

Report To: Council



Meeting Date: 30 June 2026
Subject: **Financial Report for the period ended 31 May 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 May 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 May 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 May 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 \$8.9 million was less than the revised budget surplus of \$11.9 million for the period ended 31 May 2026.
- 4.3 Total revenue was \$1.9 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 and rates penalties revenue lower than forecast. The six monthly metered reads will be processed in June however it is expected that metered water revenue will remain lower than full year budget.
 - 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 \$1.1 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 structures maintenance and traffic services costs.
- Losses on disposal were recognised including the demolition of the old reservoir located at Te Kuiti Hospital.
- 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 mostly to the changes from the organisation review.

4.5 **BALANCE SHEET HIGHLIGHTS**

4.6 Total assets have increased to \$745.6 million since June 2025, this is mostly due to the increase in property plant and equipment assets of \$7.7 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 Cash and cash equivalents were more compared to June 2025, due to a temporary increase in the cash balance from new borrowings raised during the month. The cash balance was subsequently utilised in June and the new borrowings will be repaid with the waters debt settlement on 1 July.

4.8 Total borrowings increased to \$38.2 million as at 31 May 2026 (2025: \$33.2 million). Borrowings increased to fund the Te Kuiti water resilience project spend.

4.9 The valuer has reviewed the carrying values of the waters assets in the lead up to year end and has determined that these values remain appropriate for use in the annual report. A fair value assessment is still to be carried out for land and building assets, however we are expecting this assessment will also confirm no out-of-cycle valuation is required for land and buildings.

4.10 During the month, water supply and wastewater assets were reviewed for impairment. An independent report commissioned by Waikato Waters Ltd indicated a number of assets that may need to be impaired due to the asset condition, assets impacted by erosion, obsolete assets or assets that have reached the end of their life. The waters team reviewed and confirmed some of these assets should be impaired. These assets included the tertiary filter and inlet structure at Te Kuiti wastewater plant, inlet structures at Benneydale and Piopio water plants and some other minor assets across the schemes. These impairments reduced the asset values by \$1.7 million and also reduced the revaluation reserve by the same amount.

4.11 **CAPITAL EXPENDITURE**

4.12 Capital expenditure was \$20.1 million (58%), against a full-year revised budget of \$35.0 million.

4.13 Total roads capital expenditure to 31 May 2026 was \$12.8 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.

- 4.14 The forecast spend for capital expenditure to end of June is estimated to be approximately \$22.4 million.
- 4.15 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 May 2026 (Doc # 982660)



FINANCIAL REPORT

FOR THE PERIOD 1 JULY 2025 TO 31 MAY 2026

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INTRODUCTION

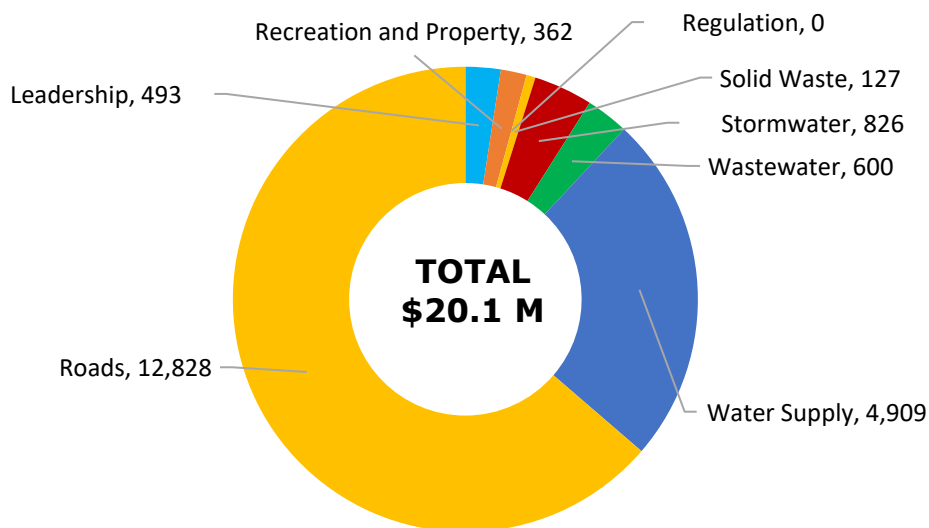
The 2024-34 Long Term Plan (LTP) was adopted in June 2024. It sets out outcomes we aim to deliver for our community, through the activities we undertake. Council also uses Activity/Asset Management Plans to outline the detailed work programme and further communicate an annual programme of work at a high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

