.
•Footpaths actuals of $283K against ytd budget of $531K resulting in an unfavourable variance of $247K. A paper needs to be written to Council to undertake the footpath renewals for Pahia, Williams Road at a cost of option 1 $135K or option 2 $180K. This cost needs to come out of Future year budget FY26/27. Work to be done is to supply & install concrete pedestrian walkways.
•Emergency works actuals of $1.97M against ytd budget of $4M resulting in an unfavourable variance of $2.02M.
•Ferries actuals of $3K against ytd budget of $502K resulting in an unfavourable variance of $499K.
•Roading network renewals actuals of $15.58M against ytd budget of $24.46M resulting in a variance of $8.88M. (The variance of $8.88M relates to Local road pothole prevention $3.25M, local road operations $1.72M, local road imporvements $4.25M).

Other Contributions - favourable variance $7.79M reflects:
Cycle trail YTD
•actuals of $149K against YTD budget of $31K resulting in a favourable variance of $118K.
Cycle trail Full Year Forecast
•actuals of $149K against full year forecast of $31K resulting in a favourable variance of $118K.
•The receipt of $149k external funding from MBIE, which was not anticipated in the original budget. Expected to received $50,900K on 1 July 2026 from MBIE for maintetance funding for Cycle trail.

Roading&Footpaths YTD
•actuals of $900K against a $0 budget
Roading&Footpaths Full Year Forecast
•actuals of $900K against a $0 budget
•Roading -$1.5M expected from MBIE funding for the Haruru Falls project, FNDC to fund $450K per agreement. Thus far project funds received $900K from MBIE.

District Facilities
Te Arawhiti grant for the Kaitaia Airport

Water Supply (WS) Other Contributions (Capital Grants)-YTD
$2.5M favourable variance,
WS Other Contributions Full year forecast:
This variance relates to funding received and claims submitted across several water projects, including:
•$254K BOF funding applied forTe Kahu O Taonui Initiative (TKOT) (421003)
•Kaikohe Water projects:
-$299K received from Milestone Payment 3 under IAF funding for the Water Reticulation Project
-$2.042M received for the Water Treatment Plant Upgrade.

Expenditure Summary for period ending 31 May 2026

Staff related costs -favourable variance $2.47M reflects:
Roading&Footpaths YTD
•actuals of $1.22M against YTD May budget of $2.53M resulting in favourable variance of $1.31M.
Roading&Footpaths Full Year Forecast
•actuals of $1.22M against Full year budget of $2.72M resulting in a estimated variance of $1.41M.
•staff costs reflect a reduction in expenditure following the restructure of the Roading business unit. The revised structure has lowered overall staff costs, & increased costs get spent in consultants section (Stellar & WSP).

There are staff vacancies across the organisation contributing to the favourable variance. Many are on hold to save on costs.

Contractor fees - favourable variance $1.43M reflects:
Roading&Footpaths YTD
•actuals of $25.46M against YTD budget of $25.27M resulting in an unfavorable variance of $184K.
Roading&Footpaths Full Year Forecast
•actuals of $25.46M on Fulton Hogan, Ventia, FNR, against Full year forecast of $29.27M resulting in a favourable variance of $3.81M
•Variance of $184K relates to Emergency works costs that cannot be capitalised against specific roading projects. Multiple investigations & journals completed to rellocate correctly from capex to opex to ensure costs into correct areas following investigation of details of all Stellar roading works completed.
•Split of contractor fees in this category is, contract professional actuals of $3.15M, contract work actuals of $18.60M, contract management fee actuals of $3.70M.

Environmental Management YTD
Delivery & Ops $560K favourable variance with $421K in Resource Consents, $77K in Building Consents and $62K in Monitoring
Environmental Management Full Year Forecast
Consider savings, & reallocation to RMA reforms coming

District Facilities YTD
$896K favourable variance in Delivery & Ops, mainly in Public Toilets $430K and Parks & Reserves $433K with small favourable variances across other depts
District Facilities Full Year Forecast
New Team Leader has found savings and reduced the budget for the next Financial Year.

Solid Waste YTD
($663K) unfavourable variance
Solid Waste Full Year Forecast:
There was a $170K performance Payment to Northland Waste. The balance is cost fluictuations but this is offset by a large favourable balance in Fees & Charges

Waste water contractor fees-YTD
$627K favourable variance
WW Contractor Fees full year forecast:
The favourable variance is mainly due to timing delays in invoicing from Ventia ($8.26M actuals vs $9.16M budgeted).
Offset by $213K of unbudgeted contract professional fees has been incurred, ($143K paid to Hoskin Civil for the Rawene WW Improvement project; and $70K relating to the Taipa WW project, plus orther miscellanious expenses)

WC Expenses Summary

<u>Professional fees - favourable variance $450K reflects:</u>

Cycle trail YTD

•actuals of $934K against YTD budget of $261K resulting in an unfavourable variance of $672K.

Cycle trail Full Year Forecast

•actuals of $934K against Full year forecast of $285K resulting in a variance of $649K.

•MBIE funds $188K received in PY24-25 to offset costs in professional fees.

• Capex Prior Year WIP costs $800K was deemed no longer applicable as an asset, and has been was written down, & jnlled into to current-year operating expenditure, increasing professional fee costs for the period.

Roading&Footpaths YTD

•actuals of $4.25M against YTD budget of $4.55M resulting in a favourable variance of $302K.

Roading&Footpaths Full Year Forecast

•actuals of $4.25M against Full year forecast of $4.70M resulting in a estimated full yeaer variance of $453K.

Planning & Policy YTD

$903K favourable variance

Planning & Policy Full Year Forecast

Bulk is $756K savings in Placemaking and Spatial Plan and $111K in Strategy Development as budget are not required at this stage - however planning team has stated, coming account commitments mean this will likely be used over the course of the rest of the FY

Corporate Services YTD

$175K unfavourable variance, although comes into line at year end.

Solid Waste YTD

($158K) unfavourable variance

Solid Waste Full Year Forecast:

Majority of the unfavourable balance is due to fees paid to Morrison Low so far this Financial Year. These consultancy fees were not budgeted for as it was not anticipated we would need to hire a firm to take care of Solid Waste managment consulting while we searched for someone to fill the vacant role in the space. This is also ongoing as the area needs more expertise and staffing. This is being discussed at SLT level & has resulted in the increased budget for solid waste in adopted AP 26-27.

District Facilities YTD

($191K) unfavourable variance due to Civil Defence ($261) balanced out by a favourable variance in Infrastructure $66K

District Facilities Full Year Forecast

Unfavourable variance in Civil Defence is due to the large annual fee of $393k paid to NRC for the provision of emergency management. Service Level Agreement signed by Ruben Garcia and Jonathan Gibbard on 03/09/25. Note, there is enough budget in the full FY to cover this cost, so is a timing issue

WC Expenses Summary

<u>External Services - unfavourable variance $2.47M reflects:</u>
Cycle trail YTD
•actuals of $143K against YTD budget of $346K resulting in a favourable variance of $204K.
Cycle trail Full Year Forecast
• actuals of $143K against Full year estimated forecast of $378K resulting in an favourable variance of $47k.
•Commitments $188K made for tunnel inspection and maintenance or preventative works prior to winter period. (Far North Property Services $181K Full length spraying of the cycle trail for the next 6 months, Ventia $7K To improve cycle trail wayfinding through the township of Kawakawa. Scope includes the line marking of Sharrows on Pavements around Station Road, Gilles Street and Old Whangae road area).

Roading&Footpaths YTD
•actuals of $2.55M against YTD budget of $1.47M resulting in an unfavourable variance of $1.08M.
Roading&Footpaths Full Year Forecast
•actuals of $2.55M against Full year forecast estimation of $1.82M resulting in a full year unfavourable variance of $739K.
•the unfavourable variance relates to $610K for the Kaitaia-Awaroa camera projecKaitaia project fully recovered under revenue. A $475K budget reallocation will be done in June for Emergency works from the Emergency works parent code to individual roading projects.

District Facilities YTD
$396K unfavourable variance mainly in Delivery & Ops
District Facilities Full Year Forecast
Approx $4368k unfavourable, with detail being overspent, Public Toilets ($164K), Parks & Reserves ($390K) and Town Maintenance ($333K) being the larger ones. This is offset to some extent by favourable balances in Community Special Projects $250K, Carparks $43K, Halls $125K and Swimming Pools $31K and smaller underspends across several areas.

Water Supply External services YTD-
$909K unfavourable ($940K actuals vs $30K budgted)
External services full year forecast-
Of this, $308K relates to the Milestone 5 payment for Project 421003 –Te Kahu o Taonui Initiative, supporting the rollout of both platforms to iwi, hapū, and Tāio-focused community groups. A further $317K of unbudgeted expenditure was incurred on Project 571070 – Kaitaia New Source Sweetwater for SCADA support-These costs were transferred out of Capex after being identified as Opex

The remaining $284K overspend relates to the 5711 – Water Scheme cost centre and consists primarily of:
•$131K (42%) for Ventia MCW O&M payments and accruals; and
•$90K (29%) paid to Zap Water for the Kaeo water supply.

<u>Legal Costs $163K Favourable</u>
Environmental Management YTD
$152K favourable variance
Environmental Management Full Year Forecast
Budget is not needed at this stage so will likely have savings by EOFY

WC Expenses Summary

<u>Other (excl contractor fees, professional fees, external services & legal costs) -unfavourable variance $4.427M reflects:</u>
Roading&Footpaths YTD
•actuals of $923K against YTD budget of $3.71M resulting in a variance of $2.79M
Roading&Footpaths Full Year Forecast
•actuals of $923K against estimated Full year forecast of $4.05M resulting in a variance of $3.12M. (PSU recoveries are higher than budget recovered from NZTA)
•Staff costs $1.7M remain to be recovered from NZTA, with NZTA receiving signed letter from Margriet (RBM) & Ken (CFO) to proceed with the recovery of internal staff costs. This was apprvoed by NZTA.

Planning and Policy YTD
($160K) Unfavourable variance
Planning and Policy Full Year Forecast
Unfavourable variance of ($229K) Commisioners Fees re District Plan Hearings due to the large amount of work being done in that space.

Corporate Services YTD
$153K favourable variance
Corporate Services Full Year Forecast
Audit fees are underspent but will come into line for EOFY

District Facilities YTD
($84K) unfavourable variance mainly in Delivery & Ops
District Facilities Full Year Forecast
Overspend in Vegetation Control due to a large a number of trees and weeds needing removal and not budgeted for.

