



2025/26

ANNUAL PLAN

MAHERE-Ā-TAU

DRAFT

Cover photo: Te Kūiti Transfer Station

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2025-26



INTRODUCTION

KŌRERO WHAKATAKI

FROM THE MAYOR AND CHIEF EXECUTIVE

Kia ora, welcome to the 2025/26 Annual Plan. This Plan is notable for a number of reasons.

After consultation with the community, your Council has made decisions that will change the way we operate two of our core services.

From 1 July 2026, publicly provided drinking water and wastewater services will be provided by a Council Controlled Organisation (CCO) to be owned by Waitomo and five other Councils in the Waikato region. Not only will these services be provided by this CCO, but it will also take over ownership of the Council's water related assets and the associated debt.

In this 2025/26 Annual Plan year the work to transfer these services and our water related assets and liabilities will be undertaken. We expect some of our staff to take up positions in the CCO.

Secondly, we have decided not to expand the Waitomo District Landfill in Te Kūiti. We are close to capacity now on the current "cell" into which rubbish goes. Users will still drop off recycling and refuse where they do now, but the refuse will be shipped to an external landfill. The costs to open a new cell are higher than can be justified for the capacity this would generate. We will instead invest to upgrade the Te Kūiti Transfer Station and to improve its recycling capability. If we can repurpose, compost and recycle more this will reduce the waste going to landfill. Reducing waste that goes to landfill reduces costs to consumers and ratepayers.

A significant local issue Council consulted on was the seawall at the end of Point Road in Mōkau. It was constructed over ten years ago and has reached a stage where a decision on its future needed to be made. Discussions with the community and experts provided a lot of points to consider. In the end the costs and risks of rebuilding a seawall compared to the public benefit were too high, therefore it was agreed that there should be no further investment of ratepayers' money in the seawall. We will monitor and keep the area safe and continue to ensure the other beach access tracks remain open.

For the year elected members have agreed to increase revenue sourced from property rates by 2.91% to cover operating costs and capital expenditure. This is a significantly lower increase than those announced by neighbouring Councils and the 7.78% forecast in the Long Term Plan. This reflects our ongoing concern about rates affordability.

The drive to become more efficient, the pressure to stick to core business, and the cost of living pressures on ratepayers have all been factors influencing us to maintain our rate increases at or close to the rate of inflation.

The level of Council's external debt is forecast to be \$35.4m at 1 July 2025 and is planned to be \$44.4m by the end of June 2026. This is because we will invest to improve the resilience of the Te Kūiti drinking water network. We will be laying a new dedicated pipe from the Water Treatment Plant through to a new reservoir, a total cost of around \$10 million. This will be debt funded, but this debt will transfer to the new water CCO in 2026.

We thank those of you who submitted on this plan and attended the public sessions, the number and quality of submissions and discussions were high and provided good content and community input to the decision making process.

We are pleased to present the final version in this document.

Ngā mihi



John Robertson
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YOUR COUNCIL



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**DELIVERING ON OUR
COMMUNITY OUTCOMES**
KO NGĀ WHAKATŪTUKITANGA
HAPORI

OUR STRATEGIC DIRECTION

Our community outcomes

Our Community Outcomes describe what we want for our community and what the community can expect us to be working towards.

Our Priorities provide focus areas for how we deliver and provide services to our community.

These outcomes and priority areas shaped the development of the 2024-34 Long Term Plan and this Annual Plan.

All our activities contribute to the overall achievement of our community outcomes and our vision – *Te hanga tahi o tātou Takiwa - Shaping our District together.*



A prosperous district

We enable a thriving and sustainable economy to create greater benefits for everyone.



A district that cares for its environment

We ensure the wise use and management of all land and resources, now and for future generations.



A district for all people

Our district is a great place to live because it is accessible, safe, affordable, and inclusive. We promote health, wellbeing, and participation.



A district that values culture

We value the whakapapa of our district, and we promote cultural, creative, and recreational activities where traditions, heritage and arts are celebrated.

OUR PRIORITIES

Our priority areas



Strengthening Relationships

We will continue to shape our relationships with all our community, iwi, and mana whenua groups to build partnerships that will benefit the district.

Relationships with our community are key to delivering on our community outcomes.

We have been working closely with our iwi and mana whenua groups strengthened through Te Raangai Whakakaupapa Koorero committee. Successful projects and positive relationships are developing that support our community.

Community input has been valuable in developing and improving Centennial Park and surrounds to increase the enjoyment of this greenspace.

Our Community and Partnerships Fund will continue to help keep community groups operating to meet local needs and create a strong social base within the community.

Preparing for the future

We will ensure we are ready for the future by adapting to changes at a global, national, and local level.

Demonstrating great leadership to support all the services we deliver.

We will continue to collaborate more with our neighbouring Councils which helps us deliver services more efficiently and effectively. Combined services include Animal Control, Building Services, Regulation and Compliance.

Working with Councils throughout our region on Economic Development will help us leverage up what our unique district has to offer.

We have taken a significant step forward on how we will deliver our water and wastewater services in the future, as we transition to a new way of doing things we will ensure we continue to provide reliable and more affordable services and a local voice for our communities.

Effective management of resources

We manage all of our resources effectively delivering value to our community, we keep sustainability and affordability at the forefront of what we do.

We will continue to evaluate the public benefit of all spending, community feedback on what is important will shape the way forward.

Essential repairs and renewals will always take priority to ensure core services are maintained. Services that keep our district developing will continue to be delivered effectively and efficiently making sure our district continues to thrive.





GROUPS OF ACTIVITIES
NGĀ WHAKATŪTUKITANGA

HOW TO READ THIS SECTION

Waitomo District Council has ten groups of activities outlined within this section. Sometimes a group activity may have multiple activities within it. This section provides the following details on each group of activities.

ACTIVITY

Provides a brief description of each activity that makes up the group.

MAIN FOCUS AREAS FOR 2025/26

Identifies projects the council will be undertaking during the financial year.

VARIANCE TO YEAR 2 OF THE LTP 2024-34

The variance comments for each group of activities focuses on variance in budgets of the Annual Plan 2025/26 to the same year, being the second year of the LTP.

VARIANCE TO YEAR 1 OF THE LTP 2024-34

The variance comments for each group of activities focuses on variance in budgets of the Annual Plan 2025/26 to the previous year, being the first year of the LTP.

PROSPECTIVE FUNDING IMPACT STATEMENTS

Describes what we will deliver to the community and our measures of success.



LEADERSHIP

This group comprises representation, investments, strategy and engagement. Treasury management and organisational overhead activities and service groups are also included in this group.

ACTIVITY

Representation involves enabling, promoting, and supporting local democracy by providing governance advice and democratic services to elected members, the public and staff.

Strategy and Engagement involves research and analysis to prepare strategies, policies, plans and bylaws. This activity also coordinates and undertakes community engagement and consultation.

