



**SOUTH WAIRARAPA
DISTRICT COUNCIL**

Kia Reretahi Tātau

Summary Annual Report

For the year ended 30 June 2025

Year Four of the 2021-31 Long-Term Plan

Table of Contents

Introduction.....	3
<i>Summary of the Annual Report</i>	<i>3</i>
<i>A message from the Mayor and Chief Executive</i>	<i>4</i>
Our year.....	7
A year of progress, partnership and place	7
<i>Our activities' achievements in the year</i>	<i>8</i>
Community Facilities and Services	8
Finance and Corporate Support	8
Governance.....	8
Land Transport.....	9
Planning & Regulatory Services	9
Stormwater	9
Wastewater	9
Water Supply	9
<i>Performance measures.....</i>	<i>10</i>
Summary financial statements	11
Summary Statement of Comprehensive Revenue and Expense for the Year Ended 30 June 2025.....	11
Summary Statement of Changes in Equity for the Year Ended 30 June 2025	11
Summary Statement of Financial Position as at 30 June 2025	12
Summary Statement of Cashflows for the Year Ended 30 June 2025	12
Events after balance date – water services reform	14
Events after balance date – other	15
Independent Auditor's Report.....	16

Introduction

Summary of the Annual Report

This document is a summary of the Council's annual report for the 2024/25 financial year.

The summary outlines the major matters dealt with in the full annual report, which was adopted by the Council on 8th October 2025.

This summary was authorised for issue by the Mayor and Chief Executive on 8th October 2025.

This summary report cannot be expected to provide a complete understanding of the Council as provided in the Annual Report.

This summary has been prepared in accordance with financial reporting standards and has been examined by the Council's auditors for consistency with the full annual report. The auditors expressed an unmodified audit opinion on the Council's full audited statement of service performance and audited financial statements and other audited information in their report dated 8th October 2025.

The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full report. Readers are referred to the annual report if they require more details.

In its full financial statements, the Council has made an explicit and unreserved statement of compliance with the PBE Standards Reduced Disclosure Regime.

The full annual report is available to view at the South Wairarapa District Council offices, 19 Kitchener Street, Martinborough or can be downloaded from the Council's website www.swdc.govt.nz.

A message from the Mayor and Chief Executive

Kia Reretahi Tātou

Ko te kōtuitui i ētahi āhuatanga e rua,

nui ake rānei,

kia ngātahi ai te mahi

It is the interlinking of two or more things to work together

Tena koutou katoa,

Nau mai, haere mai

Welcome

We are pleased to present South Wairarapa District Council's Annual Report, which sets out our work for the 2024 -25 year, comparing our actual performance and spending with what we planned to do. It forms a key part of our accountability to you, the residents of South Wairarapa.

Over the past year, we have focused on delivering essential services while preparing for-change. The deferral of the Long-Term Plan in 2024 allowed us to concentrate on immediate priorities, culminating in the adoption of an Enhanced Annual Plan instead, due to significant shifts within the legislative and economic environment we operate in.

We've celebrated many achievements across our district over the past year. These include securing the contract to develop the Greytown Wheels Park, which will bring a recreational facility to the entire South Wairarapa for residents and visitors alike. We grew our emergency response capabilities significantly, as part of our ongoing desire to build resilience within the community in the event of unforeseen emergencies. Our work in this regard was strengthened through collaboration with Wellington Free Ambulance and the gift of time from many residents within our far-flung rural communities as well as in our townships. This year saw our libraries given a structural refresh to better serve our growing communities. We continue to invest in critical infrastructure, including water services and road safety improvements.

Key highlights include

Community facilities

- Opening John Gray Pavilion in Greytown's Soldiers Memorial Park, offering modern clubrooms through work with local sports clubs.
- Progress on the Featherston Playground refurbishment and starting the Joy Cowley Playground upgrade.
- Installing a new pool liner at Martinborough Pool to reduce maintenance.
- Resealing carparks at several community hubs across the district.
- Developing an artificial cricket wicket and practice nets at Coronation Park.
- Refreshing district-wide signage to upgrade old signs and bring consistency.

Infrastructural achievements and work

- The Featherston Masterplan was adopted after community consultation and engagement.
- Successful desludging of Martinborough Wastewater Treatment Plant carried out during the year led to the lifting of the abatement notice by Greater Wellington Regional Council in July 2025. This will be followed by similar work on the Greytown Wastewater Treatment Plant.
- Greytown Soldiers Memorial Park was confirmed as the site for the town's water supply upgrade, following public consultation.

