

Report To: Council



Meeting Date: 28 April 2026
Subject: **Financial Report for the period ended 31 March 2026**
Type: Information Only
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Chief Financial Officer

1. Purpose of Report

- 1.1. The purpose of this business paper is to provide an overall progress report on WDC's financial activities for the period ended 31 March 2026.

2. Suggested Resolutions

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.

1 The business paper on the Financial Report for the period ended 31 March 2026 be received.

3. Background

- 3.1 The financial report provides financial oversight and accountability of Council's financial performance in delivering core services to the Waitomo District and community. It presents an overview of Council operations for the period including significant variance commentary against full year revised budget and updates on significant capital expenditure projects.
- 3.2 A copy of the Financial Report for the period ended 31 March 2026 is enclosed separately and forms part of this business paper (**Attachment 1**).

4. Commentary

4.1 **INCOME STATEMENT HIGHLIGHTS**

- 4.2 The net operating surplus of \$3.8 million was less than the revised budget surplus of \$5.8 million for the period ended 31 March 2026.

- 4.3 Total revenue was \$1.1 million less than revised budget for the period. The variance against revised budget was due mostly to:

- Rates revenue was less than forecast for metered water charges due to leak adjustments and corrections. Rates penalties revenue was also lower than forecast.
- Subsidy revenue was less than budget for NZTA subsidy as road renewal expenditure was lower than budget due to the timing of the spend so the related subsidy was also lower than forecast. Funding was also recognised for Mayors Taskforce for Jobs.

- Fees and charges were higher for trade waste revenue, resource consents and building control services. Revenue was also recognised for the transition costs for Waikato Waters Ltd.

4.4 Total expenditure was \$0.9 million more than revised budget for the period. The variance against revised budget was due to:

- Additional expenditure incurred for Mayors Taskforce for Jobs programme that was not included in the budget. This programme is fully funded by central government.
- Road's maintenance costs were more for emergency first response, routine drainage maintenance, network and asset management and environmental maintenance. These over-expenditures were partly offset by reduced sealed pavement maintenance and traffic services costs.
- Finance costs were lower than budget due to a lower level of borrowings and lower cost of funds than forecast in the Annual Plan.
- Salary costs were lower than forecast due to vacant positions in the organisation.

4.5 **BALANCE SHEET HIGHLIGHTS**

4.6 Total assets have increased to \$737.8 million since June 2025, this is mostly due to the increase in property plant and equipment assets of \$5.1 million. This increase has been partly offset by a decrease in receivables. The receivables balance at 30 June 2025 included both May and June NTZA subsidy receivables, which was subsequently received in July 2025.

4.7 Total borrowings remained at \$33.2 million as at 31 March 2026 (2025: \$33.2 million). Borrowings are expected to increase in the next quarter to fund the expected Te Kuiti water resilience project spend.

4.8 **CAPITAL EXPENDITURE**

4.9 Capital expenditure was \$13.1 million (37%), against a full-year revised budget of \$35.0 million.

4.10 Total roads capital expenditure to 31 March 2026 was \$8.1 million, against a full year revised budget of \$19.7 million. Included in the revised budget is additional funding of \$9.5 million for the July and October storm related damage to the road network.

4.11 Commentaries on the significant projects within the capital works programme are included under each area in the attached Financial Report.

5. Attachments/Separate Enclosures

Attachments:

- 1 Financial Report for the period ended 31 March 2026 (Doc #967296)



FINANCIAL REPORT

FOR THE PERIOD 1 JULY 2025 TO 31 MARCH 2026

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INTRODUCTION

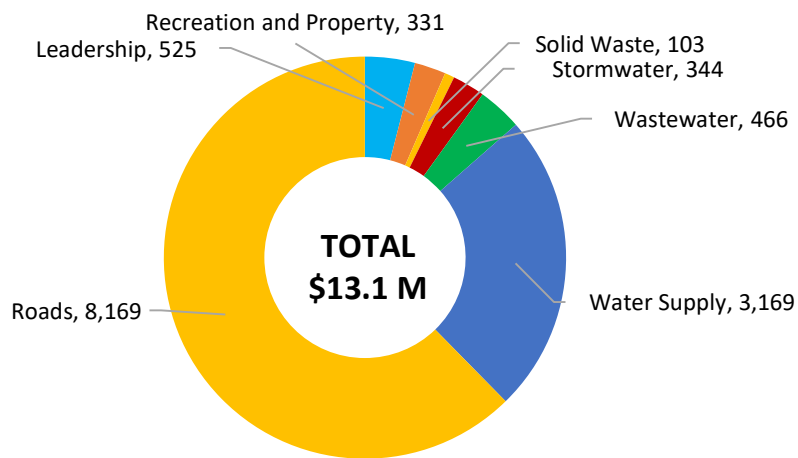
The 2024-34 Long Term Plan (LTP) was adopted in June 2024. It sets out outcomes we aim to deliver for our community, through the activities we undertake. Council also uses Activity/Asset Management Plans to outline the detailed work programme and further communicate an annual programme of work at a high level through Annual Plans.

Progress on the LTP and Annual Plans are reported back to the community at the year-end through Council's Annual Reports.

The purpose of this report is to provide high-level financial update of these Council activities for the period July 2025 to March 2026.