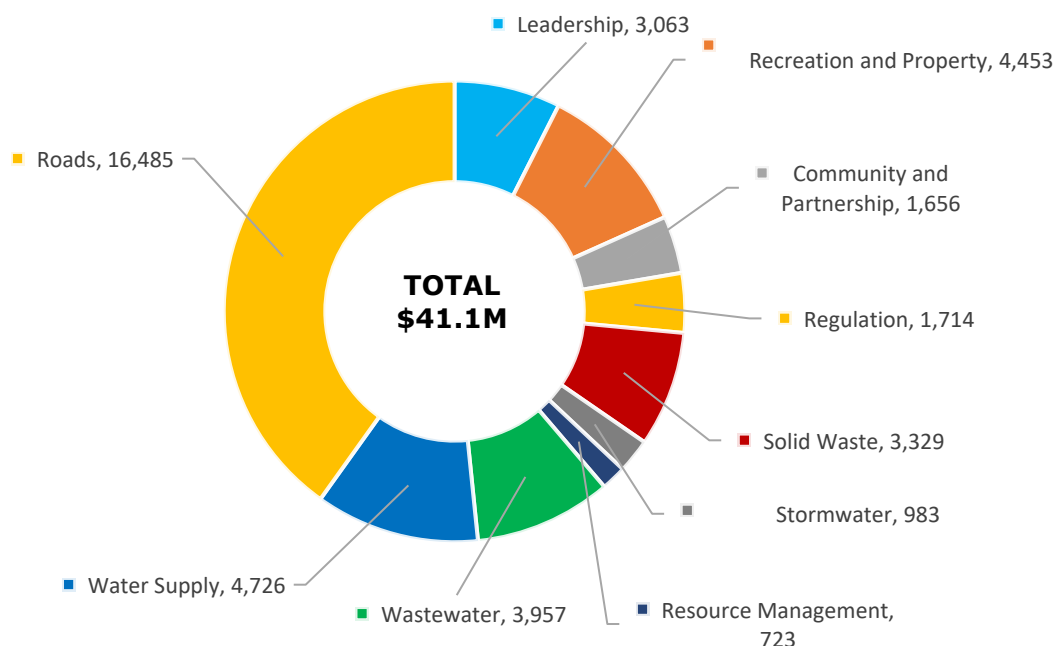
The purpose of this report is to provide high-level financial update of these Council activities for the period July 2025 to May 2026.

SUMMARY

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



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



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 May 2026 (A cost of service statement and commentary on significant variances can 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)	(25,224)	(25,444)	(220)	A
Subsidies and Grants	(18,572)	(13,522)	(25,225)	(19,003)	(22,100)	(3,097)	B
Interest Revenue	(195)	(142)	(142)	(85)	(130)	(45)	
Fees and Charges	(4,867)	(4,343)	(4,343)	(4,505)	(3,995)	510	C
Other Revenue incl Gains/Losses	(86)	(529)	(529)	(1,205)	(306)	899	D
Total Revenue	(49,132)	(44,727)	(55,974)	(50,022)	(51,976)	(1,953)	4%
Operating Expenditure							
Other Expenditure	23,949	23,406	24,066	22,468	21,525	(943)	E
Depreciation	10,097	10,778	10,778	9,978	9,880	(98)	
Finance Costs	1,589	1,545	1,545	1,283	1,416	133	F
Loss on Disposal	355	0	0	610	0	(610)	G
Salary Expenditure	7,482	7,875	7,819	6,750	7,181	431	H
Total Operating Expenditure	43,471	43,604	44,208	41,088	40,001	(1,087)	-3%
Net (Surplus)/Deficit	(5,661)	(1,123)	(11,766)	(8,934)	(11,974)	(3,040)	25%

Net Operating result: The net operating surplus of \$8.9 million is less than the revised budgeted surplus of \$11.9 million for the period ended 31 May 2026.

Total Revenue was less than revised budget by \$1.9 million.

- A Rates revenue was less than forecast for metered water charges due in part to leak adjustments and corrections and lower rates penalties. The six-monthly metered water readings will be processed in June however it is expected that metered water revenue will remain lower than full year budget.
- 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. This includes charges for WWL related costs.
- D Other Revenue was higher than forecast for waste minimisation levy revenue and depreciation recovered on the sale of vehicles. This also includes vested assets revenue related to Te Ara o Ngapaki, Atria Lane and Fabia Factory Lane

Total Operating Expenditure was more than revised budget by \$1.1 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 structures 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 Losses on disposal includes the demolition of the old reservoir located near Te Kuiti Hospital.