- The Featherston Wastewater Treatment Plant consent application was publicly notified.
- Over 26 tonnes of illegally dumped waste was cleared from the district's south coast.
- We withdrew the Notice of Requirement for Pain Farm in Martinborough to be used for land-based disposal of wastewater under the Wairarapa Combined District Plan.

Council representation

- We consulted with the community on an initial proposal for our representation arrangements in the 2025 and 2028 local elections.
- We reaffirmed our commitment to establishing a Māori Ward (Te Karu o Te Ika a Māui) in the 2025 local body elections with a binding poll to be held for future trienniums.

Resiliency achievements

- We grew the number of Automated External Defibrillators (AEDs) across the district in collaboration with Wellington Free Ambulance.
- We hosted a Funders' Forum to help the community find, apply and source grants.
- Emergency preparedness containers were installed across our rural communities at Lake Ferry, Ngawi and Tora in our work with Wairarapa Recovery Office.
- We gifted Grab & Go Bags to 50 older members of the community in work with Wairarapa's other two councils.

Our environmental work

- We supported a new trial of food recycling bins to four businesses in our district.
- A trail was launched to address wind-strewn waste blowing across the district.
- We made the disposal of old tyres free by joining a tyre stewardship programme.

Your feedback told us in the 2025 Residents' Survey:

- Libraries achieved the highest satisfaction rating at 87%, with increased approval of open hours and services.
- Parks and reserves were also widely appreciated with 85% satisfaction.
- Sports fields and playgrounds rated highly at 83% and 80% respectively.
- Street cleanliness and waste collection saw the highest satisfaction levels since monitoring began but feedback from Featherston suggests room for improvement.

Local economic development

- We support local economic development through partnerships with Business Wairarapa, Destination Wairarapa and the Wairarapa Economic Development Strategy (WEDS) group. These collaborations help promote the district, attract investment and support local businesses.

Our investment in community wellbeing with grants

We gave 28 groups and individuals grants from the Community Wellbeing Fund.

Our commitment to your wellbeing was further reflected with nearly \$700,000 distributed to local groups and events from:

- Community Wellbeing Fund (Government funded) – \$500,000
- Community and Youth Grant – \$120,000
- Creative Communities Scheme – \$17,220
- Sport NZ Rural Travel Fund – \$6,000

Projects supported by these funds are diverse. They include, among others, solar power initiatives to improve resiliency in the community, free piano lessons for all age groups and support for much loved events, such as the Featherston Booktown Karukatea Festival and the Greytown Festival of Christmas.

We launched Fund Finder to help our community find funding opportunities from further afield than our district.

Water reform

One of our biggest challenges this year was navigating water reform. We collaborated with three neighbouring councils in Carterton, Masterton and Tararua to establish the Wairarapa - Tararua water entity designed to deliver safe, sustainable water services for our communities.

This Annual Report offers a snapshot of our journey over the past year. It celebrates our achievements, acknowledges our challenges and reaffirms our commitment to playing a key role in supporting our communities to thrive throughout South Wairarapa.

Nga mihi



Mayor Martin Connelly



Chief Executive Janice Smith

Our year

A year of progress, partnership and place

The 2024–25 year has been one of meaningful progress, deepening partnerships and a renewed commitment to the values that define our district.

To guide our direction this year, we proudly launched our Enhanced Annual Plan (EAP), a forward-looking update of year four of our 2021–31 Long-Term Plan, which reflects both the challenges and opportunities of the changing local government landscape. With the deferral of the Long-Term Plan to 2025–34, the interim EAP allowed us to focus on delivering essential services while preparing for transformational change. In June, Council proudly adopted the 2025–34 Long-Term Plan, concluding an 18-month journey of community consultation, strategic planning and financial stewardship—setting the course for the next nine years of investment in infrastructure, services and wellbeing, with a clear focus on fairness, resilience and future readiness.