Investments include the investment in Co-Lab, Inframax Construction Ltd (ICL), Civic Financial Services Ltd, and council owned quarries.

MAIN FOCUS AREAS FOR 2025/26

- Local Body Elections being held 11 October 2025.
- Amendment of the LTP 2024-2034 and transitioning of water services.
- We will continue to fulfil our statutory role by reviewing, preparing, and consulting on relevant statutory and non-statutory documents.
- Continue to work with Iwi, mana whenua, stakeholders and community groups to form greater relationships for various projects.

VARIANCE TO YEAR 2 OF THE LTP

1. Rates revenue is less than forecast in the LTP due to reductions in, staff costs, information services costs and regional initiatives and a forecast increase in interest revenue.
2. Expenditure, internal charges and overheads applied and recovered are less than forecast in the LTP due to reductions in IT costs and emerging

software, regional initiatives, and staff costs. These reductions were offset in part by increased audit fees forecast for the LTP amendment and additional election costs.

3. Dividend revenue is forecast for the year which was not forecast in the LTP and the interest revenue forecast is higher than assumed in the LTP.
4. Reserve funding for information services renewals was lower compared to LTP.

VARIANCE TO 2024-25 YEAR 1 OF THE LTP

Operating expenditure is forecast to decrease due to reductions in IT costs and emerging software, regional initiatives, staff costs and a forecast increase in interest revenue, resulting in a reduction in the overall rates revenue requirement.

Additional budget is provided for the increase in audit fees for the LTP amendment and election costs.

Subsidy revenue was forecast in the prior year to fund external investigation costs for Local Water Done Well reforms. No subsidy revenue is forecast for 2025/26. Dividend revenue and additional interest revenue are forecast which were not forecast in the prior year. Capital expenditure is forecast for fleet renewals, quarry improvements and IT hardware and end user device renewals.



PROSPECTIVE FUNDING IMPACT STATEMENT

Leadership (\$'000's)	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026	Variation to Long Term Plan 2025	Variation to Long Term Plan 2026	Ref
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	3,341	3,474	3,209	(132)	(265)	1
Targeted rates	0	0	0	0	0	
Subsidies and grants for operating purposes	270	20	0	(270)	(20)	
Fees and charges	105	107	35	(70)	(72)	
Internal charges and overheads recovered	7,857	8,128	7,786	(71)	(342)	2
Local authorities fuel tax, fines, infringement fees and other receipts	66	72	342	276	270	3
Total operating funding (A)	11,639	11,801	11,372	(267)	(429)	
Applications of operating funding						
Payments to staff and suppliers	9,290	9,263	8,854	(436)	(409)	2
Finance costs	365	376	309	(56)	(67)	
Internal charges and overheads applied	2,086	2,167	1,882	(204)	(285)	2
Total applications of operating funding (B)	11,741	11,806	11,045	(696)	(761)	
Surplus (deficit) of operating funding (A-B)	(102)	(5)	327	429	332	
Sources of capital funding						
Subsidies and grants for capital expenditure	0	0	0	0	0	
Increase (decrease) in debt	127	28	56	(71)	28	
Gross proceeds from sale of assets	0	0	0	0	0	
Lump sum contribution	0	0	0	0	0	
Total sources of capital funding (C)	127	28	56	(71)	28	
Applications of capital funding						
Capital expenditure - to improve the level of service	41	31	40	(1)	9	
Capital expenditure - to replace existing assets	667	589	540	(127)	(49)	
Increase (decrease) in reserves	(683)	(597)	(197)	486	400	4
Total applications of capital funding (D)	25	23	383	358	360	
Surplus (deficit) of capital funding (C-D)	102	5	(327)	(429)	(332)	
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	

COMMUNITY AND PARTNERSHIPS

This group represents a range of collaborative and partnership approaches and initiatives involving many agencies and organisations. The activities involve the common theme of promoting a better quality of life and a better living environment within the district.

ACTIVITY

Community Development supports the wellbeing of our communities by enabling local organisations and private providers to deliver a variety of community-based services and activities to meet the needs of our community.

District Development is delivered through working in collaboration with a range of community partners for the benefit of the community.

Waitomo District Library Services provide a wide range of services and facilities including physical and online educational and recreational materials, programmes, events, internet and wifi services, technology lessons and online services.

Customer Service & Visitor Hub provide a customer service one-stop-shop centrally located in the main street of Te Kūiti. Information services are also available, providing residents and visitors access to quality, up to date information and advice for activities, attractions, accommodation, and events in the district.

Council Recreation Services we engage operators specialising in facility management to manage the Waitomo District Aquatic Centre and Gallagher Recreation Centre.

MAIN FOCUS AREAS FOR 2025/26

- Provision of community grants in accordance with the Community and Partnership Fund Policy.
- Delivery of district and community events.
- Continue to enhance services and facilities available at the Waitomo District Library.
- Working with Councils in the Waikato and Bay of Plenty regions on Economic Development.

- Delivery of the Waitomo District Play, Active Recreation and Sport Plan in conjunction with Sport Waikato.
- Promotion of the district through our Customer Services & Visitor Hub.
- Delivery of the Rangatahi Engagement Plan.
- Working with and supporting our community groups.

VARIANCE TO YEAR 2 OF THE LTP

1. Rates revenue is less than forecast due to reduced expenditure for community partnership grants, promotions and district and regional development.
2. Subsidy revenue is forecast for Better Off funding for the sports development initiative.
3. Expenditure is less than forecast for community partnership grants, district development and district and regional promotions. Council has prioritised needs and reduced the forecast spend in these areas to balance rates affordability alongside the rising costs to deliver services and maintain assets.
4. Internal charges and overheads applied are lower mostly due to the reductions in overhead costs such as information services and salary costs compared to LTP.
5. Reserve funding was lower for housing strategy implementation compared to LTP.

VARIANCE TO 2024-25 YEAR 1 OF THE LTP

Rates revenue is forecast to decrease due to a decrease in overall operating expenditure. Expenditure forecast for community partnership grants and district and regional promotions were reduced for the 2025/26 year.

No expenditure or subsidy revenue is forecast for Mayors Taskforce for Jobs programme as delivery of this programme is dependent on external funding. We do expect this to continue. The prior year also

included forecast expenditure and subsidy revenue for several Better Off funded projects such as the vocational training programme and housing strategy

development. These projects have now been completed or, where programmes are ongoing, reflect the remaining funding available.