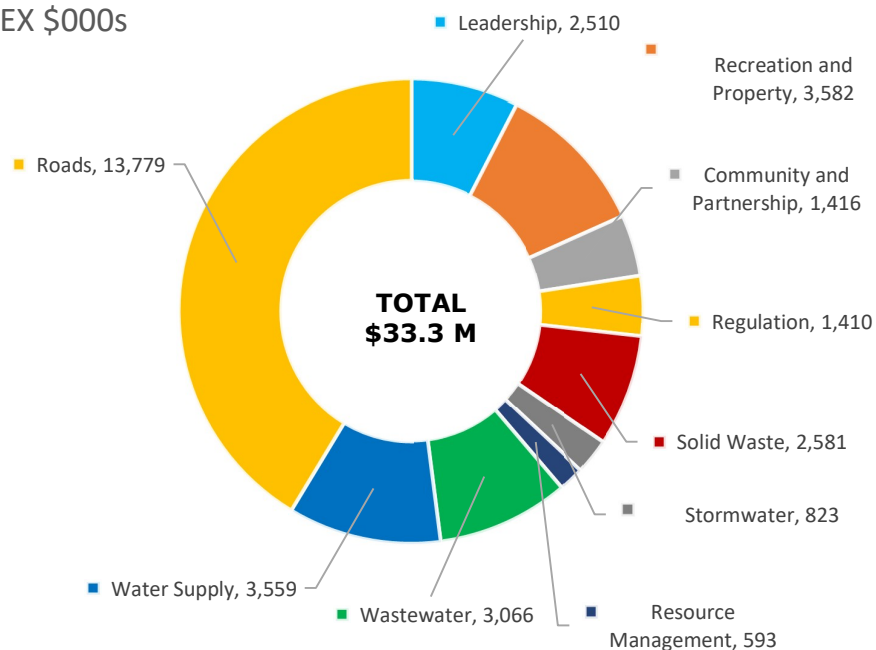
SUMMARY

CAPITAL EXPENDITURE SUMMARY AS AT 31 MARCH 2026 \$000'S



OPERATIONAL EXPENDITURE SUMMARY AS AT 31 MARCH 2026 \$000'S

OPEX \$000s



FINANCIALS

All figures in the tables, except percentages, are expressed in thousands of dollars (\$000s). Reviewed budgets include the 2025/26 Annual Plan budget, approved carryovers and any additional budgets approved by Council.

INCOME STATEMENT HIGHLIGHTS

Set out below is the summary of financial information for the period ending 31 March 2026 (A cost of service statement and commentary on significant variances can be found within each Group of Activities).

WHOLE OF COUNCIL \$000's	Actual 2024/25	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(25,413)	(26,192)	(25,736)	(18,966)	(18,981)	(16)	A
Subsidies and Grants	(18,572)	(13,522)	(25,225)	(13,851)	(15,650)	(1,799)	B
Interest Revenue	(195)	(142)	(142)	(74)	(106)	(32)	
Fees and Charges	(4,867)	(4,343)	(4,343)	(3,843)	(3,299)	545	C
Other Revenue incl Gains/Losses	(86)	(529)	(529)	(412)	(260)	151	D
Total Revenue	(49,132)	(44,727)	(55,974)	(37,146)	(38,297)	(1,150)	3%
Operating Expenditure							
Other Expenditure	23,949	23,406	24,010	18,563	17,295	(1,267)	E
Depreciation	10,097	10,778	10,778	8,105	8,083	(22)	
Finance Costs	1,589	1,545	1,545	1,056	1,159	103	F
Loss on Disposal	355	0	0	9	0	(9)	
Salary Expenditure	7,482	7,875	7,875	5,598	5,906	308	G
Total Operating Expenditure	43,471	43,604	44,208	33,330	32,443	(887)	-3%
Net (Surplus)/Deficit	(5,661)	(1,123)	(11,766)	(3,816)	(5,853)	(2,037)	35%

Net Operating result: The net operating surplus of \$3.8 million is less than the revised budgeted surplus of \$5.8 million for the period ended 31 March 2026.

Total Revenue was less than revised budget by \$1.1 million.

- A Rates revenue was less than forecast for metered water charges due mostly to leak adjustments and corrections. Rates penalties revenue was also lower than forecast.
- B Subsidy revenue was less than budget for NZTA subsidy as road renewal expenditure was below forecast so the related subsidy revenue was also lower than budget. Additional funding was also recognised for Mayors Taskforce for Jobs programme.
- C Fees and charges were higher for resource consents, trade waste revenue and building control services. Revenue was also recognised for the transition costs for Waikato Waters Ltd (WWL).
- D Other Revenue was higher than forecast for waste minimisation levy revenue and depreciation recovered on the sale of vehicles.

Total Operating Expenditure was more than revised budget by \$0.9 million.

- E Roads maintenance costs were more for emergency first response, routine drainage maintenance, network and asset management and environmental maintenance. These over-expenditures were partly offset by reduced sealed pavement maintenance and traffic services costs. Additional expenditure was also incurred for Mayors Taskforce for Jobs programme that was not included in the budget. This programme is fully funded by central government.
- F Finance costs were lower than forecast due to a lower level of borrowings and the lower cost of funds than was forecast in the Annual Plan.
- G Salary costs were lower than budget due to vacant positions in the organisation.

BALANCE SHEET HIGHLIGHTS

Balance Sheet highlights presented below shows the movement in Council's financial position from 1 July 2025 to 31 March 2026.

BALANCE SHEET HIGHLIGHTS (Amounts in \$000's)	Actual Position 30 Jun 2025	Actual Position 31 Mar 2026	Movement from 30 Jun 2025
Assets			
- Cash and cash equivalents	3,014	2,478	(536)
- Receivables	9,399	6,254	(3,145)
- Other current assets	1,053	246	(807)
- Other financial assets	14,549	15,448	899
- Derivative Financial Instruments	18	18	0
- Non-current assets	708,264	713,328	5,064
TOTAL ASSETS	736,297	737,772	1475
Liabilities			
- Other Liabilities	10,780	8,458	(2,322)
- Total Borrowings	33,235	33,218	(17)
- Derivative financial instruments	520	519	(1)
Total Liabilities	44,535	42,195	(2,340)
Equity			
- Equity	691,762	695,577	3,816
TOTAL LIABILITIES AND EQUITY	736,297	737,772	1,475

Total Assets have increased from \$736.3 million to \$737.8 million.

- Non-current assets increased by \$5 million, made up of asset additions of \$13.1 million less depreciation of \$8.1 million.
- Other financial assets increased by \$0.9 million due to additional investment in LGFA borrower notes, required for the refinancing of a floating rate note in August; and also increased for the establishment funding to Waikato Waters Limited as part of that company's setup.
- Receivables at 31 March 2026 decreased by \$3.1 million. The balance at 30 June included NZTA subsidy receivable for both May and June 2025, which was subsequently received in July.
- Other current assets decreased by \$0.8 million due to the sale of Riverview Heights land and the Te Kumi Road property, which were included in Assets Held for Sale.