Our work with mana whenua has been a focus of this year's achievements. In partnership with Ngāti Kahungunu ki Wairarapa and Rangitāne o Wairarapa, we have continued to embed Te Tiriti o Waitangi principles into our governance and planning. The endorsement of a Māori ward for the 2025 and 2028 elections marked a significant milestone in our journey toward inclusive representation and shared decision making. As part of legislative changes, we will conduct a poll on Māori wards as part of the 2025 elections. This ensures communities have a direct say in how Māori representation is structured in their district, reinforcing the importance of transparency and democratic participation in local governance.

We have also celebrated breaking ground and securing contracts for work on new assets for the community, which include the new Greytown Wheels Park, refurbishment work on Joy Cowley Playground in Featherston and opening the new Pavilion at Soldiers Memorial Park in Greytown.

We hosted a community Funders' Forum for those in need for funds for projects, invited Expressions of Interest on a new South Wairarapa Sports and Recreation Service (for which we have set aside funding in our Long-Term Plan 2025–34) and we strengthened our emergency response capabilities in collaboration with Wellington Free Ambulance. We joined forces with other councils in the region to give Grab & Go Bags to older residents for emergency situations.

Our libraries had a structural refresh to better serve our growing and diverse communities, and we held our second annual Mayor's Thank You morning tea to acknowledge the vital role that a vast number of volunteers play across our district.

We cleared a significant illegal dumping site of waste on the South Wairarapa coast and joined Tyrewise; a regulated tyre product stewardship scheme to allow residents to dispose of tyres for free while the product is repurposed.

We also completed long-term compliance work on Martinborough Wastewater Treatment Plant and we continue to invest in infrastructure, including critical water services and road safety improvements.

Our activities' achievements in the year

Community Facilities and Services

Social Housing

We upgraded bathrooms and kitchens, completed healthy homes improvements, repainted units, refurbished between tenancies, maintained properties, and installed new signage—ensuring safe, comfortable homes for residents.

Playgrounds, Pools, Parks, and Public Amenities

Key projects included opening the John Gray Pavilion in Greytown, progressing the Joy Cowley Playground upgrade, installing a new liner at Martinborough Pool, resealing and adding carparks, developing cricket facilities at Coronation Park, securing the Greytown Wheels Park contract, and refreshing district-wide signage.

Cemeteries

We repaired and repainted the fence at Greytown cemetery and installed new beams in Martinborough's cemetery.

Supporting Local Economic Development

We partnered with regional agencies to promote the district, attract visitors and investment, and support local businesses.

Supporting community groups and events

Nearly \$700,000 was distributed to local groups and events, including the new \$500,000 Community Wellbeing Fund. We also launched a free online Fund Finder tool, helping the community access additional funding. In total, 137 grants were distributed.

Finance and Corporate Support

We supported the development of the 2025–34 Long-Term Plan, improved financial and HR systems, launched a new engagement platform, implemented a Māori Engagement Framework, enhanced IT security, and progressed solutions for corporate building health and safety.

Governance

We undertook extensive consultation, including the Representation Review (adding a Māori Ward and Rural & Coastal Advisory Group) and the Long-Term Plan, which received over 800 submissions. Council adopted or reviewed key policies, including Artificial Intelligence, Delegations, Remuneration, Proactive Release, Revenue and Financing, Remission of Rates, and Financial Contributions.

Community Boards secured local improvements, and the Māori Standing Committee and Pou Māori provided cultural leadership, contributing to the Representation Review and strengthening engagement with tangata whenua.

Land Transport

Network Maintenance and Renewals

During the year, we invested approximately \$7.3 million in maintaining and renewing our land transport network, with support from Waka Kotahi. This included resurfacing 22.1 km of sealed roads—about 5.4% of the network—and upgrading 2.56 km of pavement. We completed the replacement of the bridge on Pahautea Road and continued repairs at White Rock Road and Lake Ferry following Cyclone Gabrielle, fully utilising emergency funding from cyclones Hale and Gabrielle.

Planning & Regulatory Services

Significant progress was made on the Wairarapa Combined District Plan Review, with hearings running through to May and decisions expected by September 2025. The review addressed future urban growth, rural subdivision, heritage and landscape protection, climate resilience, and rezoning. We also contributed to the Wairarapa Consolidated Bylaw Review and strengthened partnerships to reduce alcohol-related harm.

Stormwater

Minor maintenance and refurbishment work was carried out on the stormwater system in Greytown. Council also received updated flood hazard modelling advice for Featherston from Greater Wellington Regional Council, which will help inform future planning and investment.