Wastewater Other Expenses YTD
$449K or 233% unfavourable YTD budget, primarily due to:
•An unbudgeted $91K compensation payment related to the wastewater line replacement on Paihia Road..
•A $198K overspend on project concept design for – IAF Kawakawa projects 551358-WW Treatment plant upgrade and WW Reticulaton prjoject, resulting from a payment to Jacobs NZ for their claims on the Detail Design and Tender phase
• An unbudgeted $62K spend for the quarterly Water and Waste levy paid to the Water Services Authority.
• A $96K unbudgeted spend on 3- Waters reform professional fees for project 551807 – Taipa Wastewater Transformation Project, with $52K paid to Hoskin Civil and $35K paid to Far North Enviro Lab Ltd.

Stormwater Other Expenses YTD
$151K (58%) favourable
Other expenses full year forecast:
This favourable variance reflects the absence of any YTD expenditure on Project Concept Design costs ($229K budgeted vs $0 actual). This is partially offset by $80K of unbudgeted expenditure relating to Three Waters reform costs for BOF Project 241812 – Kaeo Flood Hazard Planning Mitigation, paid to the Northland Regional

WC Expenses Summary

<u>General expenses- favourable variance $1.01M reflects:</u>
Cycle trail YTD
•actuals of $97K against YTD budget of $124K resulting in a favourable variance of $27K
Cycle trail Full Year Forecast
•actuals of $97K against Full year forecast of $133K resulting in an unfavourable variance of $36K.
•These costs relates to public notices and marketing of cycle trail projects. Public notices has an underspend of $38K. There are two potential projects yet to commence and will not be completed by end of June 2026.
•Lease rentals has an underspend of $14K.
• Rates expenses of $22K was not budgeted for.
•General expenses has commitments of $29K (Public notices $22K, Lease rentals $7K)

Planning and Policy YTD
$154K favourable variance
Planning and Policy Full Year Forecast
Budget is not needed at this point in the FY

Corporate Services YTD
$612K favourable variance
Corporate Services Full Year Forecast
Lower than expected Doubtful Debts $234K, savings in Travel $85K, Vehicle Exp $274K and Bank Fees $13K

Environmental Management YTD
$125K favourable variance
Environmental Management Full Year Forecast
Budget is not needed at this point in the Financial Year

Community Engagement General Expenes YTD
$98K over unfavourable
CE full year forecast-
This is largely driven by materials cost of goods sold, which is $90K above budget, consistent with sales income also being $90K above budget. Lease and rental costs are $70K over budget, including $75K paid to Ngāpuhi Investment Fund for external cleaning, repairs, and gardening services for the Hokianga i-SITE.

These overspends are partially offset by a $55K underspend in public notices and advertising, with actual expenditure of $3K against a budget of $59K.

District Facilities YTD
$171K favourable variance
District Facilities Full Year Forecast
Grants for 25/26 yet to be paid out

Strategic Relationships Grants and Donations YTD:
$500K (41%) favourable
Grants and Donations full year forecast:
This favourable variance is primarily due to underspends in Community Board, Stakeholder Relations, and Māori Engagement. The variance does not include $319K in committed community grants that are still awaiting payment.

Corporate Services YTD
($368K) unfavourable variance
Corporate Services Full Year Forecast
Rates remmision requests more than expected with the ecomomic climate not favouring ratepayers

WC Expenses Summary

<u>Gain or Loss on disposal - unfavourable variance $3.40M reflects:</u>
Roading&Footpaths YTD
•actuals of $2.53M against YTD budget of $0.
Roading&Footpaths Full Year Forecast
•actuals of $2.53M against Full year forecast of $0.
•Roading Renewals (note that no budget is assigned to this category). This is primarily represented by unsealed surface network write-offs related to renewals, as advised through RAMM and the transport team.FIFO method is used.

<u>Depreciation and amortisation - favourable variance $3.69M reflects:</u>
Cycle trail YTD
•actuals of $320K against YTD budget of $560K resulting in a favourable variance of $240K.
Cycle trail Full Year Forecast
•actuals of $320K against Full year forecast of $611K resulting in an unfavourable variance of $391K.
•Cycletrail lower than planned capital spend and the write-off of WIP last year costs reduced the asset, which is why current year depreciation is tracking below budget.

Roading&Footpaths YTD
•actuals of $24.86M against YTD budget of $27M resulting in a favourable variance of $2.13M
Roading&Footpaths Full Year Forecast
•actuals of $24.86M against Full year forecast of $29.46M resulting in a variance of $4.6M.
•Roading not spending on their capital program.

SoCP-Detail (WC)

Whole of Council
Statement of Capital Performance
For the period ending 31-May-2026

	Year to Date: Actual vs Budget					Full Year: Budget vs Reforecast					
	Actual $000's	LTP Budget $000's	Budget $000's	Variance $000's	Variance %	Budget $000's	Reforecast $000's	Variance $000's	Variance %	Actuals YTD as % of Total Budget	Actual YTD as % of Annual Reforecast
Capital Works											
New Works & Renewals											
District Facilities	6,635	2,796	2,796	(3,839)	(137.3%)	3,051	18,756	(15,705)	514.8%	217.5%	35.4%
Stormwater	1,491	4,175	8,713	7,222	82.9%	4,542	9,678	(5,136)	113.1%	32.8%	15.4%
Solid Waste	90	78	78	(12)	(15.4%)	85	1,434	(1,349)	1,583.3%	105.8%	6.3%
Wastewater	19,592	47,638	59,312	39,720	67.0%	60,777	68,973	(8,196)	13.5%	32.2%	28.4%
Water Supply	13,596	40,770	45,846	32,249	70.3%	45,521	42,645	2,876	(6.3%)	29.9%	31.9%
Drainage	(2)	-	-	2	-	-	-	-	-	-	-
Roading & Footpaths	35,084	54,105	91,323	56,239	61.6%	59,022	102,857	(43,835)	74.3%	59.4%	34.1%
Environmental Management	38	29	29	(9)	(31.2%)	32	51	(19)	60.5%	120.3%	74.9%
Corporate Services	1,291	2,931	2,931	1,640	55.9%	3,198	3,750	(552)	17.3%	40.4%	34.4%
Community & Engagement	5,877	7,179	7,179	1,302	18.1%	7,831	13,822	(5,990)	76.5%	75.0%	42.5%
Cycle Trail	(312)	-	2,316	2,628	113.5%	-	2,816	(2,816)	-	-	(11.1%)
Total New Works & Renewals	83,382	159,701	220,524	137,142	62.2%	184,059	264,781	(80,722)	43.9%	45.3%	31.5%
Vested Asset Additions	-	-	-	-	-	-	-	-	-	-	-
Total Capital Works	**83,382**	**159,701**	**220,524**	**137,142**	**62.2%**	**184,059**	**264,781**	**(80,722)**	**43.9%**	45.3%	31.5%

Summary - Capital Programme for period ending 31 May 2026

Stormwater – New Works and Renewals YTD
$7.22M (83%) favourable variance YTD.
Stormwater – Full Year Forecast:
•***Capex New Works*** are$4.7M under budget, with actual expenditure of $1.02M against a budget of $5.8M. This excludes $2.023M in committed costs where purchase orders have been raised but invoices have not yet been received, reducing the variance to $2.711M under budget ($2.711M actuals plus commitments vs $5.8M budget).
-The largest underspends are:
•Project 241062 – Kaitaia Commerce Street Stormwater Line: $1.4M under budget ($30K actual vs $1.473M budget). This excludes $1.464M in committed costs, of which $1.337M relates to Far North Roading Ltd,$69K to Vision Consulting and $57K to Hoskin Civil Ltd
•Project 241817 – Reef View Road Stormwater Upgrade: No actual expenditure has been recorded to date against a YTD budget of $795K. There is approximately $80K in committed costs relating to Zealandia Consulting Ltd for design work with detailed design commencing in the second week of June. Once the design phase is completed, the project will be handed over to the delivery team to commence construction.
•Project 241065 – Stormwater Improvements Moerewa: $1.3M under budget, with actual expenditure of $174K against a budget of $1.5M. This excludes $265K in committed costs, including $198K committed to Webb Contracting Ltd, which would reduce the variance to approximately $1.07M under budget.
•Projects 241814 – Stormwater Resource Consents (Te Hiku), 241094 – Stormwater Kaikohe IAF, and 241091 – Floodgate Improvements all have $0 YTD spend against a combined YTD budget of $473K.
•**Capex Renewals** are $2M under budget, with actual expenditure of $258K compared to a budget of $2.2M. This excludes $529K in committed costs, reducing the variance to approximately $1.4M under budget.
-Several renewal projects are collectively contributing to the underspend including:
•Project 241818 – Kaitaia Stormwater Renewal (Diversion from Matthews to Farrimond), which is $424K under budget with $15K actual expenditure against a budget of $439K;
•Project 241086 – Kaitaia Parkdale Crescent, which is approximately $900K under budget with $98K actual expenditure against a budget of $900K;
•Project 241090 –Stormwater Reactive Renewal is $203K under budget, with only $62K spent YTD against a budget of $265K.
Stormwater Reactive Renewal is $203K under budget, with only $62K spent YTD against a budget of $265K.
•Project 241089 – Stormwater Network Reactive Renewals has incurred no YTD expenditure against a budget of $281K.

Note: A total of $952K in Capex New Works and loan funding has been reforecast to FY26, comprising $800K from Project 241086 – Kaitaia Parkdale Crescent Stormwater Renewals and $152K from Project 241093 – Kaitaia Urban Stormwater Resource Consents.