Total Liabilities have decreased from \$44.5 million to \$42.2 million.

- Other liabilities have decreased from \$10.8 million to \$8.45 million due to a decrease in general payables.
- Total Borrowings is largely unchanged at \$33.2 million, with only minor changes to accrued interest and the finance lease. Borrowings are expected to increase in the next quarter to fund the Te Kuiti water resilience project.

Total equity increased from \$691.8 million to \$695.6 million, being the net surplus of \$3.8 million for the period.

CAPITAL EXPENDITURE

Set out below is the Capital Expenditure summary for the nine months ended 31 March 2026.

SUMMARY CAPITAL EXPENDITURE \$000's	AP 2025/26	Plus, Carryover from Prior Year	Plus Council Approved Budget	Revised Budget	YTD Actuals	Var to Revised Budget
Leadership	580	110	0	690	525	165
Recreation and Property	612	339	0	951	331	620
Regulatory Services	5	0	0	5	0	5
Solid Waste	2,651	74	0	2,725	103	2,622
Stormwater	1,136	215	0	1,351	344	1,007
Wastewater	724	146	0	870	466	404
Water Supply	8,327	381	0	8,708	3,169	5,539
Roads	8,008	2,228	9,463	19,699	8,169	11,530
Total Capital Expenditures	22,043	3,493	9,463	34,999	13,107	21,892

The total revised capital expenditure budget 2025/26 is \$35.0 million including carryovers from the 2024/25 year of \$3.5 million and \$9.5 million additional budget approved by Council for the repairs to the road network damaged during the July and October storm events.

The most significant project budgets carried over from the prior year include emergency reinstatement of roads of \$2.2 million, water supply \$381,000 mainly for water safety plan improvements across all schemes and Centennial Park development and other minor projects under Recreation and Property.

Te Kuiti transfer station improvement project will no longer proceed as originally proposed due to the lower waste tonnages expected through the transfer station and the lack of planned government funding for the project. Some of the remaining budget will be carried over for the final capping of the cell and a further carryover may be requested for any improvements planned for the 2026/27 year once this is known.

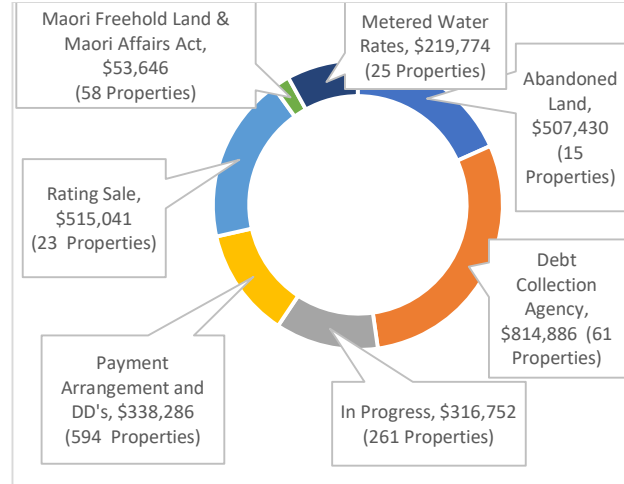
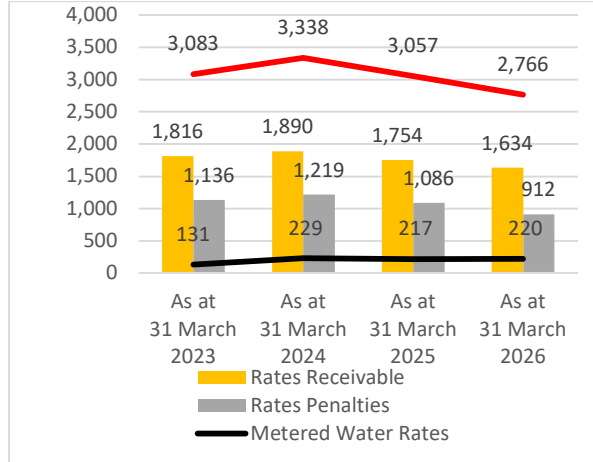
Total expenditure for the nine months to March was \$13.1 million (37% of the revised budget), with the majority of the capital expenditure spend to date for Roads and Footpaths. Significant capital spends are expected in the last quarter of the financial year for Roads and Water Supply.

Further commentary on the capital programme is included under each activity.

RATES RECEIVABLES

TOTAL RATES RECEIVABLES \$000's

Set out below is the summary of Rates Receivables as at 31 March 2026.



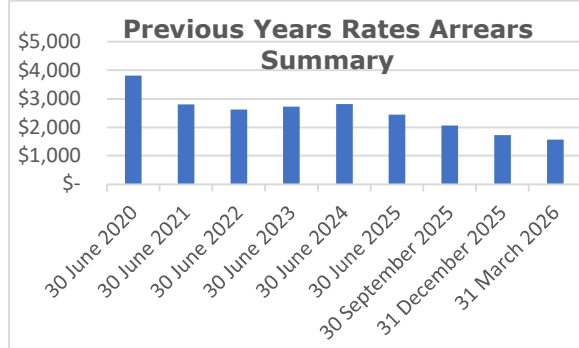
Five Abandoned Land properties were advertised for sale by tender in March 2026 with the tenders closing on 15 April 2026. Four properties are located in Te Kuiti, and one is located in Aria.

A vacant section located on School Road in Maniati/Bennydale is currently advertised for rating sale by the High Court, with tenders closing on 22 April 2026.

During the quarter 18 properties were sent to DMC for collection after receiving final notices to pay (12 of the properties have mortgages registered on the title).