Wastewater

Over 660 tonnes of sludge were removed from the Martinborough Wastewater Treatment Plant, with Greytown's desludging scheduled next.

Greater Wellington Regional Council (GWRC) lifted the abatement notice at the MWWTP in July 2025, following work completed in the 2024/25 year, and both councils will meet to discuss the next steps to creating increased capacity in the wastewater network.

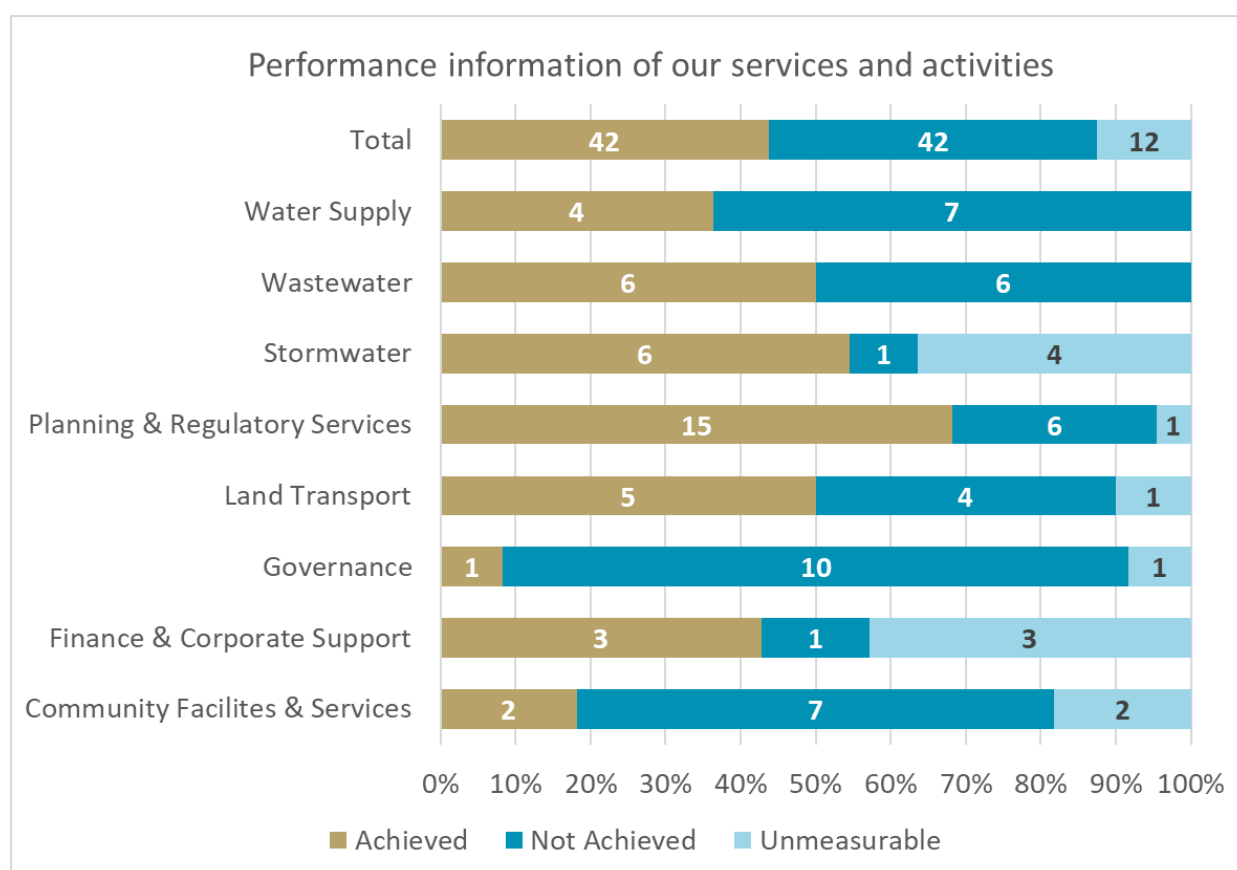
Water Supply

Our water supply saw upgrades at the Pirinoa treatment plant, including a new sand filter and automated backwash system, and the village's water take consent was renewed for 30 years. We processed the consent for the Moroa water race, completed upgrade designs for the Greytown and Waiohine plants, and awarded a contract to replace a fault-prone section of Featherston's water supply, with work on these projects set to begin by December 2025.