Wastewater – New Works and Renewals YTD
$39.7M favourable YTD.
Wastewater – New Works and Renewals Full Year Forecast
•Capital New Works are $25.6M below budget YTD ($18.4M actual vs $44M YTD budget). This excludes $7M in committed costs where purchase orders have been raised and invoices are pending, reducing the variance to $18.7M favourable. The underspend is primarily due to project timing delays and slower-than-planned progress across several projects. Key variances include:
•Projects 551358 and 551810 – IAF Kawakawa Wastewater Treatment Plant Upgrade and Reticulation are collectively $8M below budget, with actual expenditure of $59K against a YTD budget of $9M, reflecting the early stages of project delivery.
•551018 – Wastewater Telemetry: $1.2M under budget ($1.5M actual vs $4.3M YTD budget). This excludes $682K in committed costs relating to contractors including Mott MacDonald, United Civil Construction, and Lambda Communications.
•551302 – Hihi WWTP Construction: $1.1M under budget. Of the total $3.59M budget, $3M has been reforecast to FY27.
•551352 – Kaikohe Wastewater Scheme Improvements: $785K under budget with no YTD actual expenditure. Of the $2.2M budget, $1.7M has been reforecast to FY27.
•551360 – Kaikohe WWTP Upgrade: $4.8M under budget, with only $17K in committed costs. The project remains in the design phase as part of the wider IAF programme.
•551357 – Kaikohe Wastewater Reticulation: $1.2M under budget ($9.5M actual vs $10.8M YTD budget). The project is currently in Stage 3 of construction. This excludes $5.2M in committed costs, and expenditure is expected to increase as works progress, with the full-year budget expected to be substantially utilised.
•551361 – Kaitaia WWTP Upgrades: $554K under budget, with $1.5M of the $1.9M budget reforecast to FY27.
•551388 / 551387 – Land Purchases for Discharge (Omapere/Opononi and Kohukohu): $1.7M under budget, as potential sites are still under investigation.

Capex Renewals are $3M favourable YTD ($707K actual vs $6.5M YTD budget). Several projects have recorded no YTD expenditure against budget, including pump station renewals and upgrades across Whatuwhiwhi, Opononi, Russell, Kaikohe, and Kaitaia.

N.B.: A total of $12.3M of capital works expenditure has been reforecast to FY26 and future years due to project timing delays and revised delivery schedules.
N.B. Detailed reconciliations working with Waters Infrastructure & next month in June, as closing YTD jnls for loans & subsidies are are done for Kaikohe Project, with final claims, will ultimately result in a reduced YTD variance.

Water – New Works and Renewals YTD
$32M (70%) favourable variance YTD.
Water – New Works and Renewals Full Year Forecast:
*•**Capital New Works** are $23.1M below budget YTD ($12.3M actual vs $35.4M YTD budget). This excludes $7.2M in committed costs where purchase orders have been raised and invoices are pending, reducing the overall variance to approximately $16M under budget ($17.6M actuals plus commitments vs $33.5M budget).*
-The underspend is primarily due to timing delays, with work progressing more slowly than planned across several major projects. Key variances include:
•Project 571347 – Kawakawa WTP Upgrade: $8.9M below budget, reflecting early-stage project delivery.
•Project 570023 – Kerikeri Water Network Upgrade to Heritage Bypass: $1.15M below budget, with $6.9M reforecast to FY27.
•Project 571340 – WTP Upgrade Kerikeri: $3.14M below budget. Stage 1 works have been completed, with significant upgrades still required, as advised by the Project Manager.
•Project 571228 – Water Treatment Plant Relocation Paihia: $3.1M below budget. The full $3.18M is committed for land purchase; however, an assessment of purchase versus lease options will be presented to Council, with a decision expected in December 2026 (FY27).
•Project 571834 – SCADA System Upgrades: $1.216M below budget, with $1M to be reforecast to FY27/28.
•MOH Fluoridation Projects – Kerikeri (571840) and Kaitaia (571839): The projects are currently tracking $1.7M below budget. Procurement was finalised in February 2026, with construction commencing in April 2026.
•Project 571350 – Kaikohe WTP Upgrade: $775K below YTD budget ($8M actual vs $8.70M budget). This excludes $2.1M in committed costs where purchase orders have been raised and invoices are pending, of which $2M relates to Bellcon Ltd. As the project is now in the construction stage, costs are expected to increase as works progress.
•Project 571097 – Paihia Water New Minor Upgrades: $503K under budget, with works yet to be scoped and funded from the district wide budget held under PR 571073-Water New Minor Upgrades project
•Project 571358 – District Wide Water Storage Improvements: no YTD expenditure against a $107K budget, with $639K to be reforecast to FY27.
*•**Capex Renewals** are $1.94M favourable YTD (815K actual vs $2.8M budget). Several projects have incurred no YTD expenditure against budget, including:*
•Project 571343-Water Treatent Plant Paihia-Land Purchase($545K)
•Project 571128 – Paihia Te Haumi Reservoir ($468K)
•Project 571221 – Moerewa WS – Pembroke ($450K)
•Project 571360 – District Wide Water Pump Station Renewal Programme ($254K)
•Project 571359 – District Wide Water Reactive Renewals ($299K)
•Project 571224 – PRG Water Supply Network Renewals Triggered by Roading ($156K)
These underspends are partially offset by reactive renewal projects incurring unbudgeted expenditure, primarily driven by Ventia MCW charges across Paihia, Opononi, Kerikeri, Kaitaia, and Kaikohe. Renewal budgets are set at a district-wide level, while expenditure is recorded at the scheme level in line with targeted rate funding requirements. As a result, these overspends will be reforecast from the district-wide budgets to the relevant schemes to cover the additional costs.

Roading & Footpaths - New Works and Renewals YTD.
$56.23M favourable variance YTD.
Roading & Footpaths New Works and Renewals Full Year Forecast:
•Capital New Works total is $43.17M below budget YTD ($11.64M actual vs $54.82M YTD budget). Of capital new works category, the underspend is due to lower than budget spending on Emergency works (variance below budget $16.21M), Low Cost Low Risk (variance below budget $19.02M) and Unsubsidised projects(variance below budget $7.93M)
•Renewals total is $13.96M below budget YTD ($23.43M actuals vs $37.40M YTD budget). The underspend is due lower than budget spend on Unsealed Rd Metalling (variance below budget $3.29M), Sealed Rd Resurfacing variance below budget $391K), Drainage Renewals (variance below budget $1.22M), Pavement Rehab (variance below budge $470K), Structures Component (variance below budget $3.05M), Bridges & Structures Renewals (variance below budget $5.90M), Traffic Renewals (variance below budget $165K), & overspend in footpaths renewals (variance above budget $538K.)
FNDC budgets are significantly higher than NZTA approved budget. FNDC budgets reflects activities not approved by NZTA but published in the Annual Plan due to the timely of NZTA approvals being in Sept 2025, well after 2025-26 annual plan . Application for funding for Emergenwy works Jan26 and Mar26 weather events have not been submitted by the capital team to NZTA for review and approval.
Please note: The NTA subsidy rate (FAR ragte) for Emergency works for August 2022, May 2023, & June 2023, is droppping from 91% to 71%, for any new works carried out for those events after June 2026, as advised by NZTA.

Community Engagement – YTD
$1.302M favourable YTD.
Community Engagement – Full Year Forecast
The favourable variance is primarily due to underspend on Project 531058 – Kaikohe Library, with $5.3M actual spend against a $6.6M budget. This variance is largely timing-related.

The position includes $4M in committed costs, of which $3.3M relates to Far North Holding Ltd and $623K relates to Int Workspace Ltd.

CycleTrail - favourable variance $2.31M reflects:
YTD
•**New works** actuals ($326K) against ytd budget of $2.78M (it is a carry forward)
•**Renewals** actuals of $14K against YTD budget of $31K (it is a carry forward)
Full Year Forecast
•**New work**s actuals ($326K) against ytd budget of $2.78M (it is a carry forward)
•**Renewals** actuals of $14K against YTD budget of $31K(it is a carry forward)
•Capex Prior Year costs of $800K reclassification to operating expenditure.
•The $2.8M carry-forward from the LTP 2027-27 programme reflects completed works on the Te Raupo Road bridge, road improvements, and the Oramahoe/Whangae alternative route, with project leadership now transitioning to the Keteriki Trust. Project currently on hold pending decision to proceed with detailed design of Stage 1 Colenso Triangle to Whangae Tunnel (Opua). Resource Consent obtained.
•Estimated bridge remedial and renewal repairs needs total to $1.2M next financial year, with funding confirmation pending receipt of the detailed repair list and assessment against avilable depreciation reserves.

5.7 VALUATIONS UPDATE

File Number: **A5878772**

Author: **Ken Macdonald, Chief Financial Officer**

Authoriser: **Charlie Billington, Group Manager - Corporate Services**

TAKE PŪRONGO / PURPOSE OF THE REPORT

This report sets out the valuation assumptions our registered valuers SPM Assets Ltd, Quotable Value Ltd, CBRE, Emtech Ltd (Hokianga Ferry), WSP, & Woodlands Pacific (Forest Tree Crops), are operating under to complete our 2026 Infrastructure Insurance Valuation, & our 2025-2026 Annual Report.

A summary paper for all financial valuations completed for the 2025-26 year, will be provided for the October meeting.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

Council engages in regular infrastructure asset revaluations to ensure that:

(1) Council assets are correctly reported in published yearly financial reports (Annual Report).

(2) Council assets are correctly valued to ensure accurate insurance policies are taken out for material damage & business interruption, motor vehicle, marine hull (Ferry Insurance), & Tree Crops (Forests Assets).

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro Committee for Assurance, Risk and Finance receive the report Valuations Update.

TĀHUHU KŌRERO / BACKGROUND

To ensure Te Miromiro Committee for Assurance, Risk and Finance (ARFC) has oversight of the valuations assumptions our registered valuers operate under.

Also, a list of our registered valuers is provided for surety to AFRC, that council is using registered recognised valuers.

Council's infrastructure assets are not fully revalued in every financial year. Undertaking a full valuation of the entire asset base annually would be uneconomical relative to the benefit gained, given the scale of the asset base and the cost of engaging registered valuers. Instead, asset classes are valued on a rotating cycle.

The Revaluation Summary table overleaf provides a useful summary of asset classes in cycle for revaluation for the 2025-26 year, & asset classes that are out of cycle for the 2025-26 (such as streetlighting, which was valued last year).

Council will only revalue an asset class outside of its scheduled cycle where there is an indication of a material change (for example an emergency event such as a cyclone that causes wide scale impact across the district for infrastructure, or a period of high inflation for a prolonged period). No requirement for out-of-cycle valuations have been identified for the 2025-26 Annual Report.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

<u>Valuation Assumptions:</u>

(a) The raw data that Council provides is complete – valuers are relying on ownership details provided by FNDC.

(b) Assets are assumed to be replaced with the least cost alternative modern equivalent asset providing the same service potential.

(c) Residual values are assessed as zero for all assets.

(d) Depreciation is applied to depreciable assets on a straight-line basis over the assessed total economic life of the asset.

(e) Valuers are independent of FNDC and “have no interest or relationship with any party that would impair their objectivity or independence”.

(f) Valuations are undertaken in accordance with the relevant public sector accounting standards and guidelines including:

   i. IPSAS17 – Property Plant and equipment (to be superseded by IPSAS45 in the 25/26 financial year).

   ii. New Zealand Infrastructure Asset Valuation and Depreciation Guidelines – 2025 edition

   iii. Property Institute Guidance Papers for Valuers & Property Professionals

   iv. NAMS Group: International Infrastructure Management Manual.