PROSPECTIVE FUNDING IMPACT STATEMENT

Community and Partnerships (\$'000's)	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026	Variation to Long Term Plan 2025	Variation to Long Term Plan 2026	Ref
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	1,570	1,626	1,455	(115)	(171)	1
Targeted rates	13	13	16	3	3	
Subsidies and grants for operating purposes	735	62	178	(557)	116	2
Fees and charges	4	4	7	3	3	
Internal charges and overheads recovered	0	0	0	0	0	
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	
Total operating funding (A)	2,322	1,705	1,656	(666)	(49)	
Applications of operating funding						
Payments to staff and suppliers	1,907	1,220	1,158	(749)	(62)	3
Finance costs	0	0	0	0	0	
Internal charges and overheads applied	556	576	488	(68)	(88)	4
Total applications of operating funding (B)	2,463	1,796	1,646	(817)	(150)	
Surplus (deficit) of operating funding (A-B)	(141)	(91)	10	151	101	
Sources of capital funding						
Subsidies and grants for capital expenditure	0	0	0	0	0	
Increase (decrease) in debt	0	0	0	0	0	
Gross proceeds from sale of assets	0	0	0	0	0	
Lump sum contributions	0	0	0	0	0	
Total sources of capital funding (C)	0	0	0	0	0	
Applications of capital funding						
Capital expenditure - to improve the level of service	3	0	0	(3)	0	
Capital expenditure - to replace existing assets	0	0	0	0	0	
Increase (decrease) in reserves	(144)	(91)	10	154	101	5
Total applications of capital funding (D)	(141)	(91)	10	151	101	
Surplus (deficit) of capital funding (C-D)	141	91	(10)	(151)	(101)	
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	

RECREATION AND PROPERTY

This group comprises parks and recreation, housing and other properties, community facilities and public facilities.

ACTIVITY

Parks and Recreation involves the provision of parks and reserves for recreation, green places that are restful and enhance the visual amenity of our communities.

Housing and Property involves provision of housing and community facilities such as halls.

Community Facilities involves the provision of recreation and cultural opportunities to support the health and well-being of the community.

Public Facilities involves the provision of cemeteries, public car parks, public toilets, street furniture and our CCTV system.

MAIN FOCUS AREAS FOR 2025/26

- Playground renewals and planning development for Centennial Park.
- CCTV camera upgrades and renewals.
- Supporting Brook Park Committee with improving the useability of Motakiora/Brook Park.
- Continuation of collating and updating asset data management system.
- Leases and licencing verification and database registration.

VARIANCE TO YEAR 2 OF THE LTP

1. Rates revenue is forecast to decrease due to a reduction in the level of funding for asset replacement, reductions for repairs and maintenance and reduced interest expense.
2. Fees and charges are less than forecast in the LTP, mostly due to the sale of rental properties during the 2024/25 year

which has reduced the overall level of rental revenue and a reduction in aerodrome revenue to reflect current usage and leases.

3. Internal charges and overheads costs applied are lower due to reductions in overhead costs such as information services and staff costs compared to LTP.
4. Loan funding is forecast for parks and playground renewals.
5. Capital expenditure is forecast for the installation of services and surfacing for the Eketone Street sections that are being subdivided for future sale.
6. Expenditure is planned for playground and park renewals, library books and resources and other minor renewals.
7. Reserve funding is forecast to fund the expenditure for Eketone Street sections (to be recovered through the future sale of the sections).

VARIANCE TO 2024-25 YEAR 1 OF THE LTP

Rates revenue is forecast to decrease due to a reduction in the level of funding for asset replacement and reductions for repairs and maintenance.

Subsidy revenue for Better Off funding was included in the prior year for the walkways project, Centennial Park concept design and the removal of a building at the Marokopa campground site. These projects were completed in the prior year and are not included in the 2025/26 budget.

Capital expenditure forecasts include the installation of services and surfacing for the Eketone Street sections which was not included in prior year forecasts. Reserve funding is forecast to fund this expenditure which will be recovered through the future sale of the sections.

PROSPECTIVE FUNDING IMPACT STATEMENT

Recreation and Property (\$000's)	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026	Variation to Long Term Plan 2025	Variation to Long Term Plan 2026	Ref
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	4,486	4,637	4,324	(162)	(313)	1
Targeted rates	0	0	0	0	0	
Subsidies and grants for operating purposes	101	1	1	(100)	0	
Fees and charges	667	720	625	(42)	(95)	2
Internal charges and overheads recovered	0	0	0	0	0	
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	
Total operating funding (A)	5,254	5,358	4,950	(304)	(408)	
Applications of operating funding						
Payments to staff and suppliers	2,793	2,673	2,625	(168)	(48)	
Finance costs	132	155	140	8	(15)	
Internal charges and overheads applied	1,207	1,249	1,037	(170)	(212)	3
Total applications of operating funding (B)	4,132	4,077	3,802	(330)	(275)	
Surplus (deficit) of operating funding (A-B)	1,122	1,281	1,148	26	(133)	
Sources of capital funding						
Subsidies and grants for capital expenditure	446	0	0	(446)	0	
Increase (decrease) in debt	68	(269)	(178)	(246)	91	4
Gross proceeds from sale of assets	0	0	0	0	0	
Lump sum contributions	0	0	0	0	0	
Total sources of capital funding (C)	514	(269)	(178)	(692)	91	
Applications of capital funding						
Capital expenditure - to improve the level of service	825	172	341	(484)	169	5
Capital expenditure - to replace existing assets	268	365	270	2	(95)	6
Increase (decrease) in reserves	543	475	359	(184)	(116)	7
Total applications of capital funding (D)	1,636	1,012	970	(666)	(42)	
Surplus (deficit) of capital funding (C-D)	(1,122)	(1,281)	(1,148)	(26)	133	
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	

REGULATORY SERVICES

Our regulatory activities are governed and directed by legislation, national, regional and local policies and bylaws. We undertake many activities that contribute to keeping our community and district a safe place to be.

ACTIVITY

Building Services responsible for processing and monitoring building consents and issuing Code of Compliance Certificates pursuant to the Building Act 2004. This activity also covers the monitoring and enforcement of earthquake-prone building requirements, and swimming pools.

Alcohol Licensing responsible for administering the Sale and Supply of Alcohol Act 2012 at a local level by way of the Waitomo District Licensing Committee on behalf of the Alcohol Regulatory and Licensing Authority.

Environmental Health provides a range of services to ensure food outlets maintain high food safety standards, and that noise and nuisance complaints, hazardous substances and contaminated sites are all managed.

Bylaw Administration involves managing a range of bylaws to allow Council to manage issues associated with community nuisance, protect public health, and manage Council's assets.

Animal and Dog Control delivers animal control services in the areas of dog registration, complaint response, wandering stock, and general animal control, as required by the Dog Control Act 1996, Impounding Act 1955 and Council's Dog Control Policy and Bylaw.

Emergency Management involves the administration of the Civil Defence Emergency Management function to coordinate a response to an emergency, and to manage recovery in the district.

MAIN FOCUS AREAS FOR 2025/26

- Continue with implementation of Earthquake Prone Buildings Policy pursuant to the Building Act 2004.
- Partnering with neighbouring Councils to further develop shared regulatory services.
- Development of a Recovery Plan for Civil Defence and further refinement of our Community Response Plans.