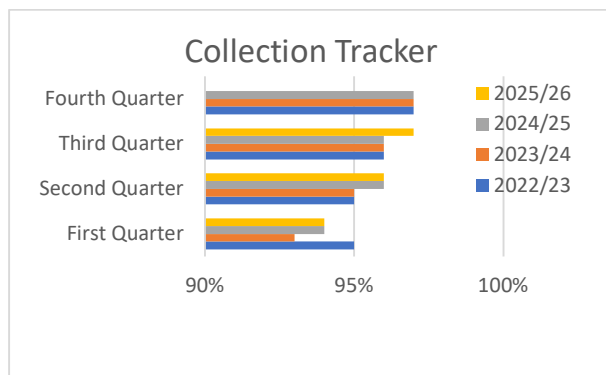
Final notices were also sent out for water and sundry debtors in December resulting in 8 accounts being forwarded to DMC for collection during this quarter.

PREVIOUS YEARS RATES ARREARS \$000's*



*Excludes metered water rates

RATES INSTALMENT COLLECTION



Rates Rebates 31/03/26	Rates Rebates 30/06/25	Rates Rebates 30/06/24
298	338	318

RATES OUTSTANDING AT 31 MARCH 2026

LEADERSHIP

FINANCIAL UPDATE

LEADERSHIP \$000's	Actual 2024/25	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(3,312)	(3,210)	(3,210)	(2,417)	(2,457)	(40)	A
Subsidies and Grants	(59)	0	0	(1)	0	1	
Interest Revenue	(195)	(142)	(142)	(74)	(106)	(32)	B
Fees and Charges	(24)	(35)	(35)	(45)	(26)	19	C
Other Revenue incl Gains/Losses	(339)	(200)	(200)	(96)	0	96	D
Total Revenue	(3,929)	(3,586)	(3,586)	(2,634)	(2,590)	44	2%
Operating Expenditure							
Other Expenditure	2,262	2,354	2,354	1,697	1712	16	E
Depreciation	719	754	754	571	566	(6)	
Finance Costs	298	309	309	241	232	(9)	
Loss on Disposal	31	0	0	1	0	(1)	
Total Operating Expenditure	3,310	3,417	3,417	2,510	2,510	(0)	-0%
Net (Surplus)/Deficit	(619)	(170)	(170)	(124)	(80)	43	-54%

Variance Comments:

- A Rates revenue is currently tracking less than budget due mostly to rates penalties being less than forecast.
- B Interest revenue is below budget due to reduced cash balances in both the operational and retention monies accounts. Interest revenue on borrower notes will be recognised in the next quarter.
- C Fees and charges revenue is more than full year budget for quarry royalties revenue.
- D Other revenue as more than forecast as depreciation recovered on the disposal of motor vehicles was recognised for five fleet vehicles that were sold. The depreciation and residual value of motor vehicles has been reviewed to match depreciation expense more closely with the vehicle's loss of value (through use) and thereby reducing depreciation expense and this recoverable amount in the future and will be applied to new vehicle purchases going forward.
- E Operational expenditure was less than forecast for cloud migration costs (loan funded) and audit fees were also less than forecast as an LTP amendment was not required this year and therefore no associated audit fee. Offsetting these reduced expenditures were additional costs incurred for project management costs.

CAPITAL EXPENDITURE

LEADERSHIP \$000's	Annual Plan 2025/26	Revised Budget	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Quarry Safety Improvements & Renewals	41	95	27	68	A
Information Services Hardware Improvements	40	70	0	70	B
Information Services Hardware Renewals	107	121	24	97	C
Motor Vehicle and Equipment Replacements	371	371	447	(76)	D
Minor Renewals	21	33	27	6	E
Total Capital Expenditures	580	690	525	165	

Variance Comments:

The revised budget includes carryover budgets of \$110,000.

- A Includes a carryover of \$54,000 for quarry safety. There will be no further spend this year on this project.
- B Includes a carryover of \$30,000 for system improvements including a high-speed internet connection. This project will now cover the Queen Street, Customer Service Hub, Library, Railway Building 3 and the Les Munro Centre.
- C Includes a carryover of \$14,000 for replacement of laptops, mobile phones and monitors. There are projects for device renewals and equipment upgrades to be undertaken in the next two months.
- D Fleet replacements for motor vehicles and parks maintenance equipment is complete. The proceeds from the sale of fleet vehicles is utilised to part fund the replacement of the vehicles.
- E Minor renewals include furniture replacement and air conditioning unit replacements.

COMMUNITY AND PARTNERSHIPS

FINANCIAL UPDATE

COMMUNITY AND PARTNERSHIP \$000's	Actual 2024/25	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(1,574)	(1,470)	(1,470)	(1,098)	(1,103)	(5)	
Subsidies and Grants	(546)	(178)	(178)	(329)	(78)	251	A
Fees and Charges	(11)	(7)	(7)	(12)	(6)	6	B
Total Revenue	(2,131)	(1,655)	(1,655)	(1,439)	(1,186)	253	-21%
Operating Expenditure							
Other Expenditure	1,902	1,694	1,694	1,409	1,166	(248)	A
Depreciation	9	13	13	7	9	2	
Total Operating Expenditure	1,911	1,706	1,706	1,416	1,175	(245)	-14%
Net (Surplus)/Deficit	(220)	51	51	(22)	(11)	7	-66%

Variance Comments:

- A Subsidies and grants revenue and Other Expenditure are both higher than budget for the Mayor's Taskforce for Jobs which was not included in the budgets and Better Off projects. These programmes are fully funded by central government.
- B More revenue was received for the Te Kuiti Muster than forecast in the budget.

RECREATION AND PROPERTY

FINANCIAL UPDATE

RECREATION AND PROPERTY \$000's	Actual 2024/25	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(4,458)	(4,324)	(4,324)	(3,228)	(3,243)	(15)	
Subsidies and Grants	(450)	(1)	(36)	(13)	(19)	(6)	
Fees and Charges	(553)	(570)	(570)	(422)	(428)	(5)	
Other Revenue incl Gains/Losses	586	(55)	(55)	(54)	(55)	(1)	
Total Revenue	(4,875)	(4,950)	(4,985)	(3,717)	(3,745)	(28)	1%
Operating Expenditure							
Other Expenditure	4,124	3,809	3,869	2,671	2771	99	A
Depreciation	1,534	1,673	1,673	1,272	1,255	(17)	B
Finance Costs	147	140	140	92	105	13	
Loss on Disposal	155	0	0	0	0	0	
Total Operating Expenditure	5,961	5,623	5,683	4,035	4,131	96	2%
Net (Surplus)/Deficit	1,086	672	697	318	386	68	18%

A Other Expenditure was less than forecast mostly for repairs and maintenance costs.