REVALUATION SUMMARY

Class	Revalue 2025-2026	Valuer	Status as at 21/7/26
Water - Reticulation	Yes	SPM Assets	Draft Analysed - with SPM Assets for Finalisation
Water - Treatment Plants	Yes	SPM Assets	Draft Analysed - with SPM Assets for Finalisation
Water - Pump Stations	Yes	SPM Assets	Draft Analysed - with SPM Assets for Finalisation
Water - Reservoirs / Dams	Yes	SPM Assets	Draft Analysed - with SPM Assets for Finalisation
Water - Land	Yes	Quotable Value	Draft Analysed - with QV for Finalisation
Sewerage - Reticulation	Yes	SPM Assets	Waiting for Draft
Sewerage - Treatment Plants	Yes	SPM Assets	Draft Analysed - with SPM Assets for Finalisation
Sewerage - Pump Stations	Yes	SPM Assets	Draft Analysed - with SPM Assets for Finalisation
Sewerage - Land	Yes	Quotable Value	Draft Analysed - with QV for Finalisation
Roading - Streetlighting	No	SPM Assets	Carrying Value Assessment Complete
Roading - Traffic Services	Yes	SPM Assets	Draft Analysed - with SPM Assets for Finalisation
Roading - Pavement	Yes	SPM Assets	Draft Analysed - with SPM Assets for Finalisation
Roading - Walls	Yes	SPM Assets	Draft Analysed - with SPM Assets for Finalisation
Roading - Drainage	Yes	SPM Assets	Draft Analysed - with SPM Assets for Finalisation
Roading - Bridges	Yes	SPM Assets	Waiting for Draft
Roading - Ferry	Yes	Emtech Limited	Complete
Roading - Road Marking	No	SPM Assets	Carrying Value Assessment Complete
Stormwater	Yes	SPM Assets	Desktop only - with Tanya for Signature
Refuse - Transfer Stations	No	SPM Assets	Carrying Value Assessment Complete
Refuse - Land	Yes	Quotable Value	Draft Analysed - with QV for Finalisation
Comm Halls etc	No	Quotable Value	Carrying Value Assessment Complete
Public Toilets	No	Quotable Value	Carrying Value Assessment Complete
Footpaths	No	SPM Assets	Carrying Value Assessment Complete
Carparks	Yes	SPM Assets	Complete - Desktop Only
Parks and Reserves Improvements	No	Quotable Value	Carrying Value Assessment Complete
Housing for the Elderly	No	Quotable Value	Carrying Value Assessment Complete
Cemeteries	No	Quotable Value	Carrying Value Assessment Complete
Camping Grounds	No	Quotable Value	Carrying Value Assessment Complete
Maritime Facilities	Yes	CBRE	Complete
Airports	No	Quotable Value	Carrying Value Assessment Complete
Libraries, Info, Serv Buildings	No	Quotable Value	Carrying Value Assessment Complete
Library Books	No	Internal with Peer Review by SPM Assets	Carrying Value Assessment Complete
Land - Parks and Reserves	Yes	Quotable Value	Draft Analysed - with QV for Finalisation
Land - District Facilities	Yes	Quotable Value	Draft Analysed - with QV for Finalisation
Heritage	No	WSP	Carrying Value Assessment Complete
Roading Strategic Property	Yes	Quotable Value	Complete
Roading Strategic Land	Yes	Quotable Value	Complete

PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

All final valuations applied to the council’s assets are audited in full in the annual audit process. All resulting valuations, are used to ensure accurate asset values for insurance purposes, are included in the Annual Report financial statements, are used as the basis for the Annual Plan & the Long-Term Plan.

ĀPITIHANGA / ATTACHMENTS

Nil

5.8 YEAR END PLANNING UPDATE

File Number: **A5878789**

Author: **Ken Macdonald, Chief Financial Officer**

Authoriser: **Charlie Billington, Group Manager - Corporate Services**

TAKE PŪRONGO / PURPOSE OF THE REPORT

To provide Te Miromiro Committee for Assurance, Risk and Finance with an update on the 2025/26 year-end audit work plan, key milestones, risks, and timeframes for adoption of the Annual Report (AR).

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- The 2025/26 Annual Report Audit timetable has been confirmed with Deloitte, with final audit work scheduled to begin on 24 August 2026 and Council adoption planned for 22 October 2026, ahead of the statutory deadline.
- The annual report planning process is being coordinated across Council teams, Council-Controlled Organisations (CCOs) and external providers to support timely completion of audit requests, financial statements, statement of service performance information and required disclosures.
- Delivery risks include staff availability, audit response times, information management, year-end journals and narrative, and potential Northern Waters transition impacts. These will be managed through regular review, escalation pathways, Deloitte Connect and a risk and issue register.
- The proposed 2026 total audit fees and charges are $391,918 including Goods and Services Tax (GST). Audit fees have been budgeted for, with any printing and copying costs to be managed within the Chief Financial Officer (CFO) budget.

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro Committee for Assurance, Risk and Finance receive the report Year End Planning Update.

TĀHUHU KŌRERO / BACKGROUND

The Annual Report is a complex process that requires the input of every section of Financial Services, as well as from other Council departments and service providers.

The statutory deadline for adopting the Annual Report is 31 October 2026, four months after year-end, with the audit dates now confirmed with auditors Deloitte New Zealand.

Key Audit Timeline Dates

The key milestones for delivery of the 2025/26 Annual Report are outlined below.

Dates may be subject to change by a few days with large scale illnesses, any, emergency weather events, large scale imposed resource changes.

Item	Delivery	Date
Audit planning meeting with Deloitte	Remote	27 May 2026
Deloitte interim audit (2 weeks)	Hybrid	20 July 2026 27 July 2026
Debenture Trust documentation received	Remote	10 August 2026

Item	Delivery	Date
Notes to the Accounts and Benchmarks completed	In-house	21 August 2026
Draft council AR to Deloitte & CFO for review	In-house	24 August 2026
Deloitte commences FNDC final audit	In-house & remote	24 August 2026
Consolidation & cashflow completed	In-house	14 September 2026
Deloitte provides FNDC verbal audit clearance	Hybrid	05 October 2026
Deloitte provides FNDC and Debenture Trust audit opinions, final AR ready to print	Hybrid	19 October 2026
Council meeting to adopt AR	In-house	22 October 2026
Deliver AR Summary to Deloitte	Remote	04 November 2026
Deloitte provides AR Summary approval	Remote	05 November 2026
Upload AR to FNDC website, send for print and distribution	Remote	6 November 2026
Upload AR Summary to FNDC website	Remote	6 November 2026

A further Te Miromiro committee meeting is currently being discussed for scheduling in mid-October so that the committee can consider and endorse the Annual Report before the regular Council meeting on 22 October.

Key methodology steps to meet the statutory deadline of 31 October 2026:

- Deloitte will use Deloitte Connect, an online tool for audit requests, which will be maintained and updated by Deloitte. Council staff will upload data in response to their respective requests.
- Engagement with our Council-Controlled Organisations (CCOs) conducted ahead of year-end, advising them of what is required and when so that deadlines can be met.
- Communication drafted and issued to all TechOne users for year-end processes.
- Work has commenced in engaging Council staff involved with providing Deloitte with information, based on previous requirements and the interim audit.
- Key finance staff have met with Deloitte to discuss the Annual Report action plan. Deloitte has confirmed its interim and final audit dates, to be conducted online and on-site in the Kaikohe and Kerikeri offices.
- Council staff working outside Financial Services are aware of their involvement early in the process to enable time to prepare and provide the required audit information.

FNDC Annual Report goals

- Ensuring that the timetable is well understood by all involved staff and CCO contacts, and that this information is easy to find and read.
- Financial statements and notes are updated via a mapping process to the trial balance report. Where this is not possible, detailed working files will support the remaining notes to the financial statements.

- To produce an Annual Report that is presented fairly and compliant with New Zealand Generally Accepted Accounting Practice (NZ GAAP) for Public Benefit Entity Reporting Standards and in line with Schedule 10 of the Local Government Act 2002 (LGA 2002).
- To establish strong collaboration with CCO staff in receiving their financial statements and understanding any new developments within their respective organisations and seeking input from them, as necessary.
- To adopt an easy-to-read and referenced Annual Report that is well constructed and designed in line with other Council documents, such as the Annual Plan 2026-27.
- Manage the AR project to ensure:
  - Risks and issues are managed and that escalation mechanisms are defined.
  - Resources are planned and managed to ensure that backups for key resources are identified & communications are clear.
  - The final document is completed, and the 2026 audit opinion is received ready for sign-off by the Mayor and Chief Executive by the 22 October Council meeting, or by 31 October 2026 for adoption by Council if required.
  - To publish the final signed Annual Report on the FNDC external website by 30 November 2026.
  - To ensure the Annual Report Summary audit is conducted efficiently and concurrently with the Annual Report, and that the final signed document is published on the FNDC external website no later than 30 November 2026.
  - To ensure the Debenture Trust audit is conducted and completed alongside the Annual Report audit by Deloitte, with the audit opinion received and sign-off completed by the Mayor and Chief Executive by the 22 October Council meeting, or by 31 October 2026 if required.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

Key Deliverables

- Advising TechOne users of key dates.
- Stock-take performed.
- NZLG share valuation.
- Accruals (payroll, ACC levy, pensioner housing, income in advance, prepayments, loan interest, workflow, creditors).
- NZTA subsidy claim.
- Closedown journals, including depreciation.
- SSP (statement of service performance) including the WSP Annual Drinking Water Compliance Report.
- Narrative for “our performance in brief,” “outlook” and activities completed.
- “Message from the Mayor and Chief Executive” and “Working with Māori” received in both English and Te Reo Māori.
- Asset revaluations / WIP completion.

- Capex funding.
- Notional loan reconciliation.
- Intercompany reconciliation with FNHL.
- Financial statements – council only.
- Notes to the financial statements.
- Consolidated financial statements - group.
- Benchmarks.
- Reserves workings.
- FIS variance commentaries.
- Debenture Trust documents received and uploaded onto audit dashboard.
- A review of significant variances, so that all transactions have been recorded and a realistic (and expected) result is reported, with "no surprises."
- Provide auditors with any information requests via Deloitte Connect, in a timely manner. There will be standard deliverables which have been planned for, and staff are aware of the tighter deadlines.
- The interim audit will proceed in the weeks commencing 20 July and 27 July. The final audit will commence on 24 August and continue until 30 October. The audits will be conducted both in-house in the Kaikohe and Kerikeri offices and remotely.

PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

The project team does not expect to incur any costs other than those for copying and printing. These costs will be accommodated in the CFO budget.

Funds have been set aside for Audit fees.

Structure of Audit Fees	2025 Budget Fees ($)	2025 Actual Fees Charged ($)	2026 Proposed Fees ($)
Net audit fee (excluding OAG Audit Standards and Quality Support charge and disbursements)	279,000	279,000	288,800
Additional audit effort due to extra audit hours (refer above)	N/A	30,000	N/A
OAG Audit Standards and Quality Support charge	26,993	26,993	26,998
Total audit fee (excluding disbursements)	**305,993**	**335,993**	**315,798**
Estimated Disbursements	25,000	8,370	25,000
Total billable audit fees and charges	**330,993**	**344,363**	**340,798**
GST	49,649	51,654	51,120
Total (including GST)	**380,642**	**396,017**	**391,918**

Annual Report Delivery Risks and Issues

A risk and issue register will be maintained by the financial accountants and reviewed regularly by the Accounting Services Team Leader and CFO.

Key risks	Mitigation strategies
Resource availability for Deloitte	Maintain staff awareness about correct process around providing information to Deloitte. Project team is aware of dates for audits. Timetable should not stray from proposed deadlines.
Journals and narrative not completed on time and not consistent in approach or with performance.	Narrative reviewed with staff and ensured appropriate staff are reviewing the year end journals prior to posting. Pre-empt errors by reviewing year end processes (i.e. accrued revenue) to ensure they align with previous year's audit findings. Communications channels open via MS Teams.
Key people leave the organisation /availability of staff	Ensure staff are aware of free flu & covid vaccinations available throughout May. Review key personnel annual leave requests to ensure there are no big gaps to fill. Any foreseen issues to be monitored and pinch-points communicated.
Errors and general inaccuracies	Continuous monitoring of information uploaded to Deloitte Connect, & communication with key personnel on progress.
Information management	Work on documentation in SharePoint / OneDrive.
Stress and staff burnout	Staff regularly review for recognition of signs and work together to resolve resource conflicts.
Audit not being completed within statutory timeframes	Review communication between the audit team and the project team and other key personnel and stakeholders. Ensure there is clarity on what is expected from who and escalate any foreseen issues beyond our control. Regular review of Deloitte Connect. Monitor staff response times to requests.
Northern Waters	Monitor regulatory timeframes and ensure council is aligned with them. Make available extra resource if required. Keep informed of decisions made and announcements as to reporting requirements. Ensure Annual Report contains audit statements on Waters risk and materiality.

ĀPITIHANGA / ATTACHMENTS

1. **Audit Engagement Letter FY26 - A5887676** ⇩
2. **3 Year Audit Proposal - A5887674** ⇩

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Deloitte
Whiria Te Kaha,
1 Queen Street,
Private Bag 115033,
Auckland 1140,
New Zealand

Private Bag 115033
Shortland Street
Auckland 1140
New Zealand

Phone: +64 9 303 0700
Fax: +64 9 303 0701
www.deloitte.co.nz

25 March 2026

Moko Tepania
Mayor
Far North District Council
Private Bag 752
Kaikohe 0405
New Zealand

Dear Moko,

AUDIT ENGAGEMENT LETTER

This audit engagement letter is sent to you on behalf of the Auditor-General who is the auditor of all "public entities", including Far North District Council (the 'Company'), under section 14 of the Public Audit Act 2001 (the Act). The Auditor-General has appointed me, Bennie Greyling, using the staff and resources of Deloitte Limited, under section 32 and 33 of the Act, to carry out the annual audit of the Company's financial statements *and* performance information. We will be carrying out these annual audits on the Auditor-General's behalf, for the years ending 30 June 2026 to 2028.

This letter outlines:

- the terms of the audit engagement and the nature, and limitations, of the annual audit; and
- the respective responsibilities of the Mayor and Councillors (council) and me, as the Appointed Auditor, for the financial statements and performance information.

The objectives of the annual audit are:

- to provide an independent opinion on the Council's financial statements and performance information; and
- to report on other matters that come to our attention as part of the annual audit. Typically those matters will relate to issues of financial management and accountability.

We will carry out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board (collectively the Auditing Standards). The Auditing Standards require that we comply with ethical requirements, and plan and perform the annual audit to obtain reasonable assurance about whether Far North District Council's financial statements and performance information are free from material misstatement. The Auditing Standards also require that we remain alert to issues of concern to the Auditor-General. Such issues tend to relate to matters of financial management and accountability.

Your responsibilities

Our audit will be carried out on the basis that the Council acknowledges that it has responsibility for:

- preparing the financial statements and performance information in accordance with any applicable legal requirements and financial reporting standards;
- having such internal control as determined necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error; and
- providing us with:
    - access to all information relevant to preparing the financial statements and performance information such as records, documentation, and other information;

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Far North District Council
Page 2

- all other information, in addition to the financial statements and performance information, to be included in the annual report;
- additional information that we may request from Far North District Council for the purpose of the audit;
- unrestricted access to council members and employees that we consider necessary; and
- written confirmation concerning representations made to us in connection with the audit.

In addition, the Council is responsible:
- for the preparation of the summary financial statements and summary performance information
- for making the audited summary financial statements and summary performance information readily available to the intended users of that information; and
- for including our audit report on the summary financial statements and summary performance information in any document that contains that information and that indicates that we have reported on that information.

The Council's responsibilities extend to all resources, activities, and entities under its control. We expect that the Council will ensure:
- the resources, activities, and entities under its control have been operating effectively and efficiently;
- it has complied with its statutory obligations including laws, regulations, and contractual requirements;
- it has carried out its decisions and actions with due regard to minimising waste;
- it has met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector in that it has carried out its decisions and actions with due regard to probity; and
- its decisions and actions have been taken with due regard to financial prudence.

We expect the Council and/or the individuals within Far North District Council with delegated authority, to immediately inform us of any suspected fraud, where there is a reasonable basis that suspected fraud has occurred - regardless of the amount involved. Suspected fraud also includes instances of bribery and/or corruption.

The Council has certain responsibilities relating to the preparation of the financial statements and performance information and in respect of financial management and accountability matters. These specific responsibilities are set out in Annex 1. The Auditor-General and Deloitte Limited take seriously their responsibilities under the Health and Safety at Work Act 2015, and we expect you to provide a safe and healthy working environment for our audit staff when they are working at your premises. Specific health and safety responsibilities are set out in Annex 1. We expect members of the Council to be familiar with all of the responsibilities set out in Annex 1 and, where necessary, have obtained advice about them.

The Council should have documented policies and procedures to support its responsibilities. It should also regularly monitor performance against its objectives.

Our responsibilities

Carrying out the audit

We are responsible for forming an independent opinion on whether the financial statements of Far North District Council:

- present fairly, in all material respects:
  - its financial position as at 30 June 2026; and
  - its financial performance and cash flows for the year then ended;

- comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards.

We are also responsible for forming an independent opinion on whether the performance information of Far North District Council:
- presents fairly, in all material respects, the performance for the year ended 30 June 2026, including:
  - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
  - the reasons for any significant variation between the levels of service achieved and the intended levels of service;

- complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

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Far North District Council
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An audit involves obtaining evidence about the amounts and disclosures in the financial statements and performance information. How we obtain this information depends on our judgement, including our assessment of the risks of material misstatement of the financial statements and performance information, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements and performance information.

We do not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

During the audit, we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal controls. However, we will communicate to you in writing about any significant deficiencies in internal control relevant to the audit of the financial statements and performance information that we identify during the audit.

During the audit, the audit team will:

- be alert for issues of effectiveness and efficiency – in particular, how the Council and Far North District Council have carried out their activities;
- consider laws and regulations relevant to the audit;
- be alert for issues of waste – in particular, whether the Council obtained and applied the resources of Far North District Council in an economical manner, and whether any resources are being wasted;
- be alert for issues of a lack of probity – in particular, whether the Council and Far North District Council have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector; and
- be alert for issues of a lack of financial prudence.

Our independence

It is essential that the audit team and Deloitte Limited remain both economically and attitudinally independent of Far District Council; including being independent of management personnel and members of the Council. This involves being, and appearing to be, free of any interest that might be regarded, whatever its actual effect, as being incompatible with the objectivity of the audit team and the Deloitte Limited.

To protect our independence, specific limitations are placed on us in accepting engagements with the Council other than the annual audit. We may accept certain types of other engagements, subject to the requirements of the Auditing Standards. Any other engagements must be the subject of a separate written arrangement between the Council and myself or Deloitte Limited.

Reporting

We will issue an independent audit report that will be attached to the financial statements and performance information. This report contains our opinion on the fair presentation of the financial statements and performance information and whether they comply with the applicable reporting requirements. The audit report may also include comment on other financial management and accountability matters that we consider may be of interest to the addressee of the audit report. In addition, we will issue an audit report that will be attached to the summary financial statements and summary performance information. This audit report will contain an opinion that provides the same level of assurance as the audit report on the full financial statements and full performance information.

We will also issue a management letter that will be sent to the Council. This letter communicates any matters that come to our attention during the audit that, in our opinion, are relevant to the Council. Typically those matters will relate to issues of financial management and accountability. We may also provide other management letters to Far North District Council from time to time. We will inform the Council of any other management letters we have issued.

Please note that the Auditor-General may publicly report matters that are identified in the annual audit, in keeping with section 21 of the Public Audit Act 2001.

Audit Tools

You agree that, for the purpose of providing the services covered by this letter, we may use third parties, wherever located, to store and process information received from you or your agents; provided that such third parties are bound by confidentiality obligations similar to those contained in the Terms. For example, Deloitte uses a cloud

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services platform (currently Microsoft Azure), to host an integrated suite of audit tools which may be used as part of our engagement with you. Microsoft Azure is hosted in Japan. The data will only reside in this Microsoft Azure location for the period that the audit is being planned and performed, to enable roll forward for the following year's audit and prior to the file being archived, which must occur without unreasonable delay when the file is no longer required for carrying out the audit. The archived audit file and underlying data will reside in New Zealand. We have carried out due diligence on our contracted third party cloud based service providers, and we have, and will continue to, implement appropriate technical and security measures to ensure the sovereignty, confidentiality and integrity of audit data.