VARIANCE TO YEAR 2 OF THE LTP

1. There is a forecast decrease in rates revenue due to reductions in overall operating expenditure across all the regulatory services functions.
2. Reduced fees and charges are forecast for building control services which reflects the downward trend of building activity and consent applications nationally. This is partly offset by an increase in animal control revenue.
3. Less expenditure is forecast for legal services, earthquake prone building expenditure and noise control.
4. Internal charges and overhead applied is lower due to reduced information services costs and staff costs.

VARIANCE TO 2024-25 YEAR 1 OF THE LTP

There is a forecast decrease in rates revenue due to reductions in overall operating expenditure across all the regulatory services functions. Reduced fees and charges are forecast for building control services which reflects the downward trend of building activity and consent applications nationally. Less expenditure is forecast for legal services, earthquake prone building expenditure and noise control. Forecast reserve funding for the earthquake prone building and legal expenditure has also been removed.

PROSPECTIVE FUNDING IMPACT STATEMENT

Regulatory Services (\$000's)	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026	Variation to Long Term Plan 2025	Variation to Long Term Plan 2026	Ref
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	1,420	1,545	1,344	(76)	(201)	1
Targeted rates	0	0	0	0	0	
Subsidies and grants for operating purposes	0	0	0	0	0	
Fees and charges	705	704	665	(40)	(39)	2
Internal charges and overheads recovered	0	0	0	0	0	
Local authorities fuel tax, fines, infringement fees and other receipts	25	25	27	2	2	
Total operating funding (A)	2,150	2,274	2,036	(114)	(238)	
Applications of operating funding						
Payments to staff and suppliers	1,200	1,226	1,051	(149)	(175)	3
Finance costs	0	1	0	0	(1)	
Internal charges and overheads applied	995	1,032	847	(148)	(185)	4
Total applications of operating funding (B)	2,195	2,259	1,898	(297)	(361)	
Surplus (deficit) of operating funding (A-B)	(45)	15	138	183	123	
Sources of capital funding						
Subsidies and grants for capital expenditure	0	0	0	0	0	
Increase (decrease) in debt	9	9	4	(5)	(5)	
Gross proceeds from sale of assets	0	0	0	0	0	
Lump sum contributions	0	0	0	0	0	
Total sources of capital funding (C)	9	9	4	(5)	(5)	
Applications of capital funding						
Capital expenditure - to improve the level of service	0	0	0	0	0	
Capital expenditure - to replace existing assets	10	10	5	(5)	(5)	
Increase (decrease) in reserves	(46)	14	137	183	123	
Total applications of capital funding (D)	(36)	24	142	178	118	
Surplus (deficit) of capital funding (C-D)	45	(15)	(138)	(183)	(123)	
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	

RESOURCE MANAGEMENT

The resource management group involves the administration, application and enforcement of the Operative Waitomo District Plan and District Planning.

ACTIVITY

District Plan Administration covers the planning functions under the Resource Management Act 1991, including the processing, issuing, and monitoring of resource consents, designations and other application types. It also includes monitoring compliance with the Operative Waitomo District Plan.

District Planning involves setting the direction, form, and shape of our urban and rural communities to ensure development is sustainably managed, while protecting our cultural and historic heritage, outstanding landscapes, and significant natural features. District Plan reviews and structure planning are included in this activity.

MAIN FOCUS AREAS FOR 2025/26

- Continue to progress the Proposed Waitomo District Plan (PDP) through the Schedule 1 process of the Resource Management Act 1991. This has culminated in the decisions version of the PDP being notified on 19 June 2025. The next phase will be working to resolve any appeals on the PDP.

VARIANCE TO YEAR 2 OF THE LTP

- Forecast expenditure is lower than the LTP for legal costs associated with the District Plan development. Due to the complex nature of the project, it is difficult to accurately estimate the level of expenditure required in relation to arbitration action and the end stages of finalising the plan.
- Reduced internal loan funding is forecast to fund the direct costs associated with the District Plan development.
- Debt is lower than forecast due to the resequencing of the District Plan development.

VARIANCE TO 2024-25 YEAR 1 OF THE LTP

Rates revenue is forecast to increase to fund the allocated costs associated with the development of the District Plan and loan repayment. As these costs were previously loan funded, forecast internal loan funding has also reduced. Less expenditure is forecast for legal costs associated with the District Plan development.



PROSPECTIVE FUNDING IMPACT STATEMENT

Resource Management (\$000's)	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026	Variation to Long Term Plan 2025	Variation to Long Term Plan 2026	Ref
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	445	654	631	186	(23)	1
Targeted rates	0	0	0	0	0	
Subsidies and grants for operating purposes	0	0	0	0	0	
Fees and charges	216	221	192	(24)	(29)	
Internal charges and overheads recovered	0	0	0	0	0	
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	
Total operating funding (A)	661	875	823	162	(52)	
Applications of operating funding						
Payments to staff and suppliers	562	370	298	(264)	(72)	2
Finance costs	67	81	69	2	(12)	
Internal charges and overheads applied	408	420	377	(31)	(43)	
Total applications of operating funding (B)	1,037	871	744	(293)	(127)	
Surplus (deficit) of operating funding (A-B)	(376)	4	79	455	75	
Sources of capital funding						
Subsidies and grants for capital expenditure	0	0	0	0	0	
Increase (decrease) in debt	376	(4)	(61)	(437)	(57)	3
Gross proceeds from sale of assets	0	0	0	0	0	
Lump sum contributions	0	0	0	0	0	
Total sources of capital funding (C)	376	(4)	(61)	(437)	(57)	
Applications of capital funding						
Capital expenditure - to improve the level of service	0	0	0	0	0	
Capital expenditure - to replace existing assets	0	0	0	0	0	
Increase (decrease) in reserves	0	0	18	18	18	
Total applications of capital funding (D)	0	0	18	18	18	
Surplus (deficit) of capital funding (C-D)	376	(4)	(79)	(455)	(75)	
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	

SOLID WASTE

This group provides for the environmentally safe reduction, diversion, collection, and disposal of the district's solid waste.

ACTIVITY

Waste Minimisation focuses on the reduction and diversion (reduce, reuse, recycling and recovery) of solid waste.

Kerbside Collection we are responsible for the kerbside collection and safe management of domestic rubbish, and recycling. Weekly rubbish and recycling collections are provided to the residents of Te Kūiti, Piopio, Awakino, Mōkau and Waitomo Village area.

Waste Disposal Transfer we operate a landfill at Te Kūiti and waste transfer stations are provided at the communities of Maniaiti/Benneydale, Piopio, Marokopa, Kinohaku, and Mōkau/Awakino.

MAIN FOCUS AREAS FOR 2025/26

- Design and build project for the Te Kūiti Transfer Station and Waste Recovery Centre.
- Preparation for capping of the landfill.
- Procurement of kerbside collection contract.
- Regional transport and disposal procurement for transporting refuse out of the district.
- Delivery of waste minimisation promotion programmes and education initiatives.