Performance measures

Council tracks its performance against 96 measures, most of which were established through the 2021–31 Long-Term Plan. Some are mandatory indicators set by central government agencies, including the Department of Internal Affairs.

In the 2024/25 year, we achieved 42 of these measures, did not achieve 42, and found 12 to be either unmeasurable or no longer applicable. As part of developing the 2025–31 Long-Term Plan, we have reviewed and updated our performance measures to ensure they remain relevant and meaningful. We are committed to improving our performance and look forward to reporting progress against these refreshed indicators in future years.



Summary financial statements

The specific disclosures included in these summary financial statements have been extracted from the full financial statements adopted by the Council on 8th October 2025.

The full financial statements of the Council were prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP), and in accordance with the Public Benefit Entity Reporting Standards.

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000).

Summary Statement of Comprehensive Revenue and Expense for the Year Ended 30 June 2025

This table provides a summary of the comparative financial performance for the Council for the 2024/25 and 2023/24 financial years. This statement and the Changes in Equity summarise the operating income and expenditure as well as other financial transactions that have impacted on the Council's net equity.

Actual (Restated) 2023/2024 \$000		Actual 2024/2025 \$000	Budget 2024/2025 \$000
39,022	Total operating revenue	42,631	42,702
34,603	Total operating expense*	42,165	40,415
1,192	Assets vesting in Council	12	-
26	Other gains and (losses)	25	454
5,611	Total surplus	503	2,746
49,322	Increase/(decrease) in revaluation reserves	(8,775)	2,160
54,933	Total other comprehensive revenue and expense	(8,272)	4,906

*Operating expense includes depreciation and finance costs

Summary Statement of Changes in Equity for the Year Ended 30 June 2025

Actual (Restated) 2023/2024 \$000		Actual 2024/2025 \$000	Budget 2024/2025 \$000
566,061	Total equity at 1 July	620,994	596,637
Changes during the year			
5,611	Operating surplus	503	2,746
-	Net transfer to/(from) special separate and trust funds	(884)	-
49,322	Asset revaluation	(8,775)	2,160
620,994	Total equity at 30 June	612,744	601,543
Represented by			
173,814	Public equity	173,433	183,152
29,480	Special separate and trust funds	30,385	14,495
417,700	Asset revaluation reserve	408,925	403,896

Summary Statement of Financial Position as at 30 June 2025

Actual (Restated) 2023/2024 \$000		Actual 2024/2025 \$000	Budget 2024/2025 \$000
13,012	Total current assets	11,237	4,039
641,269	Total non-current assets	636,145	647,593
654,281	Total assets	647,382	651,633
21,487	Total current liabilities	27,637	6,610
11,799	Total non-current liabilities	7,002	43,480
620,994	Total equity	612,744	601,543
654,281	Total liabilities and equity	647,382	651,633

Summary Statement of Cashflows for the Year Ended 30 June 2025

Actual 2023/2024 \$000		Actual 2024/2025 \$000	Budget 2024/2025 \$000
6,722	Total cash and cash equivalents at 1 July	3,912	1,416
Changes during the year			
7,746	Net cashflows from operating activities	8,699	3,443
(8,556)	Net cashflows from investing activities	(6,656)	(23,823)
(2,000)	Net cashflows from financing activities	1,600	20,000
(2,810)	Net (decrease)/increase in cash and cash equivalents	3,644	(380)
3,912	Cash and cash equivalents at end of the year	7,556	1,036

Explanation of major variances against budget

Explanations for major variations from SWDC's estimated figures in the 2024/25 Annual Plan are as follows.

Statement of Comprehensive Revenue and Expense

The operating surplus for the year was \$1.8 million below expectations, primarily due to operating expenses exceeding budget by \$1.7 million. Total revenue remained broadly on target, coming in just \$75,000 under budget.

Revenue

- Rates revenue is lower than the budget by \$0.5 million. This being the first time that uniform rates were based on Separately Used or Inhabited Parts (SUIPs) the amount of remissions on SUIPs was higher than expected. This is because there is no historical data on how many SUIPs would be eligible for remission.
- Contributions were \$0.7 million below budget, reflecting a general downturn in development activity and a slowdown in consenting. This was further impacted by developers delaying projects in anticipation of the adoption of the new combined district plan.
- Other revenue is higher than the budget by \$1.1 million mainly due improved recovery of costs from other councils and central government, mostly related to joint reform projects.