Next steps

Please acknowledge receipt of this letter and the terms of the audit engagement by signing the enclosed copy of the letter in the space provided and returning it to me. The terms will remain effective until a new Audit Engagement Letter is issued.

If you have any questions about the audit generally, or have any concerns about the quality of the audit, you should contact me as soon as possible. If after contacting me you still have concerns, you should contact the Director of Auditor Appointments at the Office of the Auditor-General on (04) 917 1500.

If you require any further information, or wish to discuss the terms of the audit engagement further before replying, please do not hesitate to contact me.

Yours faithfully

Bennie Greyling
Appointed Auditor
On behalf of the Auditor-General

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I acknowledge the terms of this engagement and that I have the required authority on behalf of the Council.

(Signature)

Danny / Edward Emery Tepania

(Name)

Mayor

(Position)

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Annex 1 – Respective specific responsibilities of the Council and the Appointed Auditor

Responsibilities for the financial statements and performance information	
Responsibilities of the Council	*Responsibilities of the Appointed Auditor*
You are required by legislation to prepare financial statements and performance information in accordance with legal requirements and financial reporting standards. You must also ensure that any accompanying information in the annual report is consistent with that reported in the audited financial statements and performance information. You are required by legislation to prepare the financial statements and performance information and provide that information to us before the statutory reporting deadline. It is normal practice for you to set your own timetable to comply with statutory reporting deadlines. To meet the reporting deadlines, we are dependent on receiving the financial statements and performance information ready for audit and in enough time to enable the audit to be completed. "Ready for audit" means that the financial statements and performance information have been prepared in accordance with legal requirements and financial reporting standards, and are supported by proper accounting records and complete evidential documentation.	We are responsible for carrying out an annual audit, on behalf of the Auditor-General. We are responsible for forming an independent opinion on whether the financial statements: • present fairly, in all material respects: - the financial position as at 30 June 2026; and - the financial performance and cash flows for the year then ended; • comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards. We are also responsible for forming an independent opinion on whether the performance information: • presents fairly, in all material respects, the performance for the year ended 30 June 2026, including: - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and - the reasons for any significant variation between the levels of service achieved and the intended levels of service. • complies with generally accepted accounting practice in New Zealand We will also read the other information accompanying the financial statements and performance information and consider whether there are material inconsistencies with the audited financial statements and performance information. Materiality is one of the main factors affecting our judgement on the areas to be tested and on the timing, nature, and extent of the tests and procedures performed during the audit. In planning and performing the annual audit, we aim to obtain reasonable assurance that the financial statements and performance information do not have material misstatements caused by either fraud or error. Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence the audit report addressee's overall understanding of the financial statements and performance information. If we find material misstatements that are not corrected, they will be referred to in the audit opinion. The Auditor-General's preference is for you to correct any material misstatements and avoid the need for them to be referred to in the audit opinion. An audit also involves evaluating: • the appropriateness of accounting policies used and whether they have been consistently applied; • the reasonableness of the significant accounting estimates and judgements made by those charged with governance;

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	• the appropriateness of the content and measures in any performance information; • the adequacy of the disclosures in the financial statements and performance information; and • the overall presentation of the financial statements and performance information. We will ask you for written confirmation of representations made about the financial statements and performance information. In particular, we will seek confirmation that: • the adoption of the going concern basis of accounting is appropriate; • all material transactions have been recorded and are reflected in the financial statements and performance information; • all instances of non-compliance or suspected non-compliance with laws and regulations have been disclosed to us; and • uncorrected misstatements noted during the audit are immaterial to the financial statements and performance information. Any representation made does not in any way reduce our responsibility to perform appropriate audit procedures and enquiries. We will ensure that the annual audit is completed by the reporting deadline or, if that is not practicable because of the non-receipt or condition of the financial statements and performance information, or for some other reason beyond our control, as soon as possible after that. The work papers that we produce in carrying out the audit are the property of the Auditor-General. Work papers are confidential to the Auditor-General and subject to the disclosure provisions in section 30 of the Public Audit Act 2001.

Responsibilities for the accounting records	
Responsibilities of the Council	*Responsibilities of the Appointed Auditor*
You are responsible for maintaining accounting and other records that: • correctly record and explain the transactions of the public entity; • enable you to monitor the resources, activities, and entities under your control; • enable the public entity's financial position to be determined with reasonable accuracy at any time; • enable you to prepare financial statements and performance information that comply with legislation (and that allow the financial statements and performance information to be readily and properly audited); and • are in keeping with the requirements of the Commissioner of Inland Revenue.	We will perform sufficient tests to obtain reasonable assurance as to whether the underlying records are reliable and adequate as a basis for preparing the financial statements and performance information. If, in our opinion, the records are not reliable or accurate enough to enable the preparation of the financial statements and performance information and the necessary evidence cannot be obtained by other means, we will need to consider the effect on the audit opinion.

Responsibilities for accounting and internal control systems	
Responsibilities of the Council	*Responsibilities of the Appointed Auditor*
You are responsible for establishing and maintaining accounting and internal control systems (appropriate to the size of the public entity), supported by written policies and procedures, designed to provide reasonable assurance as to the integrity and reliability of financial and - where applicable - performance information reporting.	The annual audit is not designed to identify all significant weaknesses in your accounting and internal control systems. We will review the accounting and internal control systems only to the extent required to express an opinion on the financial statements and performance information.

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	We will report to you separately, on any significant weaknesses in the accounting and internal control systems that come to our notice and that we consider may be relevant to you. Any such report will provide constructive recommendations to assist you to address those weaknesses.

Responsibilities for preventing and detecting fraud and error	
Responsibilities of the Council	***Responsibilities of the Appointed Auditor***
The responsibility for the prevention and detection of fraud and error rests with you, through the implementation and continued operation of adequate internal control systems (appropriate to the size of the public entity) supported by written policies and procedures. We expect you to formally address the matter of fraud, and formulate an appropriate policy on how to minimise it and (if it occurs) how it will be dealt with. Fraud also includes bribery and corruption. We expect you to consider reporting all instances of actual, suspected, or alleged fraud to the appropriate law enforcement agency, which will decide whether proceedings for a criminal offence should be instituted. We expect you to immediately inform us of any suspected fraud where you, and/or any individuals within Far North District Council with delegated authority have a reasonable basis that suspected fraud has occurred - regardless of the amount involved.	We design our audit to obtain reasonable, but not absolute, assurance of detecting fraud or error that would have a material effect on the financial statements and performance information. We will review the accounting and internal control systems only to the extent required for them to express an opinion on the financial statements and performance information, but we will: • obtain an understanding of internal control and assess its ability for preventing and detecting material fraud and error; and • report to you any significant weaknesses in internal control that come to our notice. We are required to immediately advise the Office of the Auditor-General of all instances of actual, suspected, or alleged fraud. As part of the audit, you will be asked for written confirmation that you have disclosed all known instances of actual, suspected, or alleged fraud to us. If we become aware of the possible existence of fraud, whether through applying audit procedures, advice from you, or management, or by any other means, we will communicate this to you with the expectation that you will consider whether it is appropriate to report the fraud to the appropriate law enforcement agency. In the event that you do not report the fraud to the appropriate law enforcement agency, the Auditor-General will consider doing so, if it is appropriate for the purposes of protecting the interests of the public.

Responsibilities for compliance with laws and regulations	
Responsibilities of the Council	***Responsibilities of the Appointed Auditor***
You are responsible for ensuring that the public entity has systems, policies, and procedures (appropriate to the size of the public entity) to ensure that all applicable legislative, regulatory, and contractual requirements that apply to the activities and functions of the public entity are complied with. Such systems, policies, and procedures should be documented.	We will obtain an understanding of the systems, policies, and procedures put in place for the purpose of ensuring compliance with those legislative and regulatory requirements that are relevant to the audit. Our consideration of specific laws and regulations will depend on a number of factors, including: • the relevance of the law or regulation to the audit; • our assessment of the risk of non-compliance; • the impact of non-compliance for the addressee of the audit report The way in which we will report instances of non-compliance that come to our attention will depend on considerations of materiality or significance. We will report to you and to the Auditor-General all material and significant instances of non-compliance. We will also report to you any significant weaknesses that we observe in internal control systems, policies, and procedures for monitoring compliance with laws and regulations.

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Far North District Council
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Responsibilities to establish and maintain appropriate standards of conduct and personal integrity	
Responsibilities of the Council	*Responsibilities of the Appointed Auditor*
You should at all times take all practicable steps to ensure that your members and employees maintain high standards of conduct and personal integrity. You should document your expected standards of conduct and personal integrity in a "Code of Conduct" and, where applicable, support the "Code of Conduct" with policies and procedures. The expected standards of conduct and personal integrity should be determined by reference to accepted "Codes of Conduct" that apply to the public sector.	We will have regard to whether you maintain high standards of conduct and personal integrity – particularly in matters relating to financial management and accountability. Specifically, we will be alert for significant instances where members and employees of the public entity may not have acted in accordance with the standards of conduct and personal integrity expected of them. The way in which we will report instances that come to our attention will depend on significance. We will report to you and to the Auditor-General all significant departures from expected standards of conduct and personal integrity that come to our attention during the audit. The Auditor-General, on receiving a report from us, may, at his discretion and with consideration of its significance, decide to conduct a performance audit of, or an inquiry into, the matters raised. The performance audit or inquiry will be subject to specific terms of reference, in consultation with you. Alternatively, the Auditor-General may decide to publicly report the matter without carrying out a performance audit or inquiry.

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Responsibilities for conflicts of interest and related parties	
Responsibilities of the Council	*Responsibilities of the Appointed Auditor*
You should have policies and procedures to ensure that your members and employees carry out their duties free from bias. You should maintain a full and complete record of related parties and their interests. It is your responsibility to record and disclose related-party transactions in the financial statements and performance information in accordance with generally accepted accounting practice.	To help determine whether your members and employees have carried out their duties free from bias, we will review information provided by you that identifies related parties, and will be alert for other material related-party transactions. Depending on the circumstances, we may enquire whether you have complied with any statutory requirements for conflicts of interest and whether these transactions have been properly recorded and disclosed in the financial statements and performance information.

Responsibilities for publishing the audited financial statements on a website	
Responsibilities of the Council	Responsibilities of the Appointed Auditor
You are responsible for the electronic presentation of the financial statements and performance information on the public entity's website. This includes ensuring that there are enough security and controls over information on the website to maintain the integrity of the data presented. If the audit report is reproduced in any medium, you should present the complete financial statements, including notes, accounting policies, and any other accountability statements.	Examining the controls over the electronic presentation of audited financial statements and performance information, and the associated audit report, on your website is beyond the scope of the annual audit.