B Depreciation is tracking more than budget for building and structures due to the revaluation carried out at 30 June 2025, however this increased cost has been offset partly for reduced depreciation for the dwelling at 47 Te Kumi Road, which has been sold.

CAPITAL EXPENDITURE

RECREATION AND PROPERTY \$000's	Annual Plan 2025/26	Revised Budget	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Land Purchases	0	80	0	80	A
BOF Walkways	0	35	18	17	B
Motakiora/Brook Park Improvements	10	26	10	16	C
Centennial Park Development	0	101	0	101	D
Park Renewals	39	39	40	(1)	E
Playground Renewals	31	31	3	28	F
Minor Renewals	82	87	120	(33)	G
Eketone Street Subdivision Improvements	331	331	5	326	H
Library Books Renewals	46	46	35	11	
Aquatic Centre Renewals	22	57	31	26	I
Minor Equipment Renewals	0	0	7	(7)	J
Toilet Renewals	10	24	11	13	
Te Kuiti Cemetery Development	0	20	14	6	K
Security Camera Renewals	41	74	37	37	L
Total Capital Expenditures	612	951	331	620	

Variance Comments:

The revised budget includes carryover budgets totalling \$340,000.

- A The Land Purchases budget is forecast for capitalisable costs such as subdivision costs, to ready properties identified for sale. This budget may be utilised once surplus reserve land has been identified as suitable for sale and identification of surplus reserve land is intended to be carried out this year.
- B The carryover budget of \$35,000 is for completion of the walkways project. This project is complete and any further work would of a maintenance nature.
- C Motakiora/Brook Park improvements includes fencing and track work. The carry over was required due to lack of contractors' availability delaying work to be done.
- D A budget of \$101,000 is forecast for the continuing development of Centennial Park. Work on this project is currently on hold until decisions are made on the next steps for the park's development.
- E Park renewals includes minor works on the various parks and reserves. Expenditure to date includes completion of the renewal of bollards at Te Kuiti domain.
- F A budget of \$31,000 is forecast for minor playground renewals. There will be no further spend this year.
- G A budget of \$114,000 and carryover budget of \$53,000 is for minor renewals of Council owned properties including Redwood Flats, Library and Community House building, public toilets, public amenities and cemeteries. The spend to date includes relocation of the ablution block to Marokopa campground, minor building renewals, air-conditioning unit replacement, tables and bin renewals.
- H The Eketone Street subdivision is for the development of four sections located there for eventual sale. The resource consent application is with Waikato Regional Council, waiting for their approval.
- I Aquatic Centre renewals include critical filter and intake pipes replacements for the pool, as well as some fencing replacements.
- J Minor equipment improvements for the Gallagher Recreation Centre. The actuals to date include expenditure for some protective cages around the external air conditioning units.
- K Te Kuiti Cemetery Development project includes the development of a concept and planting plan for the cemetery. This project was not completed last year due to consultants' availability.
- L A budget of \$74,000 is for security camera renewals at various sites in the district. Installation of new cameras is now complete, and an assessment of the existing cameras has been undertaken to determine any that should be replaced. There will be no further spend this year.

REGULATORY SERVICES

FINANCIAL UPDATE

REGULATORY SERVICES \$000's	Actual 2024/25	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(1,411)	(1,344)	(1,344)	(1,003)	(1,008)	(5)	
Fees and Charges	(788)	(673)	(673)	(615)	(546)	69	A
Other Revenue incl Gains/Losses	(13)	(19)	(19)	(24)	(14)	10	B
Total Revenue	(2,212)	(2,036)	(2,036)	(1,642)	(1,568)	74	-5%
Operating Expenditure							
Other Expenditure	1,985	2,017	2,017	1,397	1,513	116	C
Depreciation	17	19	19	13	14	1	
Total Operating Expenditure	2,002	2,036	2,036	1,410	1,527	117	8%
Net (Surplus)/Deficit	(210)	0	0	(232)	(41)	191	-469%

Variance Comments:

- A Revenue for Building Control is tracking ahead of budget for additional inspections (including out of district), building accreditation levy revenue and Health Act licences.
- B Infringement and penalty revenue was more than full year budget.
- C Other expenditure was below budget for building control services with less expenditure for consultants and legal fees, allocated costs, earthquake prone buildings expenditure and contracted animal control expenditure.

CAPITAL EXPENDITURE

REGULATORY SERVICES \$000's	Annual Plan	Revised Budget	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Dog Pound Renewals	5	5	0	5	
Total Capital Expenditures	5	5	0	5	

RESOURCE MANAGEMENT

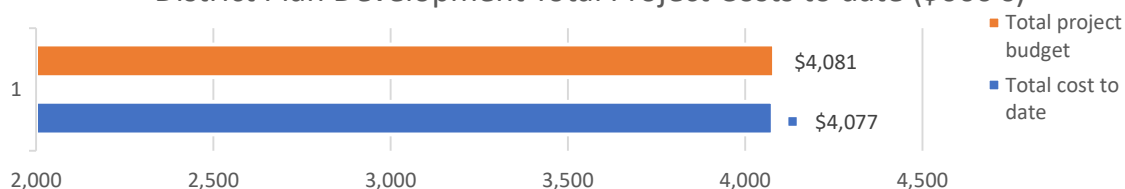
FINANCIAL UPDATE

RESOURCE MANAGEMENT \$000's	Actual 2024/25	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(442)	(631)	(631)	(471)	(473)	(2)	
Fees and Charges	(210)	(192)	(192)	(282)	(144)	138	A
Total Revenue	(652)	(823)	(823)	(753)	(617)	136	-22%
Operating Expenditure							
Other Expenditure	766	693	693	549	520	(29)	B
Finance Costs	65	69	44	51	8	44	
Total Operating Expenditure	832	762	762	593	571	(21)	-4%
Net (Surplus)/Deficit	179	(61)	(61)	(160)	(46)	114	-249%

Variance Comments:

- A Resource consent revenue (which includes the on-charging of consultants costs) was more than budget. Revenue from processing LIMs was also more than YTD budget.
- B Overall expenditure for Resource Management is more than budget. This is due to additional expenditure for the processing of large and complex resource consent applications requiring technical input from specialists. These costs are on charged to the applicant once the decision has been issued. These costs have been offset by reduced expenditure for the Proposed District Plan, which is now largely operative.