VARIANCE TO YEAR 2 OF THE LTP

1. Fees and charges are less than forecast in the LTP and reflect declining waste volumes. The disposal of the wastewater sludge is also no longer forecast to be received at the landfill as it is disposed of out of the district.
2. Expenditure is forecast to decrease for waste minimisation levies and carbon credits due to lower waste volumes received at the landfill. This is partly offset by increases in landfill operating costs, kerbside collection and disposal costs, and the additional costs for the joint procurement for kerbside collection.

3. Finance costs are less than forecast in the LTP as the landfill cell development did not proceed and therefore loan funding was less than anticipated.
4. Loan funding is forecast to fund the improvements to the Te Kūiti Transfer Station and the capping of the existing landfill cell.
5. Capital expenditure is forecast for an improved, covered transfer station, loading area and capping of the existing landfill cell.
6. Renewal expenditure was less than forecast in the LTP as gas flaring equipment will no longer be required as the new landfill cell will not be developed at this time.
7. Reserve funding is forecast to fund the costs of the joint procurement of the kerbside collection contract.

VARIANCE TO 2024-25 YEAR 1 OF THE LTP

More rates revenue is forecast as landfill user charges revenue has decreased due to reduced waste volumes being received at the landfill and increased rate funding for loan repayment. Expenditure is forecast to decrease for waste minimisation levies and carbon credits due to lower waste volumes received at the landfill. This is partly offset by increases forecast for landfill operating costs and for the costs of joint procurement for kerbside collection.

Capital expenditure is forecast for an improved, covered transfer station, loading area and capping of the existing landfill cell. Reserve funding is forecast to fund the costs of the joint procurement of the kerbside collection contract.



PROSPECTIVE FUNDING IMPACT STATEMENT

Solid Waste (\$'000's)	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026	Variation to Long Term Plan 2025	Variation to Long Term Plan 2026	Ref
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	66	69	63	(3)	(6)	
Targeted rates	1,567	1,819	1,841	274	22	
Subsidies and grants for operating purposes	0	0	0	0	0	
Fees and charges	2,237	2,335	1,761	(476)	(574)	1
Internal charges and overheads recovered	0	0	0	0	0	
Local authorities fuel tax, fines, infringement fees and other receipts	125	125	125	0	0	
Total operating funding (A)	3,995	4,348	3,790	(205)	(558)	
Applications of operating funding						
Payments to staff and suppliers	3,210	3,341	3,183	(27)	(158)	2
Finance costs	124	220	114	(10)	(106)	3
Internal charges and overheads applied	497	520	464	(33)	(56)	
Total applications of operating funding (B)	3,831	4,081	3,761	(70)	(320)	
Surplus (deficit) of operating funding (A-B)	164	267	29	(135)	(238)	
Sources of capital funding						
Subsidies and grants for capital expenditure	0	0	0	0	0	
Increase (decrease) in debt	2,792	279	2,315	(477)	2,036	4
Gross proceeds from sale of assets	0	0	0	0	0	
Lump sum contributions	0	0	0	0	0	
Total sources of capital funding (C)	2,792	279	2,315	(477)	2,036	
Applications of capital funding						
Capital expenditure - to improve the level of service	10	10	2,517	2,507	2,507	5
Capital expenditure - to replace existing assets	3,131	745	134	(2,997)	(611)	6
Increase (decrease) in reserves	(185)	(209)	(307)	(122)	(98)	7
Total applications of capital funding (D)	2,956	546	2,344	(612)	1,798	
Surplus (deficit) of capital funding (C-D)	(164)	(267)	(29)	135	238	
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	

STORMWATER

This group provides for the collection, diversion, and disposal of urban surface water runoff following rainfall. Surface water flooding can occur in the absence of an effective stormwater drainage system.

ACTIVITY

Providing, maintaining and upgrading council's stormwater network comprising of open drains, pipes and manholes.

MAIN FOCUS AREAS FOR 2025/26

- Completion of stormwater catchment plans.
- Consent renewal for comprehensive stormwater discharge consent.
- Stormwater modelling for medium to long term infrastructure solutions.
- Continuation of network improvements such as wingwalls and scruffy domes.
- Ongoing monitoring and flood maintenance of stormwater exit and entry points.

VARIANCE TO YEAR 2 OF THE LTP

1. Targeted rates revenue is lower than forecast due to reduced finance costs associated with the stormwater attenuation ponds project.
2. Finance costs are forecast to be less than the LTP due to the re-sequencing of the stormwater attenuation ponds project, with less internal loans raised in the 2024/25 year than planned.
3. Better Off funding is forecast to fund some stormwater improvements and the attenuation ponds expenditure.
4. A lower level of internal loans funding is forecast due to the re-sequencing of the stormwater attenuation ponds project.
5. The scope and timing of attenuation ponds project has been revised based on initial stormwater modelling with funding for design costs now forecast in 2025/26. The installation of the ponds and stormwater improvements are forecast over a five year period.

6. Reserve funding is forecast to be less than the LTP for stormwater renewals.

VARIANCE TO 2024-25 YEAR 1 OF THE LTP

Better Off funding is forecast to fund stormwater improvements and the attenuation ponds. The scope and timing of attenuation ponds project has been revised based on initial stormwater modelling with funding for design costs now forecast in 2025/26. Therefore, forecasted internal loan funding is reduced for the year. Reserve funding is forecast to be less than the LTP for stormwater renewals.



PROSPECTIVE FUNDING IMPACT STATEMENT

Stormwater (\$'000's)	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026	Variation to Long Term Plan 2025	Variation to Long Term Plan 2026	Ref
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	
Targeted rates	918	1,023	925	7	(98)	1
Subsidies and grants for operating purposes	0	0	0	0	0	
Fees and charges	0	0	0	0	0	
Internal charges and overheads recovered	0	0	0	0	0	
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	
Total operating funding (A)	918	1,023	925	7	(98)	
Applications of operating funding						
Payments to staff and suppliers	466	485	499	33	14	
Finance costs	40	88	28	(12)	(60)	2
Internal charges and overheads applied	185	191	170	(15)	(21)	
Total applications of operating funding (B)	691	764	697	6	(67)	
Surplus (deficit) of operating funding (A-B)	227	259	228	1	(31)	
Sources of capital funding						
Subsidies and grants for capital expenditure	719	0	370	(349)	370	3
Increase (decrease) in debt	608	1,334	475	(133)	(859)	4
Gross proceeds from sale of assets	0	0	0	0	0	
Lump sum contributions	0	0	0	0	0	
Total sources of capital funding (C)	1,327	1,334	845	(482)	(489)	
Applications of capital funding						
Capital expenditure - to improve the level of service	1,240	1,271	641	(599)	(630)	5
Capital expenditure - to replace existing assets	548	514	495	(53)	(19)	
Increase (decrease) in reserves	(234)	(192)	(63)	171	129	6
Total applications of capital funding (D)	1,554	1,593	1,073	(481)	(520)	
Surplus (deficit) of capital funding (C-D)	(227)	(259)	(228)	(1)	31	
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	

WASTEWATER

The wastewater group provides for the environmentally safe collection, treatment and disposal of the District's sewage waste in Te Kūiti, Te Waitere, Maniaiti/Benneydale and Piopio.