Responsibilities under the Health and Safety at Work Act 2015	
Responsibilities of the Council	*Responsibilities of the Appointed Auditor*
We expect you to work with us to ensure the health and safety of our audit staff. You must ensure, so far as is reasonably practicable, the health and safety of our audit staff while they are on your premises, or otherwise engaging with you on their audit work. We expect you to provide a safe and healthy work environment, which includes, but is not limited to, providing: • information, training, instruction, and supervision to protect them from work related health and safety risks, including inductions on workplace emergency evacuation procedures; • suitably designed workstations that support and maintain an ergonomically correct body posture, including adequate lighting and ventilation; • adequate welfare facilities, such as appropriate bathroom and washing amenities, suitable drinking water, and rest facilities; • appropriately labelled and equipped first-aid kits; • personal protective equipment (PPE) when all other control measures can't adequately eliminate or minimise risks to a worker's health and safety; and • protection from offensive conduct such as aggressive slurs and/or behaviours, physical assaults or threats, intimidation, ridicule or mockery, insults, or put-downs. We expect you to work with us to resolve any health and safety concerns related to our audit staff.	The Auditor-General and Deloitte Limited take seriously their responsibility to provide a safe working environment for audit staff. Under the Health and Safety at Work Act 2015, as a person conducting a business or undertaking (PCBU) we will make arrangements with you to keep our audit staff safe while they are working at your premises or otherwise engaging with you on their audit work. We will obtain an understanding of health & safety systems, policies, and procedures put in place for the purpose of ensuring compliance with legislative and regulatory requirements. We will take reasonable care of our own health and safety, and we will take reasonable care that what we do or don't do does not adversely affect the health and safety of other people. We will cooperate with the workplace health and safety policies and procedures of Far North District Council and comply with any reasonable instructions given. We will monitor the health and safety of our audit staff (in particular, to ensure you are providing the things listed under your responsibilities to ensure a safe and healthy work environment for our audit staff when they are on your premises), and we may advise someone at your premises (such as a Chief Financial Officer and/or a health and safety representative) if we have a health and safety concern related to our audit staff. We will work with you to resolve any health and safety concerns related to our audit staff.

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Deloitte
Whiria Te Kaha,
1 Queen Street,
Private Bag 115033,
Auckland 1140,
New Zealand

Private Bag 115033
Shortland Street
Auckland 1140
New Zealand

Phone: +64 9 303 0700
Fax: +64 9 303 0701
www.deloitte.co.nz

25 March 2026

Moko Tepania
Mayor
Far North District Council
Po Box 7
Opua,0200

Copy: Manager Auditor Appointments
Office of the Auditor–General
PO Box 3928
Wellington

Dear Moko,

Proposal to conduct the audit of Far North District Council on behalf of the Auditor-General for the 2026, 2027 and 2028 financial years

1 Introduction

The Auditor-General proposes to appoint me to carry out the audit of your organisation for the next *three* years. As required by the Office of the Auditor-General (OAG), I set out below information relating to the audit for the *three* financial years ending 30 June 2026, 2027 and 2028. The purpose of this proposal is to provide information on:

- the statutory basis for the audit and how audit fees are set;
- the entities covered by this proposal;
- key members of the audit team;
- the hours we plan to spend on the audit and reasons for any change in hours;
- our proposed fees for the audit for the financial year ending 30 June 2026 and reasons for any change. A fee proposal for the audit of the financial years ending 30 June 2027 and 30 June 2028 will be proposed ahead of the respective audits;
- what the OAG Audit Standards and Quality Support charge provides;
- certification required by the Auditor-General; and
- our commitment to conduct the audit in accordance with the Auditor-General's Auditing Standards.

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2 **Statutory basis for the audit and how audit fees are set**

The audit of your organisation is carried out under Section 15 of the Public Audit Act 2001, which states that "the Auditor-General must from time to time audit the financial statements, accounts, and other information that a public entity is required to have audited".

Fees for audits of public entities are set by the Auditor-General under section 42 of the Public Audit Act 2001. However, your *Board* and I have the opportunity to reach agreement first and recommend those fees for approval. The Auditor-General, with assistance from the OAG, will set audit fees directly only if we fail to reach agreement.

Our proposed audit fees are set out in this letter and include an estimate of the reasonable cost of disbursements (including travel and accommodation where necessary).

3 **Entities covered by this proposal**

This proposal covers the audit of Far North District Council.

4 **Key members of the audit team**

Appointed Auditor	Bennie Greyling
Quality Control Reviewer	Bryce Henderson
Audit Manager	Nika Man

5 **Estimated audit hours**

We estimate that the following hours will be required to carry out the audits (compared to budgeted and actual data from the previous financial year):

Audit team member	2025 budget	2025 actual (*)	2026
Appointed Auditor	60	59	60
Quality Control Review Partner	25	35	25
Audit Manager	180	220	180
Other CA qualified staff	400	644	400
Non CA qualified staff	575	1,072	575
Specialists	60	80	60
Total audit hours	**1,300**	**2,110**	**1,300**

(*) NOTE - actual hours were 2,110 for the year ended 30 June 2025. Budgeted hours for the year ending 30 June 2026 have been adjusted to consider actual hours included for 30 June 2025 but have also been adjusted for any audit inefficiencies. The actual hours that remain are the reasonable hours that were attributable to the audit in that year.

Actual hours for the year ended 30 June 2025 were higher than budgeted primarily due to the following:

- Significant delays in receipt of audit information, multiple versions of the annual report and financial statements having to be reviewed.
- Quality of information provided for audit requiring significant rework

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- Complex accounting matters and judgments not addressed timely.
- Significant amount of rework required in relation to the Statement of Service Performance testing due to information and disclosures not prepared in accordance with relevant standards.
- As communicated in previous proposal letters, the ever-changing and increased expectations from stakeholders raise the complexity of carrying out audits. These include, but are not limited to, audit work relating to the statement of service performance, business processes, and internal controls.

Local Waters Done Well

Our proposed hours and fees exclude any audit effort that may be required in relation to the establishment of Council's water services entity. Any required audit effort in relation to the establishment of the water services entity will be recovered via the normal fee recovery process.

6 **Proposed audit fees**

Our proposed fees for the next year's audit (compared to budgeted and actual data from the previous financial year) are:

Structure of audit fees	**2025 budget fees** $	**2025 actual fees charged (*)** $	**2026** $
Net audit fee (excluding OAG Audit Standards and Quality Support charge and disbursements)	279,000	279,000	288,800
Additional audit effort due to extra audit hours (refer above)	N/A	30,000	N/A
OAG Audit Standards and Quality Support charge	26,993	26,993	26,998
Total audit fee (excluding disbursements)	**305,993**	**335,993**	**315,798**
Estimated Disbursements	25,000	8,370	25,000
Total billable audit fees and charges	**330,993**	**344,363**	**340,798**
GST	49,549	51,654	51,120
Total (including GST)	**380,542**	**396,017**	**391,918**

The audit fees allow for the audit team to carry out specific tasks identified in the OAG Sector Brief and for the OAG Audit Standards and Quality Support charge. We have also estimated the reasonable cost of disbursements (including travel and accommodation where necessary). Disbursement costs are indicative only and will be charged on an actual and reasonable basis.

6.1 **Reasons for changes in audit fees**

The cost impacts of those changes are shown in the table below.

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Reasons for increased or decreased audit fees compared to previous period budgeted fees.	2026
Predicted staff salary cost movements – inflation assumed at around 3.5%	9,800
Total increase (decrease) in audit fees	**9,800**

7 **Assumptions relating to our audit fee**

You are responsible for the production of your financial statements and anything else that must be audited. Our proposed audit fees are based on the assumption that:

- You will provide to us, in accordance with the agreed timetable, the complete information required by us to conduct the audit.
- Your staff will provide us with an appropriate level of assistance.
- Your organisation's annual report and financial statements (including Statements of Service Performance) will be subject to appropriate levels of quality review by you before being submitted to us for audit.
- Your organisation's financial statements will include all relevant disclosures.
- We will review up to two sets of draft annual reports and consolidation workings, one printer's proof copy of the annual report, and one copy of the electronic version of the annual report (for publication on your website).
- There are no significant changes to the structure and/or scale of operations of the entities covered by this proposal (other than as already advised to us).
- There are no significant changes to mandatory accounting standards or the financial reporting framework that require additional work.
- There are no significant changes to mandatory auditing standards that require additional work other than items specifically identified in the tables above.
- There are no significant changes to the agreed audit arrangements (set out in an annual letter we will send you) that change the scope of, timing of, or disbursements related to, this audit.

If the scope and/or amount of work changes significantly, we will discuss the issues and any implications for our audit costs and your audit fees with you and the OAG at the time.

8 **What the OAG Audit Standards and Quality Support charge provides**

Parliament has indicated that it expects the full cost of annual audits under the Public Audit Act (including an OAG Audit Standards and Quality Support charge) to be funded by public entities.

The OAG Audit Standards and Quality Support charge partially funds a range of work that supports auditors and entities, including:

- development and maintenance of auditing standards;
- technical support for auditors on specific accounting and auditing issues;

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- ongoing auditor training on specific public sector issues;
- preparation of sector briefs to ensure a consistent approach to annual audits;
- development and maintenance of strategic audit plans; and
- carrying out quality assurance reviews of all auditors, and their audits and staff on a regular (generally, three-year) cycle.

Appointed Auditors are required to return the OAG Audit Standards and Quality Support charge portion of the audit fee, to the OAG.

9 Certifications required by the Auditor-General

We certify that:

- the undertakings, methodology, and quality control procedures that we have declared to the OAG continue to apply;
- our professional indemnity insurance policy covers this engagement; and
- the audit will be conducted in accordance with the terms and conditions of engagement set out in the audit engagement agreement and schedules.

10 Conclusion

As the Appointed Auditor, I am committed to providing you and the Auditor-General with the highest level of professional service. I intend to work with you, the OAG, and the Auditor-General in a partnership environment to resolve any issues that may arise.

If you require any further information, please do not hesitate to contact me.

Please counter-sign this letter (below) to confirm that you, and the governing body of your organisation, agree with its contents. This letter will then form the basis for a recommendation to the Auditor-General on the audit fee that should be set. The schedules of audit hours and fees will also be incorporated into my audit ngagement agreement with the Auditor-General to carry out the audit of your organisation as the agent of the Auditor-General.