H Salary costs were lower than budget due mostly to the changes from the organisation review.

BALANCE SHEET HIGHLIGHTS

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

BALANCE SHEET HIGHLIGHTS (Amounts in \$000's)	Actual Position 30 Jun 2025	Actual Position 31 May2026	Movement from 30 Jun 2025
Assets			
- Cash and cash equivalents	3,014	7,203	4,189
- Receivables	9,399	6,583	(2,816)
- Other current assets	1,053	246	(807)
- Other financial assets	14,549	15,613	1,064
- Derivative Financial Instruments	18	18	0
- Non-current assets	708,264	715,969	7,705
TOTAL ASSETS	736,297	745,632	9,335
Liabilities			
- Other Liabilities	10,780	7,896	(2,884)
- Total Borrowings	33,235	38,225	4,990
- Derivative financial instruments	520	519	(1)
Total Liabilities	44,535	46,640	2,105
Equity			
- Equity	691,762	698,992	7,230
TOTAL LIABILITIES AND EQUITY	736,297	745,632	9,335

Total Assets have increased from \$736.3 million to \$745.6 million.

- Cash increased due to the \$5 million increase in borrowings which resulted in a temporary increase in the cash balance. The cash balance was subsequently utilised in June. The new borrowing will be repaid as part of the debt settlement on 1 July.
- Non-current assets increased by \$7.7 million, made up of asset additions of \$20.1 million, less depreciation of \$9.9 million and loss on disposal \$2.3 million.
- Other financial assets increased by \$1 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 (due to repaid to WDC on 1 July).
- Receivables at 31 May 2026 reduced by \$2.8 million since June 2025. The balance at 30 June included NZTA subsidy receivable for both May and June 2025, which was subsequently received in early July 2025.
- 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 increased from \$44.5 million to \$46.6 million.

- Other liabilities have decreased from \$10.8 million to \$7.9 million due to a decrease in general payables.
- Total Borrowings has increased to \$38.2 million to fund the Te Kuiti water resilience project with only minor changes to accrued interest and the finance lease.

Total equity increased from \$691.8 million to \$698.9 million, being the net surplus for the period, net of impairments processed to the revaluation reserve for water and wastewater assets prior to transfer.

CAPITAL EXPENDITURE

Set out below is the Capital Expenditure summary for the eleven months ended 31 May 2026.

SUMMARY CAPITAL EXPENDITURE \$000's	AP 2026	Plus Carryover from Prior Year	Plus Additional Council approved budget	Revised Budget	YTD Actuals	Var to Revised Budget	Projection to 30 June
Leadership	580	110	0	690	493	197	503
Recreation and Property	612	339	0	951	362	589	385
Regulation	5	0	0	5	0	5	0
Solid Waste	2,651	74	0	2,725	127	2,598	140
Stormwater	1,136	215	0	1,351	826	525	940
Wastewater	724	146	0	870	600	270	615
Water Supply	8,327	381	0	8,708	4,909	3,799	5,749
Roads	8,008	2,228	9,463	19,699	12,828	6,871	14,102
Total Capital Expenditures	22,043	3,493	9,463	34,999	20,145	14,854	22,434

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 eleven months to May was \$20.1 million (58% of the revised budget), with the majority of the capital expenditure spend to date for Roads and Footpaths.

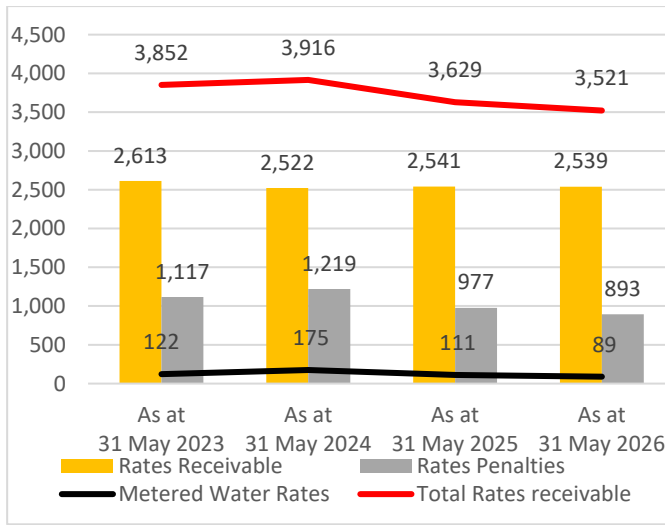
The projected capital spends to 30 June is estimated at \$22.4 million to give a forecast year end spend against revised budget of 64% (and an overall 102% against Annual Plan budget).