- Higher interest revenue of \$0.4 million, thanks to increased interest rates on short term investments and cash holdings.

The revenue for the year also includes grant funds from central government initiatives, which were matched by increases in expenses in the related activities:

- \$0.1 million for Water Reform Transition Support across the three water activities.
- \$0.3 million for Local Water Done Well.
- \$0.5 million for Community Wellbeing
- \$0.5 million for Better Off Grant income

Expense

- Finance costs are lower than the budget by \$0.3 million due to delay in borrowings related to capital projects being delayed. These projects will take place in coming year(s) and the borrowing will occur at time of spend.
- Depreciation and amortisation are higher than the budget by \$1.9 million due to revaluation of the roading network resulting in an increase in the asset values, and decreases in the useful life of the network, which has increased the depreciation rate on those assets.

Statement of Financial Position

The Council holds \$21.8 million in short-term loans, which are expected to be refinanced into longer-term debt within the next 12 months. These loans were intentionally kept short-term during the year to take advantage of anticipated interest rate reductions. The new long-term borrowing will be structured to align with the Council's infrastructure funding strategy and upcoming water reform, helping to ease short-term repayment pressure and address the current negative working capital position.

Despite this, the Council continues to maintain sufficient cash reserves and has access to credit facilities to meet its day-to-day operational requirements and short-term financial commitments.

Investment properties were reclassified to Property, Plant & Equipment to better reflect their use and align with accounting standards.

In line with the scheduled valuation cycle, the Council's operational buildings and land were revalued this year to reflect their fair value and updated asset lifespans. This revaluation resulted in an \$8.3 million reduction in the asset revaluation reserve. However, this is an unrealised accounting adjustment and does not represent a cash loss unless the assets are sold.

Statement of Cashflows

Net cash flow from operating activities was favourable by \$5.3 million due to additional revenue received of \$2.2 million, and lower than expected (\$3.0 million) expense payments made to staff and suppliers.

Net cash outflow from investing activities was lower than budgeted due to delays in capital projects for the three water and community facilities activities.

Net cash flow from financing activities was lower than budget because some capital projects were delayed.

Events after balance date – water services reform

Adoption of Water Services Delivery Plan and establishment of regional water entity

On 20 August 2025, South Wairarapa District Council formally adopted its Water Services Delivery Plan (WSDP) as part of the Government's Local Water Done Well reform programme. This plan outlines the Council's commitment to a joint regional model for water services delivery through a proposed Wairarapa-Tararua Water Services Organisation, a council-controlled organisation (CCO) involving Carterton, Masterton, Tararua, and South Wairarapa District Councils.

Key decisions made at the meeting include:

- Submission of the WSDP and Commitment Agreement to the Department of Internal Affairs (DIA), confirming Council's intent to participate in the regional water entity.

- Approval of \$1.25 million in unbudgeted expenditure, to be capitalised and borrowed, representing SWDC's share of establishment costs for the new entity. This amount will be transferred to the Water Services Organisation at its operational commencement.

- Delegation to the Chief Executive to finalise the WSDP and prepare the Constitution and Shareholders' Agreement for the new entity.

Importantly, the WSDP must be approved by the Department of Internal Affairs (DIA) before it becomes formally actionable. This approval process ensures alignment with national water reform objectives and confirms the viability of the proposed delivery model.

These decisions follow the enactment of the Local Government (Water Services) Act 2025, which received Royal Assent on 19 August 2025. This Act establishes the enduring framework for water services delivery in New Zealand, including:

- Mandatory adoption of WSDPs by 3 September 2025.

- Creation of Water CCOs with borrowing capacity up to 500% of operating revenue, subject to LGFA credit criteria.

- Economic regulation by the Commerce Commission, ensuring ring-fencing of water revenues.

- Regulatory flexibility for Taumata Arowai, including exemptions for small supplies and a national wastewater standard.

While these developments do not affect the financial or service performance disclosures for the year ended 30 June 2025, they represent significant strategic and financial implications for future years.

Following the transition to the CCO on 30 June 2027:

- Council will no longer receive rates revenue for Water, Wastewater, or Stormwater services, which will reduce total operating revenue. This change has been incorporated into the Council's 2025–34 Long-Term Plan (LTP), with rates revenue decreasing by \$10.2million (31%) in the first year following transition. However, this reduction in revenue will be offset by an approximately equivalent saving in the associated costs of providing water services (\$9.5million) and Council will explore opportunities for further savings whilst developing the Long-Term Plan for 2027–37.