ACTIVITY

Providing, maintaining and upgrading council's wastewater network comprising treatment plants and disposal systems, pump stations and sewer pipe network.

MAIN FOCUS AREAS FOR 2025/26

- Continuation of inflow and infiltration investigation in Te Kūiti.
- Routine renewals and maintenance of treatment plants and the network.
- Maniaiti/Benneydale consent renewal.
- Te Kūiti oxidation pond embankment restoration.

VARIANCE TO YEAR 2 OF THE LTP

1. Rates revenue is more than forecast in the LTP to fund additional operational expenditure including vegetation planting, reticulation maintenance, staff costs and Taumata Arowai levies.
2. Expenditure is forecast to increase due mainly to additional sludge disposal costs which are funded from reserve. The forecast assumes 2,800 tonnes of sludge will be disposed which is a greater volume of sludge than assumed in the LTP. Increases in expenditure are also forecast for vegetation planting to meet resource consent conditions, reticulation maintenance, staff costs and Taumata Arowai levies.
3. Internal loan funding was lower than planned in the LTP as the renewal of the resource consents is forecast to be funded from asset replacement reserves rather than from internal loan.

4. Renewal expenditure was higher than the LTP forecast for resource consents for Maniaiti/Benneydale and Piopio.
5. Reserve funding was more than forecast to fund the additional sludge disposal costs.

VARIANCE TO 2024-25 YEAR 1 OF THE LTP

Rates revenue is more than forecast in the LTP to fund additional operational expenditure including vegetation planting, reticulation maintenance, staff costs and Taumata Arowai levies. Additional expenditure is also forecast for sludge disposal costs which are funded by reserve. Capital expenditure is forecast for resource consent renewals for Maniaiti/Benneydale and Piopio and a storage shed and work area at the Te Kūiti Wastewater Plant. Reserve funding was more than forecast to fund the additional sludge disposal costs.



PROSPECTIVE FUNDING IMPACT STATEMENT

Wastewater (\$'000's)	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026	Variation to Long Term Plan 2025	Variation to Long Term Plan 2026	Ref
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	
Targeted rates	2,713	2,936	3,041	328	105	1
Subsidies and grants for operating purposes	0	0	0	0	0	
Fees and charges	796	816	838	42	22	
Internal charges and overheads recovered	0	0	0	0	0	
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	
Total operating funding (A)	3,509	3,752	3,879	370	127	
Applications of operating funding						
Payments to staff and suppliers	2,625	2,715	3,225	600	510	2
Finance costs	217	259	239	22	(20)	
Internal charges and overheads applied	588	612	542	(46)	(70)	
Total applications of operating funding (B)	3,430	3,586	4,006	576	420	
Surplus (deficit) of operating funding (A-B)	79	166	(127)	(206)	(293)	
Sources of capital funding						
Subsidies and grants for capital expenditure	0	0	0	0	0	
Increase (decrease) in debt	(133)	(86)	(224)	(91)	(138)	3
Gross proceeds from sale of assets	0	0	0	0	0	
Lump sum contributions	0	0	0	0	0	
Total sources of capital funding (C)	(133)	(86)	(224)	(91)	(138)	
Applications of capital funding						
Capital expenditure - to improve the level of service	75	67	15	(60)	(52)	
Capital expenditure - to replace existing assets	418	528	709	291	181	4
Increase (decrease) in reserves	(547)	(515)	(1,075)	(528)	(560)	5
Total applications of capital funding (D)	(54)	80	(351)	(297)	(431)	
Surplus (deficit) of capital funding (C-D)	(79)	(166)	127	206	293	
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	

WATER SUPPLY

The water supply activity provides for the environmentally safe collection, treatment and reticulation of council's public water supplies to Drinking Water Quality Assurance Rules. Water supply schemes are provided by council at Te Kūiti, Maniaiti/Benneydale, Piopio and Mōkau.

ACTIVITY

Providing, maintaining and upgrading council's water supply schemes comprising of water treatment plants and intake systems, reservoirs, pump stations and pipe reticulation network.

MAIN FOCUS AREAS FOR 2025/26

- Te Kūiti network resilience project including a new reservoir and dedicated rising main to supply water directly to the new reservoir.
- Delivery of the reticulation renewal programme including replacing pipework.
- Mōkau Water Treatment Plant discharge consent renewal.

VARIANCE TO YEAR 2 OF THE LTP

1. Rates revenue is less than forecast in the LTP as finance costs were lower due to the re-sequencing of the Te Kūiti water resilience project and loan funding is now forecast to fund the operational project management costs associated with the project.
2. Expenditure is more than forecast in the LTP for Taumata Arowai levies, sampling and monitoring, electricity, SCADA telemetry maintenance and staff costs.
3. Finance costs are less than forecast in the LTP due to the re-sequencing of the Te Kūiti water resilience project, with less internal loans raised in the 2024/25 year than planned.
4. Internal loan funding forecast is higher than in the LTP for 2025/26 due to the re-sequencing of the Te Kūiti water resilience project and loan funding

operational project management costs associated with the project.

5. Capital expenditure is forecast for the Te Kūiti water resilience project, bulk monitoring improvements and water safety plan improvements.
6. Renewal expenditure forecast includes the renewal of the resource consent for Mōkau and reticulation renewals across all schemes.
7. Reduced reserve funding is forecast to fund loan repayment as less loans were raised in the prior year for the re-sequenced Te Kūiti water resilience project.

VARIANCE TO 2024-25 YEAR 1 OF THE LTP

Rates revenue is more than the prior year forecast for Taumata Arowai levies, sampling and monitoring, electricity, SCADA telemetry maintenance and staff costs. Additional rates funding is also forecast for asset replacement. Capital expenditure is forecast for the Te Kūiti water resilience project, bulk monitoring improvements and water safety plan improvements. Internal loan funding forecast is higher than prior year due to the re-sequencing of the Te Kūiti water resilience project and loan funding operational project management costs associated with the project. Reserves are forecast to increase due mostly to the increase in rates funding for asset replacement.