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

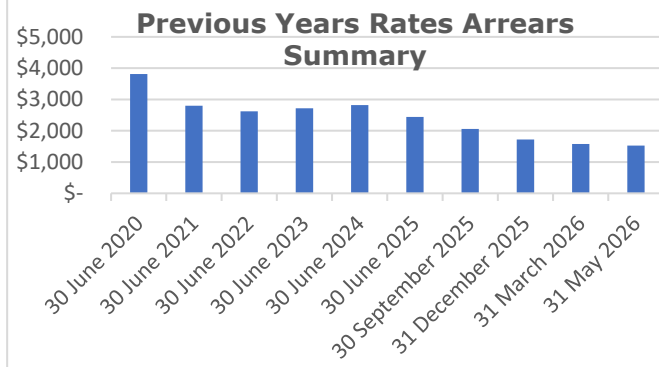
RATES RECEIVABLES

TOTAL RATES RECEIVABLES \$000's

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

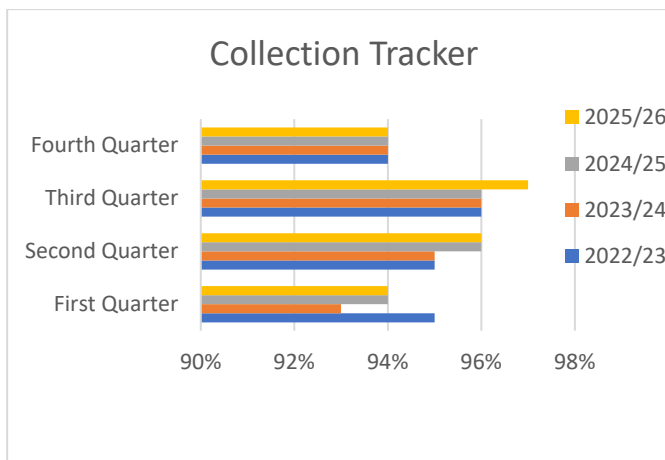


PREVIOUS YEARS RATES ARREARS \$000's*



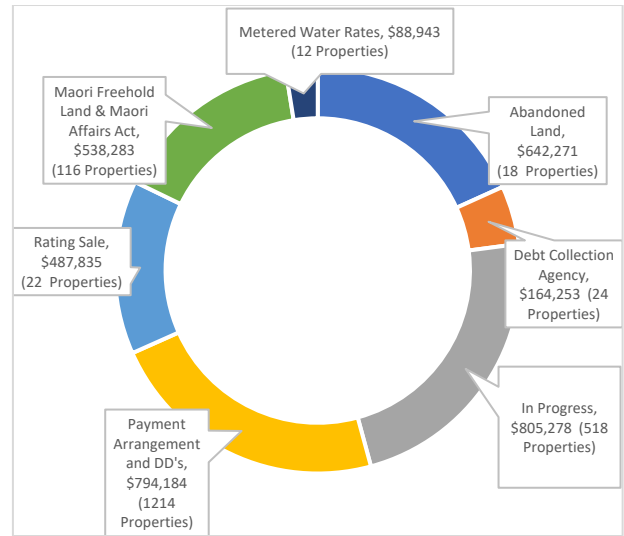
*Excludes metered water rates

RATES INSTALMENT COLLECTION



NB: restated fourth quarter % for prior years which were picking up June % collected in error.

RATES OUTSTANDING AT 31 MAY 2026



#Maori freehold land accounts lodged with DMC have been reclassified to Maori freehold land and Maori Affairs Act segment, previous included with debt collection agency.

Abandoned Land

Three properties were sold by tender in April with settlement of the properties in May. Two are located in Te Kuiti and the other one in Aria.

Two other properties located in Te Kuiti were advertised for sale at the same time as the properties above, however no tenders were received. These properties will be readvertised with the next tender closing in August.

Rating Sales

In May, a vacant section located in Maniaiti/Benneydale was sold by the High Court under the rating sale process. Another property located in Maniaiti/Benneydale is currently being advertised for sale by the High Court, with tender closing 1 July.

General

132 follow up letters were sent out in April encouraging customers to make contact to discuss their rates arrears and to establish a payment arrangement. Nearly half of that number having cleared their arrears by the end of May.

There are 9 arrears water accounts currently, totalling \$19,864. 6 of these accounts are already with DMC for collection, with the remaining 3 accounts to be lodged with DMC shortly.