District Plan Development Total Project Costs to date (\$000's)



PROJECTS AND PROGRAMME UPDATES



Programme Summary: A review of the Operative Waitomo District Plan in accordance with statutory requirements. The Proposed Waitomo District Plan (PDP) must be legally robust and provide guidance for long term resource management issues in the District and is inherently complex with many associated workstreams. This project will continue through the 2025/26 period.

Progress: Decisions on the PDP were issued on 19 June 2025. The appeals period closed on the 1 August 2025 with five (5) appeals being received. We are now subject to case management from the environment court. We have resolved one appeal, and have agreement in principle to resolve another appeal (subject to the consent order being accepted by the Environment Court), which leaves three appeals outstanding. Council staff are working to resolve these through court assisted mediation and direct negotiations.

Next steps: Council staff are working to resolve these through court assisted mediation and direct negotiations. However, we are subject to case management from the Environment Court, which dictates our timeframes for resolution.

SOLID WASTE

FINANCIAL UPDATE

SOLID WASTE \$000's	Actual 2024/25	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(1,651)	(1,903)	(1,903)	(1,458)	(1,428)	31	
Subsidies and Grants	(3)	0	0	0	0	0	
Fees and Charges	(1,863)	(1,761)	(1,761)	(1,264)	(1,321)	(57)	A
Other Revenue incl Gains/Losses	(186)	(125)	(125)	(157)	(94)	63	B
Total Revenue	(3,703)	(3,789)	(3,789)	(2,879)	(2,842)	37	-1%
Operating Expenditure							
Other Expenditure	3,553	3,672	3,672	2,428	2,590	162	C
Depreciation	281	132	132	85	99	14	
Finance Costs	124	114	114	68	85	18	
Total Operating Expenditure	3,959	3,918	3,918	2,581	2,775	194	7%
Net (Surplus)/Deficit	256	129	129	(298)	(67)	231	

Variance Comments:

- A Revenue received from the landfill was less than forecast for green waste and special waste, offset by reduced general waste charges.
- B Other revenue was more than budget for Waste Minimisation Levy revenue which is used to fund waste minimisation programmes, which can include public education programmes and initiatives that reduce refuse being deposited at landfills.
- C Other expenditure is below budget for waste minimisation levy and the timing of emissions trading scheme costs. This was partly offset by increased contract costs for landfill operations and sampling costs.

CAPITAL EXPENDITURE

SOLID WASTE \$000's	Annual Plan 2025/26	Revised Budget	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Te Kuiti Transfer Station Improvements	1,907	1,907	46	1,861	A
Landfill Final Capping	600	600	0	600	B
Minor Renewals	88	88	0	88	C
Rural Transfer Station Improvements	10	10	0	10	
Resealing Benneydale, Piopio and Kinohaku Transfer Stations	46	120	57	63	D
Total Capital Expenditures	2,651	2,725	103	2,622	

Variance Comments:

The revised budget included carryovers of \$74,000.

- A The Te Kuiti Transfer Station improvements includes the construction of the improved, covered transfer station and loading area to improve waste diversion from the landfill. This project is not planned to proceed given the lower tonnage expected through the transfer station and the lack of planned government funding for the project. The expenditure to date is for project management for the transfer station improvements and expenditure on the high wall.

- B The landfill will be closed at 30 June 2026 and then capped with a layer of impermeable clay and topsoil. The budget will be carried over to complete this work.
- C Minor renewals are forecast for fencing and drainage renewals.
- D Pavement repairs and resealing are required for Benneydale, Piopio and Kinohaku transfer stations and includes a carry over budget of \$63,000. The majority of the work has been completed with remaining work expected to be completed by the end of April.

STORMWATER

FINANCIAL UPDATE

STORMWATER \$000's	Actual 2024/25	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(929)	(925)	(925)	(704)	(693)	10	
Subsidies and Grants	(3)	(370)	(370)	0	0	0	A
Fees and Charges	(26)	0	0	0	0	0	
Total Revenue	(958)	(1,295)	(1,295)	(704)	(693)	10	-2%
Operating Expenditure							
Other Expenditure	699	684	684	538	526	(12)	B
Depreciation	258	283	283	267	213	(54)	C
Finance Costs	22	29	29	19	22	3	
Loss on Disposal	5	0	0	0	0	0	
Total Operating Expenditure	984	996	996	823	760	(63)	-8%
Net (Surplus)/Deficit	27	(299)	(299)	119	67	(53)	-78%

Variance Comments:

- A The budgeted subsidy is Better Off Funding for stormwater improvements. This upgrade work is commencing in South Western part of Te Kuiti in the next quarter.
- B Other expenditure is tracking more than budget for consultants fees for stormwater modelling, which models the responsiveness of the stormwater network to high intensity rainfall events and identifies choke points and where the network can be improved. Additional costs have also been incurred for reactive maintenance.
- C Depreciation expenditure was more than forecast due to the revaluation of stormwater assets at 30 June 2025 which increased the value of these assets and the corresponding depreciation expense.

CAPITAL EXPENDITURE

STORMWATER \$000's	Annual Plan 2025/26	Revised Budget	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Eketone Street Stormwater Improvements	120	120	0	120	A
Stormwater Improvements	521	521	124	397	B
Stormwater Renewals	490	490	207	283	C
Te Kuiti Stormwater Main Renewal	0	187	0	187	
Stormwater Discharge Resource Consent Renewals	5	33	13	20	D
Total Capital Expenditures	1,136	1,351	344	1,007	

Variance Comments:

The revised budget includes carryover budgets of \$215,000.