PROSPECTIVE FUNDING IMPACT STATEMENT

Water Supply (\$'000's)	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026	Variation to Long Term Plan 2025	Variation to Long Term Plan 2026	Ref
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	
Targeted rates	3,714	4,295	4,021	307	(274)	1
Subsidies and grants for operating purposes	0	0	0	0	0	
Fees and charges	0	0	0	0	0	
Internal charges and overheads recovered	0	0	0	0	0	
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	
Total operating funding (A)	3,714	4,295	4,021	307	(274)	
Applications of operating funding						
Payments to staff and suppliers	2,199	2,317	2,459	260	142	2
Finance costs	377	582	326	(51)	(256)	3
Internal charges and overheads applied	667	694	616	(51)	(78)	
Total applications of operating funding (B)	3,243	3,593	3,401	158	(192)	
Surplus (deficit) of operating funding (A-B)	471	702	620	149	(82)	
Sources of capital funding						
Subsidies and grants for capital expenditure	0	0	0	0	0	
Increase (decrease) in debt	4,938	4,799	7,911	2,973	3,112	4
Gross proceeds from sale of assets	0	0	0	0	0	
Lump sum contributions	0	0	0	0	0	
Total sources of capital funding (C)	4,938	4,799	7,911	2,973	3,112	
Applications of capital funding						
Capital expenditure - to improve the level of service	4,602	4,666	7,335	2,733	2,669	5
Capital expenditure - to replace existing assets	797	862	991	194	129	6
Increase (decrease) in reserves	10	(27)	205	195	232	7
Total applications of capital funding (D)	5,409	5,501	8,531	3,122	3,030	
Surplus (deficit) of capital funding (C-D)	(471)	(702)	(620)	(149)	82	
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	

ROADS AND FOOTPATHS

The roads and footpaths group provides a safe and reliable transport infrastructure network to facilitate the movement of people and goods, which includes the provision of roads (excluding state highways), footpaths, bridges, traffic services, streetlights, carparks and traffic safety programmes.

ACTIVITY

Road Network: We manage and maintain a network of 459km of sealed roads and 547km of unsealed roads. This includes identifying the need for and undertaking maintenance and renewals of the road network, footpaths and ancillary systems such as streetlights, signs and road markings.

Subsidised Roading: NZ Transport Agency (NZTA) provides a subsidy for works that meet their criteria via Waikato Regional Council's Land Transport Programme.

Unsubsidised Roading: These activities are carried out to ensure safe and efficient travel within and through the District as necessary for road or pedestrian safety and convenience, but are not subsidised by NZTA.

Other unsubsidised services include maintaining amenity lights, street cleaning and maintenance of on-street carparks.

MAIN FOCUS AREAS FOR 2025/26

- Delivery of the road rehabilitation and resealing programmes.
- Implementation of the Speed Management Plan for school speed zones.
- Flood damage repair works from severe weather and storm events.
- Bridge maintenance contract tender and award.

VARIANCE TO YEAR 2 OF THE 10YP

1. Fees and charges are higher than forecast in the LTP for contributions received to part fund road maintenance.
2. There is a greater decrease in debt as no loan funding is forecast for the year.

3. The LTP assumed there would be external funding for road improvements however, subsequent to the adoption of the LTP, NZTA advised changes in the three year roading programme with no funding available for Road to Zero, footpath and minor improvements. As a result there is no forecast expenditure for road improvements for 2025/26 and there are no unsubsidised road improvements planned.
4. Renewal expenditure is forecast higher than the LTP as NZTA has provided subsidy of 88% for the Crown Resilience Programme which includes Oparure Road river stabilisation, Speedies Road underslip and Taharoa Road resilience projects.

VARIANCE TO 2024-25 YEAR 1 OF THE LTP

Rates revenue is forecast to increase from prior year to fund the local share of road renewals and loan repayment. Fees and charges are higher for contributions received to part fund road maintenance. Subsidy revenue is less as capital expenditure is lower than the previous year. There is a greater decrease in debt as no loan funding is forecast for the year. No capital expenditure for road improvements is planned due to the change in the external funding of the 2024-27 roading programme.



PROSPECTIVE FUNDING IMPACT STATEMENT

Roads and Footpaths (\$'000's)	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026	Variation to Long Term Plan 2025	Variation to Long Term Plan 2026	Ref
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	
Targeted rates	5,197	5,339	5,322	125	(17)	
Subsidies and grants for operating purposes	6,851	6,805	6,809	(42)	4	
Fees and charges	165	168	267	102	99	1
Internal charges and overheads recovered	0	0	0	0	0	
Local authorities fuel tax, fines, infringement fees and other receipts	140	143	130	(10)	(13)	
Total operating funding (A)	12,353	12,455	12,528	175	73	
Applications of operating funding						
Payments to staff and suppliers	8,307	8,219	8,223	(84)	4	
Finance costs	299	343	320	21	(23)	
Internal charges and overheads applied	1,131	1,165	1,069	(62)	(96)	
Total applications of operating funding (B)	9,737	9,727	9,612	(125)	(115)	
Surplus (deficit) of operating funding (A-B)	2,616	2,728	2,916	300	188	
Sources of capital funding						
Subsidies and grants for capital expenditure	6,578	6,139	6,164	(414)	25	
Increase (decrease) in debt	(265)	(508)	(973)	(708)	(465)	2
Gross proceeds from sale of assets	0	0	0	0	0	
Lump sum contributions	0	0	0	0	0	
Total sources of capital funding (C)	6,313	5,631	5,191	(1,122)	(440)	
Applications of capital funding						
Capital expenditure - to improve the level of service	386	440	0	(386)	(440)	3
Capital expenditure - to replace existing assets	8,520	7,885	8,007	(513)	122	4
Increase (decrease) in reserves	23	34	100	77	66	
Total applications of capital funding (D)	8,929	8,359	8,107	(822)	(252)	
Surplus (deficit) of capital funding (C-D)	(2,616)	(2,728)	(2,916)	(300)	(188)	
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	



FINANCES

FINANCIAL SUMMARY

Prospective All of Council Cost of Service Statement for the Year Ending 30 June 2026

(\$000's)	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026	Variation to Long Term Plan 2025	Variation to Long Term Plan 2026
Total Operating Income	20,950	18,466	18,536	(2,414)	70
Total Operating Expenditure	43,889	44,268	43,604	(285)	(664)
Net Operating Cost/(Surplus)	22,939	25,802	25,068	2,129	(734)
Total Capital Expenditure	21,539	18,155	22,041	502	3,886
Total Net Expenditure	44,478	43,957	47,109	2,631	3,152
Funded by					
Internal Loans Raised	11,557	9,204	12,610	1,053	3,406
Other Funding Adjustments	7,470	7,322	8,307	837	985
General Rates, UAGC and Service Charges	25,451	27,431	26,192	741	(1,239)
Total Funding	44,478	43,957	47,109	2,631	3,152

VARIANCE TO YEAR 2 OF THE LTP

Operating income is forecast at \$18.5 million, \$70,000 more than LTP. External funding for Better Off projects is forecast along with dividend revenue and additional interest revenue. These increases are partly offset by reductions in landfill revenue from declining waste volumes and lower property rentals and quarry royalty revenue.