- Council's debt capacity will improve, as water-related debt, which makes up the majority of Council's debt, will be transferred to the new entity. The partial offset caused by the reduction in revenue, which is a key input into debt affordability and prudence benchmarks is significantly outweighed by the reduction in net debt, resulting in a significantly improved debt ceiling. The impacts of transition on debt ceiling were already anticipated and modelled in the LTP, and Council's debt ceiling position improves, remaining comfortably compliant with benchmarks & covenants for the remainder of the plan period.

Several financial prudence benchmarks will be impacted, including the balanced budget and debt servicing benchmarks. These impacts were anticipated and modelled in the LTP, and the Council remains compliant with the benchmarks over the life of the plan.

Although Council will no longer deliver Water, Wastewater, or Stormwater services following the transition, the going concern status remains appropriate as SWDC will continue to deliver its other services as the district's local authority. We will continue to assess the impact of reforms on our operations and financial planning. More detail on how the prospective financial position of South Wairarapa District Council will change following transition of water services can be viewed in our Long-Term Plan for 2025-34.

Events after balance date – other

Subsequent to 30 June 2025, the following material events occurred:

Claim under Building Act (2004)

On 22 September 2025, the Council reached a mediated settlement agreement in relation to a matter under the Building Act. The resolution was achieved through a formal mediation process. The Council will be lodging a claim under its insurance policy in respect of this matter. The Council's financial exposure is limited to the insurance deductible of \$100,000.

Riskpool

South Wairarapa District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ("Riskpool"). Although the scheme is in wind-down, the Council retains an obligation to contribute to Riskpool should a call be made in respect of historical claims (to the extent not covered by reinsurance or where reinsurance is delayed), and to fund the ongoing operation of the scheme.

Following the Supreme Court decision in *Napier City Council v Local Government Mutual Funds Trustee Ltd* (August 2023), several mixed claims against Riskpool have recommenced. Two of these are scheduled for trial in September 2025. These proceedings may clarify the scope of Riskpool's historical obligations. The total potential liability of outstanding claims is currently unquantifiable. In August 2025, Riskpool issued a formal funding call to members totalling \$3.7 million across the membership. This call is intended to fund operational costs for FY2025/26 and legal/advisory fees related to reinsurance recovery and litigation. South Wairarapa District Council's confirmed contribution is \$19,197.53 (excluding GST), payable by 20 September 2025.

SWDC continues to monitor developments in Riskpool's litigation and governance processes, including proposed amendments to the Trust Deed. Future calls may be made depending on the outcome of outstanding claims and reinsurance recoveries.

Other events

There have been no other events after balance date.

Independent Auditor's Report



To the readers of South Wairarapa District Council's summary of the annual report for the year ended 30 June 2025

The summary of the annual report was derived from the annual report of the South Wairarapa District Council (the Council) for the year ended 30 June 2025.

The summary of the annual report comprises the following information on pages 8 to 15:

- the summary statement of financial position as at 30 June 2025;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended 30 June 2025;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2025 in our auditor's report dated 8 October 2025.

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to pages 96 and 97 of the financial statements in the full annual report, which outlines that in response to the Government's Local Water Done Well reforms, the Council has decided to establish a multi-owned water organisation with Carterton, Masterton, and Tararua District Councils to deliver water, wastewater and stormwater services from 1 July 2027. The financial impact of this decision is unknown because details of the exact arrangements are still being considered. In addition, there is some uncertainty as the proposal is yet to be accepted by the Secretary for Local Government.

Information about this matter is also disclosed on pages 14 and 15 of the summary of the annual report.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

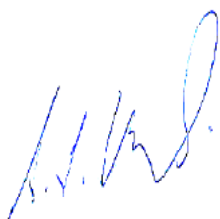
Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out 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.

In addition to reporting on the summary and full annual report, we have audited the Council's 2025-2034 Long-term plan. We also performed a limited assurance engagement related to the Council debenture trust deed. These engagements are compatible with those independence requirements.

Other than these engagements, we have no relationship with, or interests in, the Council.



Sefton Vuli

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand

8 October 2025