Rates Rebates 31/05/26	Rates Rebates 30/06/25	Rates Rebates 30/06/24
334	338	318

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)	(3,125)	(3,158)	(33)	A
Subsidies and Grants	(59)	0	0	(1)	0	1	
Interest Revenue	(195)	(142)	(142)	(85)	(130)	(45)	B
Fees and Charges	(24)	(35)	(35)	(63)	(32)	31	C
Other Revenue incl Gains/Losses	(339)	(200)	(200)	(96)	0	51	D
Total Revenue	(3,929)	(3,586)	(3,586)	(3,370)	(3,320)	50	-2%
Operating Expenditure							
Other Expenditure	2,262	2,354	2,354	2,069	2,057	(12)	E
Depreciation	719	754	754	691	691	1	
Finance Costs	298	309	309	291	283	(8)	
Loss on Disposal	31	0	0	12	0	(12)	F
Total Operating Expenditure	3,310	3,417	3,417	3,063	3,032	(31)	-1%
Net (Surplus)/Deficit	(619)	(170)	(170)	(308)	(288)	20	-7%

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 June.
- C Fees and charges revenue is more than full year budget for quarry royalties revenue.
- D Other revenue is higher than forecast due to depreciation recovered on the disposal of motor vehicles was recognised for five fleet vehicles that were sold earlier in the year.
- E Operational expenditure was more than forecast. Additional costs were incurred to cover the vacant project manager role. This was partly offset by reduced costs for cloud migration (loan funded) and audit fees were less than forecast as an LTP amendment was not required this year and therefore no associated audit.
- F Loss on disposal included the disposal of obsolete software.

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	(32)	102	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	493	197	

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. There was a credit note received against the aerial photography of \$37,000 as the work has been deferred to 2026/27 summer.
- C Includes a carryover of \$14,000 for replacement of laptops, mobile phones and monitors. There are projects for device renewals and equipment upgrades being undertaken.
- 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)	(1,464)	(1,458)	6	
Subsidies and Grants	(546)	(178)	(178)	(331)	(78)	253	A
Fees and Charges	(11)	(7)	(7)	(15)	(7)	8	B
Total Revenue	(2,131)	(1,655)	(1,655)	(1,810)	(1,542)	268	-17%
Operating Expenditure							
Other Expenditure	1,902	1,694	1,694	1,647	1,411	(235)	C
Depreciation	9	13	13	10	12	2	
Total Operating Expenditure	1,911	1,706	1,706	1,656	1,423	(234)	-16%
Net (Surplus)/Deficit	(220)	51	51	(153)	(119)	34	-29%

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.
- C Other expenditures are over budget mainly due to Mayor's Taskforce for Jobs expenditure which was not included in the budgets.

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)	(4,303)	(4,319)	(16)	
Subsidies and Grants	(450)	(1)	(36)	(13)	(20)	(7)	
Fees and Charges	(553)	(570)	(570)	(504)	(523)	(19)	
Other Revenue incl Gains/Losses	586	(55)	(55)	(54)	(55)	(0)	
Total Revenue	(4,875)	(4,950)	(4,985)	(4,875)	(4,916)	(41)	1%
Operating Expenditure							
Other Expenditure	4,124	3,809	3,869	3,238	3,329	91	A
Depreciation	1,534	1,673	1,673	1,556	1,534	(22)	B
Finance Costs	147	140	140	112	129	17	
Loss on Disposal	155	0	0	0	0	0	
Total Operating Expenditure	5,961	5,623	5,683	4,906	4,992	86	2%
Net (Surplus)/Deficit	1,086	672	697	31	76	44	59%

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

B Depreciation is tracking more than budget for building and structures due to the revaluation carried out as at 30 June 2025, however this increased cost has been offset partly for reduced depreciation for the dwelling at 47 Te Kumi Road, which was 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	16	19	B
Motakiora/Brook Park Improvements	10	16	10	6	C
Centennial Park Development	0	101	0	101	D
Park Renewals	39	49	40	9	E
Playground Renewals	31	31	3	28	F
Minor Renewals	82	87	126	(39)	G
Eketone Street Subdivision Improvements	331	331	15	316	H
Library Books Renewals	46	46	41	5	
Aquatic Centre Renewals	22	57	31	26	I
Minor Equipment Renewals	0	0	7	(7)	J
Toilet Renewals	10	24	20	4	K
Te Kuiti Cemetery Development	0	20	0	20	L
Mokau Cemetery renewals	0	0	14	(14)	M
Security Camera Renewals	41	74	39	35	N
Total Capital Expenditures	612	951	362	589	

Variance Comments:

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

- A The Land Purchases budget was allocated for capitalisable costs such as subdivision costs, to ready properties identified for sale, however is not expected to be spent this year.
- B The carryover budget of \$35,000 was for the completion of the walkways project. This project is complete and any further work would be maintenance in nature.
- C Motakiora/Brook Park improvements include fencing and track work. The carry over was required due to lack of contractors' availability delaying work to be done. The work to date includes installation of a new fenceline.
- 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 include minor works on the various parks and reserves. Expenditure to date includes completion of the renewal of bollards at Te Kuiti domain and installation of water fountain at Centennial Park.
- 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, library technology renewals and 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 and boiler pump replacement.
- 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 Toilet renewals work has been completed at Benneydale and Piopio.
- L Upgrade works at Te Kuiti Cemetery are scheduled to commence within the next month. The project will include the construction of a pergola, along with new garden plantings and the formation of landscaped berms to provide many more burial sites. These improvements are aimed at enhancing the overall appearance and amenity of the cemetery, while also increasing capacity.
- M Renewals of Mokau Cemetery fence and gates were completed.
- N 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)	(1,337)	(1,344)	(6)	
Fees and Charges	(788)	(673)	(673)	(711)	(630)	81	A
Other Revenue incl Gains/Losses	(13)	(19)	(19)	(28)	(17)	10	B
Total Revenue	(2,212)	(2,036)	(2,036)	(2,076)	(1,992)	84	-4%
Operating Expenditure							
Other Expenditure	1,985	2,107	2,017	1,698	1,849	151	C
Depreciation	17	19	19	16	17	1	
Total Operating Expenditure	2,002	2,036	2,036	1,714	1,866	152	8%
Net (Surplus)/Deficit	(210)	0	0	(362)	(126)	237	-189%

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, offset in part by lower dog registration revenue and alcohol licencing fees.
- 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

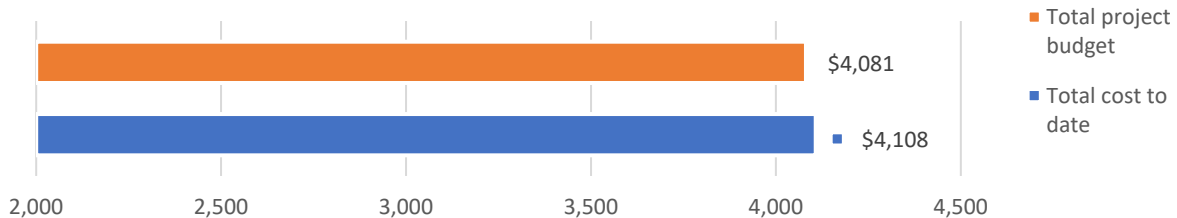
FINANCIAL UPDATE

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)	(628)	(616)	12	
Fees and Charges	(210)	(192)	(192)	(302)	(176)	126	A
Total Revenue	(652)	(823)	(823)	(930)	(792)	139	-18%
Operating Expenditure							
Other Expenditure	766	693	693	669	635	(34)	B
Finance Costs	65	69	44	53	63	9	
Total Operating Expenditure	832	762	762	723	698	(24)	-4%
Net (Surplus)/Deficit	179	(61)	(61)	(208)	(93)	114	-122%

Variance Comments:

- A Resource consent revenue (which includes the on-charging of consultant's costs) was more than budget. Revenue from processing LIMs was also more than full year 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)



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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 two appeals, 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 the last remaining appeals 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)	(1,944)	(1,903)	40	
Subsidies and Grants	(3)	0	0	0	0	0	
Fees and Charges	(1,863)	(1,761)	(1,761)	(1,493)	(1,614)	(121)	A
Other Revenue incl Gains/Losses	(186)	(125)	(125)	(190)	(115)	76	B
Total Revenue	(3,703)	(3,789)	(3,789)	(3,627)	(3,632)	(5)	0%
Operating Expenditure							
Other Expenditure	3,553	3,672	3,672	3,143	3,142	(1)	
Depreciation	281	132	132	104	121	17	
Finance Costs	124	114	114	82	104	22	
Total Operating Expenditure	3,959	3,918	3,918	3,329	3,367	38	1%
Net (Surplus)/Deficit	256	129	129	(298)	(265)	33	-13%

Variance Comments:

- A Revenue received from the landfill was less than forecast for general waste charges and sale of rubbish bags, partly offset by higher green waste and special waste.
- 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.

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	31	1,876	A
Landfill Final Capping	600	600	3	597	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	93	27	D
Total Capital Expenditures	2,651	2,725	127	2,598	

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 on 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 \$74,000. This work has been largely completed.