- A Stormwater improvement associated with the Eketone Street subdivision. No stormwater work is expected to commence in this financial year.
- B Stormwater improvements for improving the stormwater network to cope with high intensity rainfall events and the like. This includes budget for improvement works such as wingwalls, safety grills and gabion baskets around outlets and design costs for future projects. Spend to date includes the purchase of a mobile pump and the installation of a new scruffy dome on Awakino Road, Te Kuiti.
- C Stormwater renewals include rehabilitation of stormwater pipes.
- D Ongoing work for a district wide resource consent for stormwater discharge is continuing. The application is being applied for under a regional wide consent.

WASTEWATER

FINANCIAL UPDATE

WASTEWATER \$000's	Actual 2024/25	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(2,729)	(3,041)	(3,041)	(2,312)	(2,281)	31	
Subsidies and Grants	(25)	0	0	(1)	0	1	
Fees and Charges	(1,103)	(838)	(838)	(854)	(628)	225	A
Total Revenue	(3,858)	(3,879)	(3,879)	(3,167)	(2,909)	258	-9%
Operating Expenditure							
Other Expenditure	3,307	3,845	3,845	2,011	2,450	439	B
Depreciation	1,040	1,151	1,151	896	863	(32)	C
Finance Costs	249	239	239	160	179	19	
Loss on Disposal	17	0	0	0	0	0	
Total Operating Expenditure	4,614	5,235	5,235	3,066	3,492	426	2%
Net (Surplus)/Deficit	755	1,356	1,356	(101)	583	684	109%

Variance Comments:

- A Fees and charges were more than budget for trade waste revenue in Te Kuiti.
- B Operational expenditure was lower than budget mainly for sludge disposal. Electricity and salary costs were also below budget. These lower expenditures are partly offset by increased costs for consultant and legal fees, reactive maintenance costs for Piopio and Te Kuiti, Taumata Arowai Levies and SCADA maintenance and technical support.
- C Depreciation expenditure was more than forecast due to the revaluation of wastewater assets at 30 June 2025 which increased the value of these assets and the corresponding depreciation expense.

CAPITAL EXPENDITURE

WASTEWATER \$000's	Annual Plan 2025/26	Revised Budget	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Minor Improvements	15	15	0	15	A
Treatment Plant Renewals	348	361	96	265	B
Te Kuiti Main Sewer Renewal	261	388	354	34	C
Te Waitere Soakage Field Improvements	0	6	0	6	
Maniaiti/Benneydale Wastewater Resource Consent Renewal	100	100	16	84	D
Total Capital Expenditures	724	870	466	404	

Variance Comments:

The revised budget includes carryover budgets of \$146,000.

- A Pump station improvements include the purchase and installation of pumps and equipment such as electrical or SCADA components. There are plans to complete this work before 30 June for a Autosampler cabinet for Cotter street.
- B Treatment plant renewals is generally for replacements pumps, electrical and SCADA components and also includes a storage shed and workplace at the Te Kuiti wastewater treatment plant and renewals to the Imhoff tank and filter at Benneydale wastewater treatment plant. Included also is a carry over budget of \$13,000 for the purchase of turbidimeters and a new directional mixer that was not purchased last year. Construction of the storage shed is completed, and repairs were completed to the stream bank at the Benneydale wastewater treatment plant.

- C Te Kuiti main sewer renewal is for wastewater pipe replacements to be completed under a contract spanning three years for sites in Te Kuiti including Hospital Roads, John Mandeno Drive, Hillview Rest Home, King Street West and East, Awakino Road, William Street, Esplanade and George Street. For the second year of the contract, King Street East has been completed.
- D Maniaiti/Benneydale resource consent renewals are for capital works required to bring the plant up to standard for it to comply with the likely new resource consent conditions, plus costs for the consent application. WRC has provided information on the work it considers necessary for the consent renewal, this feedback is currently being reviewed with minimal spend expected prior to 30 June.

WATER SUPPLY

FINANCIAL UPDATE

WATER SUPPLY \$000's	Actual 2024/25	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(3,680)	(4,021)	(4,021)	(2,690)	(2,756)	(67)	A
Subsidies and Grants	(357)	0	0	(13)	0	13	B
Fees and Charges	(29)	0	0	(107)	0	107	C
Total Revenue	(4,066)	(4,021)	(4,021)	(2,810)	(2756)	54	-2%
Operating Expenditure							
Other Expenditure	3,268	3,155	3,155	2,523	2,387	(143)	D
Depreciation	947	1,036	1,036	812	777	(35)	E
Finance Costs	324	326	326	217	244	27	
Loss on Disposal	147	0	0	7	0	0	
Total Operating Expenditure	4,686	4,516	4,516	3,559	3,408	(151)	-4%
Net (Surplus)/Deficit	619	495	495	749	652	(97)	-91%

Variance Comments:

- A Rates revenue was less than forecast for metered water charges due mostly to leak adjustments and corrections processed during the period.
- B The subsidy received is for NZTA's share for work undertaken near State Highway 3 and Ward Street, Te Kuiti.
- C Revenue has been recognised for the transition costs for WWL.
- D Operational expenditure higher than was budget for additional engineering support, water sampling, reactive maintenance costs for Piopio and Te Kuiti, Taumata Arowai levies and transition costs for WWL (recoverable from WWL). This was offset by lower costs for electricity, salary costs, consent compliance, asset management planning costs and leak detection. Repairs to the access road for Mokau were completed in March.
- E Depreciation expenditure was more than forecast due to the revaluation of water supply assets at 30 June 2025 which increased the value of these assets and the corresponding depreciation expense.