Yours sincerely

Bennie Greyling
Partner
For Deloitte Limited

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I accept the audit fees for the audit of the *three* financial years as stated above.

Full name:	Darryl Edward Emery Tepania	Position:	Mayor
Authorised signature:		Date:	07/07/2026
Entity name:	Far North District Council		

Actions to take when agreement has been reached:

1 Make a copy of this signed proposal and keep it for your file.

2 Send the original to: *Matt Laing*
Deloitte Limited
PO Box 17, Hamilton 3240

5.9 LONG TERM PLAN UPDATE

File Number: **A5878800**

Author: **Ken Macdonald, Chief Financial Officer**

Authoriser: **Charlie Billington, Group Manager - Corporate Services**

TAKE PŪRONGO / PURPOSE OF THE REPORT

The purpose of this report is to provide Te Miromiro Committee for Assurance, Risk and Finance with an update on Long Term Plan 2027-37 activities completed to date, and the key activities planned for the next quarter.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- The Long Term Plan 2027-37 programme remains on track against the critical path to adoption by 30 June 2027, with expected pressure as the programme integrations become tighter.
- The programme has moved from direction-setting into the modelling, integration and assurance phase, with an increased focus on affordability, financial sustainability and trade-off decisions.
- Community outcomes and strategic priorities have been confirmed, standardised activity groups have been announced, the draft capital pipeline has been presented to Elected Members, and the Infrastructure Strategy review has commenced.
- The next quarter will focus on rates modelling, financial policy settings, capital programme confirmation, operating budget review, and preparation of audit-ready supporting information.
- The next major control point is the rating review and associated financial policy work, including confirmation of the rates-setting scenarios governance wants modelled.

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro Committee for Assurance, Risk and Finance receive the report Long Term Plan Update.

TĀHUHU KŌRERO / BACKGROUND

The Long Term Plan 2027-37 is Far North District Council's primary strategic and financial planning document under the Local Government Act 2002. It sets Council's direction, service levels, capital and operating programmes, and funding approach for the ten-year period 2027-2037, and must be adopted by 30 June 2027.

The LTP is subject to independent audit, including audit of the Consultation Document and supporting information before consultation and again before adoption.

LTP 2027-37 is being developed in a constrained and complex environment. Key pressures include ratepayer affordability, anticipated central government rates-capping settings, reform uncertainty, water and wastewater services migration to the Northland Waters entity, and heightened public and audit scrutiny.

In response, Council has adopted a strengthened oversight and delivery approach. This is focused on early organisational integration, disciplined prioritisation across capital and operational delivery streams, and clearer assurance over programme quality and readiness.

Critical path

Item	Path
Workshops, including rating review, income streams and service level review	May-November 2026
Adopt Significance and Engagement Policy	November 2026
Audit of consultation document and supporting information	January-February 2027
Adopt consultation document and supporting information	Late February 2027
Formal consultation	February-March 2027
Hearings	April 2027
Deliberations workshop	April 2027
Deliberations	Early May 2027
Adopt Long Term Plan 2027-37	By 30 June 2027

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

The LTP 2027-37 programme is currently on track but, as expected at this stage of the programme, the July position has increased pressure across integration, resourcing and financial-policy sequencing. The focus is now shifting from establishing strategic direction to testing affordability, modelling choices, and integrating inputs across activity planning, budgets, policy settings and capital delivery.

Programme position

Strategic direction has materially advanced. Community outcomes and priorities are now confirmed, the Government's standardised activity groups have been announced, the draft capital pipeline was presented to Elected Members on 7 July 2026, and the Infrastructure Strategy review has commenced.

The programme now needs to turn initial inputs into coherent financial and service-level choices. Financial modelling is dependent on confirmed rating preferences, capital pipeline refinement, operational budget inputs, rates-setting assumptions and the final shape of any rates-capping context.

Affordability approach

To proactively manage the fiscal challenges ahead, the LTP approach is being framed around affordability as a core focus and key deliverable. The working approach is to understand what the district can reasonably afford, then work backwards to shape service levels, investment choices and funding settings. This is essentially a target-cost approach: start with the affordability envelope, then test what can be delivered within it before confirming draft capital works programme and operating budgets.

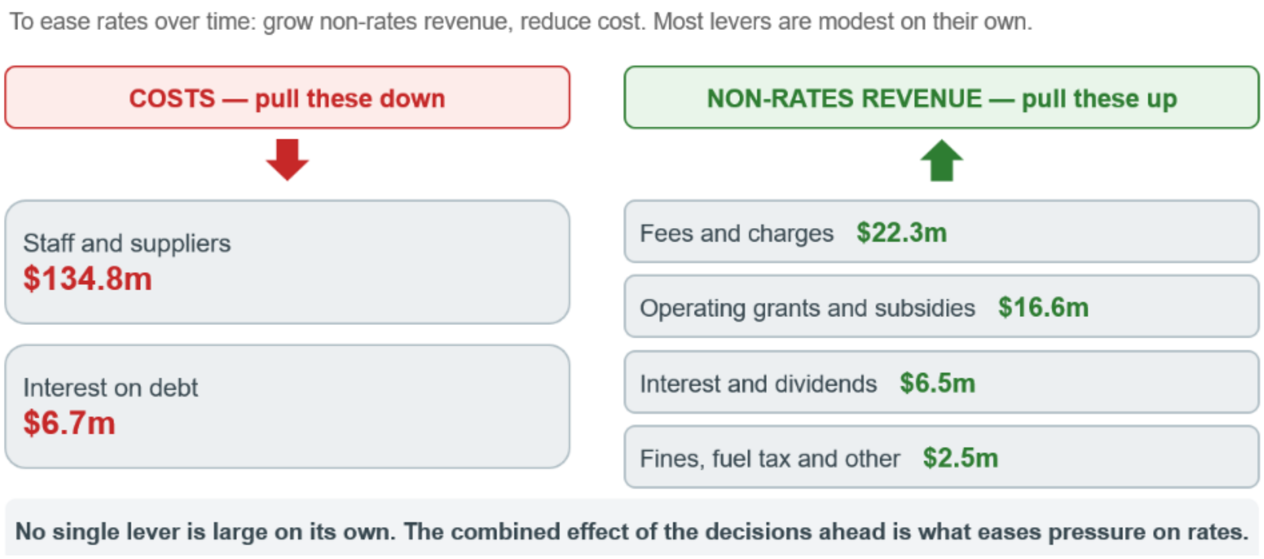

Figure 1: Key affordability levers being tested as part of LTP financial modelling.

Current work is focused on refining an affordability profile for FNDC, including benchmarking against other councils, understanding cost and income levers, and modelling different rates-transition options. The intent is not to pre-determine decisions, but to prepare clear information and enable informed choices for governance before consultation material is finalised.

Progress and next-quarter focus

Progress to date	Next-quarter focus
Environmental scan completed and circulated.	Complete detailed rates modelling based on elected member options surveying.
Items of significance for consultation have started to be identified.	Confirm rates-setting scenarios for modelling, including transition settings ahead of anticipated rates-capping settings.
Quality assurance and information-sharing processes have been established, including data protocols, change registers and file-sharing processes for Elected Members through Te Huinga.	Maintain the LTP change register and strengthen audit trail discipline across supporting information.
Audit visit timings have been requested, with visits expected in January and May 2027.	Confirm audit programme, evidence requirements and delivery milestones.
Community outcomes and strategic priorities for LTP 2027-37 have been confirmed.	Use confirmed outcomes and priorities to test service-level, capital-investment and financial-policy choices.
Early governance direction has been gathered on user-pays options, dividend mechanisms, service-level adjustments and asset-divestment exploration.	Develop options for further governance testing and integration into budgets and policies.
Draft capital pipeline of proposed projects, excluding the transportation programme and some renewals, presented to Elected Members on 7 July 2026.	Confirm and refine the capital works programme, including renewals, transport and prioritisation assumptions.
Existing activities have been mapped to standardised government activity groupings, with feedback provided to Taituarā and the Ministry of Cities, Environment, Regions and Transport.	Integrate activity group changes into LTP structure, budgets, activity statements and performance information.

Infrastructure Strategy review has commenced.	Finalise Infrastructure Strategy content and test alignment with asset management plans and capital pipeline settings.
Policy stocktake completed; priority policies identified and review commenced.	Complete priority policy reviews and integrate any required updates into LTP supporting information.
Draft activity management plans and asset management plans are under review.	Use updated activity and asset planning information to support the Infrastructure Strategy, budgets and activity groupings.
Consultation Document design format work has commenced.	Confirm the design for the draft Consultation Document and supporting information.
A participatory Budget Builder tool has been created as a pre-engagement tool for community use.	Prepare for release and use of pre-consultation insights to inform formal consultation material.

Key risks and mitigations

Risk / pressure	Mitigation approach
Affordability and rates pressure	Provide clear affordability profile information, including benchmarking affordability against other councils of similar profile. Develop modelled scenarios that show trade-offs clearly, including cost, revenue and service-level levers.
Sequencing and integration pressure	Use programme controls, change registers and agreed gateways to keep budgets, policy settings and activity information aligned.
Audit readiness	Confirm audit timing, evidence requirements and clear owners for all supporting information.
Reform and rates-capping uncertainty	Maintain scenario-based planning so the programme can respond without losing critical-path momentum.
Governance decision load	Stage decisions through workshops and concise decision-support material so choices are tested before formal adoption points.

This report provides the Committee with assurance that the LTP 2027-37 programme remains on track, identifies the areas of pressure that are being actively managed, and confirms the next control points for governance oversight.

PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There are no direct financial or budgetary implications arising from the Committee receiving this progress report.

The financial implications of the LTP 2027-37 will be developed through the rates modelling, capital programme confirmation, operating budget review and financial policy work scheduled for the next quarter.

ĀPITIHANGA / ATTACHMENTS

Nil

6 TE WĀHANGA TŪMATAITI / PUBLIC EXCLUDED

RESOLUTION TO EXCLUDE THE PUBLIC

RECOMMENDATION

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
6.1 - Confirmation of Previous Minutes - Public Excluded	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.2 - Infrastructure Compliance	s7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

6.3 - Procurement Activity Update 1 April - 30 June 2026	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.4 - Risk Management Update	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.5 - Insurance Renewals Update	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.6 - Contingent Liabilities - Litigation and Emerging Claims	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

7 KARAKIA WHAKAMUTUNGA / CLOSING PRAYER

8 TE KAPINGA HUI / MEETING CLOSE