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)	(939)	(925)	15	
Subsidies and Grants	(3)	(370)	(370)	0	0	0	A
Fees and Charges	(26)	0	0	0	0	0	
Other Revenue incl Gains/Losses	0	0	0	(389)	0	389	B
Total Revenue	(958)	(1,295)	(1,295)	(1,329)	(925)	404	-44%
Operating Expenditure							
Other Expenditure	699	684	684	605	631	26	C
Depreciation	258	283	283	312	260	(52)	D
Finance Costs	22	29	29	23	27	4	
Loss on Disposal	5	0	0	43	0	(43)	E
Total Operating Expenditure	984	996	996	983	917	(65)	-7%
Net (Surplus)/Deficit	27	(299)	(299)	(346)	(7)	339	-4662%

Variance Comments:

- A The budgeted subsidy is Better Off Funding for stormwater improvements. No spend or claim is likely this year.
- B Revenue for vested assets for assets installed at Te Ara o Ngapaki, Atiria Lane and Fabia Factory Lane.
- C Other expenditure is tracking less than budget for planned maintenance, open drain maintenance and the inspection programme. This is offset in part by additional costs incurred for reactive maintenance, legal fees and 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.
- D 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.
- E Losses on disposal have been recognised for stormwater asset replacements in the George and Hill Street area.

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
Vested Assets	0	0	389	(389)	B
Stormwater Improvements	521	521	120	401	C
Stormwater Renewals	490	490	301	189	D
Te Kuiti Stormwater Main Renewal	0	187	0	187	
Stormwater Discharge Resource Consent Renewals	5	33	16	17	E
Total Capital Expenditures	1,136	1,351	826	525	

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 Vested Assets related to Te Ara o Ngapaki, Atiria Lane and Fabia Factory Lane were recognised.
- C 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.
- D Stormwater renewals include rehabilitation of stormwater pipes.
- E 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)	(3,081)	(3,041)	40	
Subsidies and Grants	(25)	0	0	(1)	0	1	
Fees and Charges	(1,103)	(838)	(838)	(1,035)	(768)	267	A
Other Revenue incl Gains/Losses	0	0	0	(163)	0	163	B
Total Revenue	(3,858)	(3,879)	(3,879)	(4,280)	(3,809)	471	-12%
Operating Expenditure							
Other Expenditure	3,307	3,845	3,845	2,597	3,625	1,028	C
Depreciation	1,040	1,151	1,151	1,104	1,055	(48)	D
Finance Costs	249	239	239	194	219	24	
Losses on disposal	17	0	0	62	0	(62)	E
Total Operating Expenditure	4,614	5,235	5,235	3,957	4,899	942	19%
Net (Surplus)/Deficit	755	1,356	1,356	(323)	1,090	1,412	130%

Variance Comments:

- A Fees and charges were more than budget for trade waste revenue in Te Kuiti.
- B Revenue for vested assets for assets installed at Te Ara o Ngapaki, Atiria Lane and Fabia Factory Lane.
- C Operational expenditure was lower than budget mainly for sludge disposal (\$1.09 million). Electricity and salary costs were also below budget. These lower expenditures are partly offset by increased costs for consultants and legal fees, reactive maintenance costs for Piopio and Te Kuiti, and SCADA maintenance and technical support.
- D 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.
- E Losses on asset disposals were recognised for asset replacements.

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	10	5	A
Vested Assets	0	0	163	(163)	B
Treatment Plant Renewals	348	361	62	299	C
Te Kuiti Main Sewer Renewal	261	388	347	41	D
Te Waitere Soakage Field Improvements	0	6	0	6	
Maniaiti/Benneydale Wastewater Resource Consent Renewal	100	100	17	83	E
Total Capital Expenditures	724	870	599	271	

Variance Comments:

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

- A Pump station improvement include the purchase and installation of pumps and equipment such as electrical or SCADA components.
- B Vested Assets related to Te Ara o Ngapaki, Atiria Lane and Fabia Factory Lane were recognised.