CAPITAL EXPENDITURE

WATER SUPPLY \$000's	Annual Plan 2025/26	Revised Budget	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Minor Improvements	67	151	21	130	A
Te Kuiti Resilience of Supply Improvements	7,000	7,000	2,513	4,487	B
Water Safety Plan Improvements	269	434	67	367	C
Treatment Plant Renewals	220	277	111	166	D
Reticulation Renewals	518	555	323	232	E
Mokau Water Main Renewal	123	161	122	39	F
Mokau Water Supply Resource Consent Renewal	130	130	12	118	G
Total Capital Expenditures	8,327	8,708	3,169	5,539	

Variance Comments:

The total revised budget includes carryover budgets of \$381,000.

- A Minor Improvements is for bulk reticulation monitoring and backflow preventers improvements. Included are carryover budgets for the installation of zone valves, flow meters and pressure monitoring devices for network monitoring and upgrading of tobies with black flow manifolds.
- B The Te Kuiti water resilience design and build project is well underway, physical works began in February, significant work has been completed on the pipeline, and works have begun at the new reservoir with the creation of the pad for the temporary tanks.
- C Water Safety Plans for the four schemes have been approved, allowance was made in the budget for the installation of tanker filling stations and auto shut off valves, however this is now deferred to the following year.
- D Treatment plant renewals include replacement of minor parts and processes such as SCADA and telemetry, filter media, pumps and electrical components on both a planned and unplanned basis. Carryover budgets have been included for installation of a carbon dosing plant and safety rails and commissioning of a new SCADA server for Te Kuiti.
- E Reticulation renewals include both planned and unplanned replacement pipe work across the networks, including works at William, Anzac and Matai Streets, Te Kuiti. The revised budget includes a carryover of \$37,000 for the contract currently underway.
- F Mokau water main renewals include pipe replacement along Takarei Terrace and includes piping, valves, hydrants and fittings is now complete.
- G Mokau water supply resource consent renewal includes the application costs and any remedial capital works required is support of the application.

ROADS AND FOOTPATHS

FINANCIAL UPDATE

ROADS AND FOOTPATHS \$000's	Actual 2024/25	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(5,226)	(5,322)	(5,322)	(4,038)	(3,992)	46	
Subsidies and Grants	(17,129)	(12,973)	(24,641)	(13,494)	(15,553)	(2,059)	A
Fees and Charges	(259)	(267)	(267)	(243)	(200)	43	
Other Revenue incl Gains/Losses	(134)	(130)	(130)	(80)	(97)	(17)	
Total Revenue	(22,748)	(18,692)	(30,360)	(17,856)	(19,843)	(1,987)	-10%
Operating Expenditure							
Other Expenditure	9,563	9,360	10,360	9,380	8,020	(1,360)	B
Depreciation	5,291	5,717	5,717	4,183	4,287	105	C
Finance Costs	359	320	320	216	240	23	
Total Operating Expenditure	15,213	15,396	16,396	13,779	12,547	(1,232)	-10%
Net (Surplus)/Deficit	(7,535)	(3,296)	(13,964)	(4,077)	(7,295)	(3,218)	44%

Variance Comments:

- A Subsidies and grants revenue was less than budget due to renewal expenditure being less than forecast. The subsidy rate is tracking more than Council's usual Financial Assistance Rate (FAR) of 75% due to some storm damage emergency first response and renewal works and projects being subsidised at a higher rate.
- B Other expenditure was above budget for emergency reinstatement first response, routine drainage maintenance, network and asset management and environmental maintenance; however, this increased expenditure is partially offset by reduced expenditure for structures maintenance and traffic services costs.
- C Depreciation was less than forecast as the budgets assumed a higher level of capital expenditure in the 2024/25 year and depreciation on new road assets has not yet commenced as those assets are still under construction.

CAPITAL EXPENDITURE

ROADS AND FOOTPATHS \$000's	Annual Plan 2025/26	Revised Budget	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Crown Resilience Projects	1,220	1,565	1,305	260	A
Road to Zero Improvements	0	275	279	(4)	B
Other Road Renewals	101	101	77	24	
Drainage Renewals	357	357	268	89	
Pavement Rehabilitation	1,732	1,732	794	938	C
Sealed Surfacing Renewals	2,605	2,647	1,689	958	D
Bridge and Bridge Structures Replacements	381	554	37	517	E
Unsealed Road Metalling Renewals	898	898	440	458	
Storm Damage Reinstatements	0	10,856	3,279	7,577	F
Emergency Reinstatement Renewals	714	714	0	714	G
Minor Improvements	0	0	1	(1)	
Total Capital Expenditures	8,008	19,699	8,169	11,530	

Variance Comments:

The total revised budget includes \$2,228,000 of carryover budgets and \$9,463,000 additional budget approved by Council for the July and October storm events.

- A Crown resilience projects include stabilisation works for Taharoa, Speedies Road and Oparure Roads and is NZTA funded at 88%. Includes in the carryover budget is an amount for the Kent Street slip site, this contract was delayed due to the wet weather but has recommenced. The remainder is allocated to an ongoing physical works contract.
- B Road to Zero improvements include variable speed signage around schools and traffic calming measures and is NZTA funded at 75%.
- C Pavement Rehabilitations have been carried out in preparation for resealing, which is shortly about to start. The remainder of the budget is allocated to a physical works contract which is expected to be completed in April/May 2026.
- D Sealed surfacing renewals includes a small budget carry over of \$42,000 for additional sites to be resealed that will be done under the road maintenance contract. Remaining budget is forecasted to be spend this financial year.
- E Bridge structures components replacements include a carryover budget of \$172,800 and will be completed under a multi-year contract over the next two summers.
- F Storm damage reinstatements includes a carry over budget of \$1,393,000 and cover the remaining repairs for storm damage from the July 2022 and January 2023 storms. Funding for this is at a higher rate from NZTA. Additional budget was also approved by Council in November 2025 for the July and October storm events. The budget remaining is to cover three significant physical works contracts related to the July 2025 storm event, as well as minor works and design of other storm sites for July and October events.
- G Emergency reinstatement renewals is a placeholder budget for anticipated storm events that cause renewal works to be required. Funding of storm damage reinstatement costs is usually applied for from NZTA on per site or project basis.