- C 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.
- D 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.
- E 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)	(3,471)	(3,812)	(340)	A
Subsidies and Grants	(357)	0	0	(13)	0	13	B
Fees and Charges	(29)	0	0	(79)	0	79	C
Other Revenue incl Gains/Losses	0	0	0	(190)	0	190	D
Total Revenue	(4,066)	(4,021)	(4,021)	(3,753)	(3,762)	(59)	2%
Operating Expenditure							
Other Expenditure	3,268	3,155	3,155	2,960	2,899	(61)	E
Depreciation	947	1,036	1,036	1,008	949	(59)	F
Finance Costs	324	326	326	264	299	34	
Losses on disposal	147	0	0	493	0	(493)	G
Total Operating Expenditure	4,686	4,516	4,516	4,726	4,147	(579)	-14%
Net (Surplus)/Deficit	619	495	495	973	385	(638)	-190%

Variance Comments:

- A Rates revenue was less than forecast for metered water charges due mostly to leak adjustments and corrections processed during the period. The six-monthly reads will be processed in June however metered water revenue is expected to be below budget for the year due to leak adjustments and lower consumption.
- 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 and sundry revenue.
- D Revenue for vested assets for assets installed at Te Ara o Ngapaki, Atiria Lane and Fabia Factory Lane.
- E Operational expenditure higher than was budget for additional engineering support, water sampling, reactive maintenance costs for Piopio and Te Kuiti, and transition costs for WWL (recoverable from WWL). This was offset by lower costs for salary costs, routine reticulation maintenance and leak detection. Repairs to the access road for Mokau were completed in March.
- F 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.
- G Losses on disposal were recognised which included the old reservoir located near Te Kuiti Hospital which has been demolished and some disposals of reticulation assets that were replaced.

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	0	151	A
Vested Assets	0	0	190	(190)	B
Te Kuiti Resilience of Supply Improvements	7,000	7,000	3,987	3,013	C
Water Safety Plan Improvements	269	434	74	360	D
Treatment Plant Renewals	220	277	178	99	E
Reticulation Renewals	518	555	306	249	F
Mokau Water Main Renewal	123	161	149	12	G
Mokau Water Supply Resource Consent Renewal	130	130	26	104	H
Total Capital Expenditures	8,327	8,708	4,910	3,798	

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 Vested Assets related to Te Ara o Ngapaki, Atiria Lane and Fabia Factory Lane were recognised.
- C 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 the new reservoir.
- D 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 will not be complete by June.
- E 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.
- F 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.
- G Mokau water main renewals include pipe replacement along Takarei Terrace and includes piping, valves, hydrants and fittings is now complete.
- H 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)	(5,384)	(5,322)	62	
Subsidies and Grants	(17,129)	(12,973)	(24,641)	(18,644)	(22,003)	(3,359)	A
Fees and Charges	(259)	(267)	(267)	(302)	(245)	57	
Other Revenue incl Gains/Losses	(134)	(130)	(130)	(95)	(119)	(25)	
Total Revenue	(22,748)	(18,692)	(30,360)	(24,425)	(27,689)	(3,264)	12%
Operating Expenditure							
Other Expenditure	9,563	9,360	10,360	11,044	9,580	(1,464)	B
Depreciation	5,291	5,717	5,717	5,177	5,240	63	C
Finance Costs	359	320	320	263	293	30	
Total Operating Expenditure	15,213	15,396	16,396	16,485	15,113	(1,372)	-9%
Net (Surplus)/Deficit	(7,535)	(3,296)	(13,964)	(7,941)	(12,576)	(4,636)	37%

Variance Comments:

- A Subsidies and grants revenue was less than budget due as renewal expenditure was less than forecast. This was partly offset by additional operational subsidy received. 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 (\$1.07 million), 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 is less than forecast due mainly to capital expenditure for the 2024/25 year being less and depreciation for renewals for 2025/26 also lower than forecast. Capitalisation of road assets is largely complete for this financial year.

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	1,529	36	A
Road to Zero Improvements	0	275	279	(4)	B
Other Road Renewals	101	101	84	17	
Drainage Renewals	357	357	425	(68)	
Pavement Rehabilitation	1,732	1,732	1,286	446	C
Sealed Surfacing Renewals	2,605	2,647	2,765	(118)	D
Bridge and Bridge Structures Replacements	381	554	45	509	E
Unsealed Road Metalling Renewals	898	898	1,100	(202)	
Storm Damage Reinstatements	0	10,856	5,314	5,542	F
Emergency Reinstatement Renewals	714	714	0	714	G
Minor Improvements	0	0	1	(1)	
Total Capital Expenditures	8,008	19,699	12,828	6,871	

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 are now complete. 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 works are complete, but a final claim and the retention release are still to come before the contract ends on 30 June. The remainder of the budget was allocated to the Te Anga Road rehabilitation physical works contract, which is now complete, with the final claim still to be processed this financial year.
- 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. The sealed surfacing renewals programme is now complete, and the budget has been fully spent 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. No physical works have been claimed yet because the contract has not been awarded. The procurement is nearing completion, and the contract is expected to be awarded on 1 July 2026.
- F Storm damage reinstatements include 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.