Operating expenditure is forecast at \$43.6 million, \$664,000 less than LTP. Reductions in expenditure include community partnership grants, district and regional promotions, IT costs, interest costs, legal and noise costs, repairs and maintenance, reduced waste minimisation levies and carbon credits from lower waste volumes. These reductions are partly offset by additional sludge disposal costs.

Capital expenditure of \$22.04 million is forecast which is \$3.9 million more than year 2 of the LTP. The increase is mostly for the re-sequenced Te Kūiti water resilience project and the improved, covered Te Kūiti transfer station and capping of the existing landfill cell.

Internal loans are forecast to be \$12.6 million; \$3.4 million more than year 2 of the LTP. This includes funding for the Te Kūiti water resilience project, Te Kūiti transfer station improvements and capping of the existing landfill cell. These increases in funding are partly offset by lower loan funding for Te Kūiti stormwater improvements and attenuation ponds, due to the change in timing of this project.

Other funding adjustments increased by \$985,000 to \$8.3 million compared to LTP. This includes reserve funding of operational expenditure for sludge disposal costs and costs for joint procurement for kerbside collection. This is offset by reduced reserve funding for legal costs and earthquake prone building costs.

The overall **rates requirement** is \$26.2 million; \$1.2 million less than forecast for 2025/26 in the LTP. The decrease is due to lower finance costs as loans were not raised as planned for Te Kūiti water resilience project, landfill cell development and Te Kūiti stormwater improvements and attenuation ponds. Further reductions are forecast for repairs and maintenance, community partnership grants and district and regional promotion, IT costs and regional initiatives, legal costs and loan funding of operational project management costs associated with significant capital projects.

VARIANCE TO 2024-25 YEAR 1 OF THE LTP

Operating income is forecast at \$18.5 million; \$2.4 million lower than the prior year. The decrease is mostly due to the reduction in subsidy revenue and fees and charges. The prior year forecasts included additional subsidy revenue for Better Off projects and NZTA subsidy revenue for road improvements. Fees and charges revenue is lower for the landfill due to lower waste volumes deposited and reduced property rentals (as a result of rental property sales during the 2024/25). Partly offsetting these decreases is additional revenue forecast for dividends and interest revenue.

Operating expenditure is forecast at \$43.6 million; \$285,000 less than forecast for 2024/25. Reductions are forecast for parks and property repairs and maintenance, finance costs, legal costs, IT costs, regional initiatives, community partnership grants, district and regional promotion, district development. These reductions are partly offset by an increase in audit fees, elections costs, water supply and wastewater operational costs, landfill operations and kerbside collection costs.

Capital expenditure is forecast at \$22.04 million; \$502,000 more than forecast for 2024/25. The significant projects planned for 2025/26 include the Te Kūiti water resilience project \$7 million, Te Kūiti transfer station improvements and capping of the existing landfill cells \$2.5 million and subsidised road renewals of \$8 million.

Funding for asset replacement

Council has elected to not fully fund depreciation on some waters assets, property assets and roading assets in line with the financial strategy adopted as part of the LTP 2024-34. The total amount of depreciation forecast not funded by rates or other revenue for the 2025/26 is \$7.0 million. This is summarised in the following table. The majority of this is in Roothing where capital expenditure is directly funded from rates so no funding of depreciation is required. The replacement of a number of Recreation and Property assets are not funded because they would not be replaced at the end of their life.

Depreciation and Amortisation Not Funded

\$000's	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026	Variation to Long Term Plan 2025	Variation to Long Term Plan 2026
Recreation and Property	510	519	724	214	205
Stormwater	32	16	16	(16)	0
Wastewater	329	256	255	(74)	(1)
Water Supply	422	328	328	(94)	0
Roads and Footpaths	5,153	5,514	5,659	506	145
Total Depreciation and Amortisation Not Funded	6,446	6,633	6,982	536	349

Forecast total rates requirement

The total rates requirement for the 2025/26 financial year is \$26.2 million (excluding GST). The forecast in the LTP for the same year was \$27.4 million; a decrease of \$1.2 million. This is an overall increase of **2.91%** in rates revenue, which is significantly less than the 7.78% in the LTP for 2025/26. To balance rates affordability, Council has prioritised needs, alongside the rising costs to deliver services and maintain assets.

Comparison to prior years rates requirement

The total rates requirement of \$26.2 million (excluding GST) for the 2025/26 year, an increase of \$741,000 compared with the prior year.

This main contributors to this increase are:

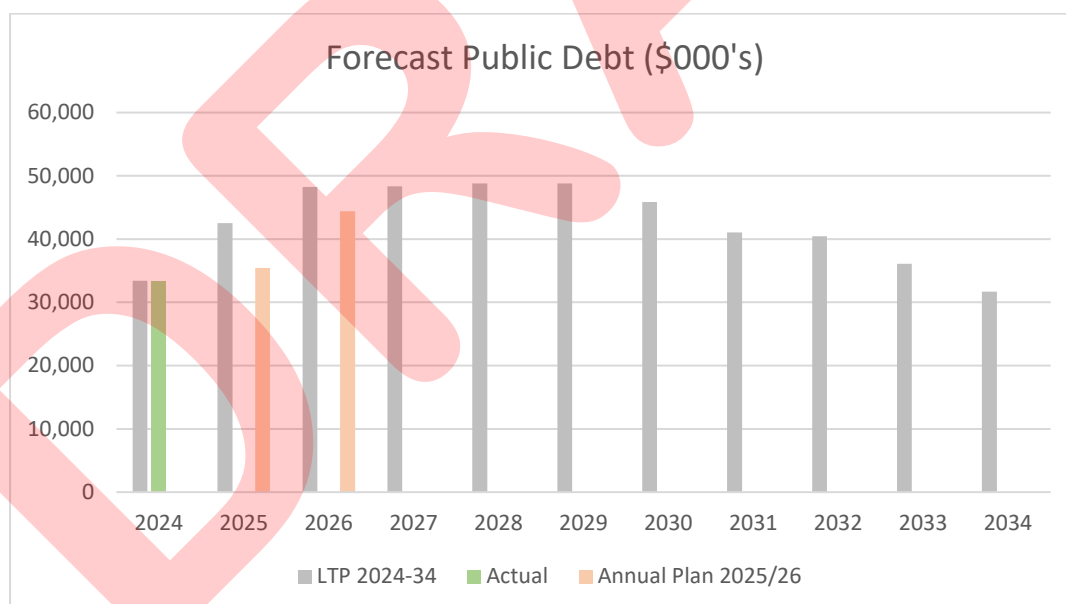
- Reduction in landfill revenue from declining waste volumes

- Increase in funding for asset replacement
- Increase in the rate funded local share of road renewals
- Increase in allocated costs for district plan development (previously loan funded)
- Increase in rate funded loan repayment
- Increase in water supply and wastewater operational costs including Taumata Arowai levies
- Additional costs for audit fees and election costs
- Increased costs to operate the landfill and to provide kerbside refuse and recycling collection.



OVERALL PUBLIC DEBT

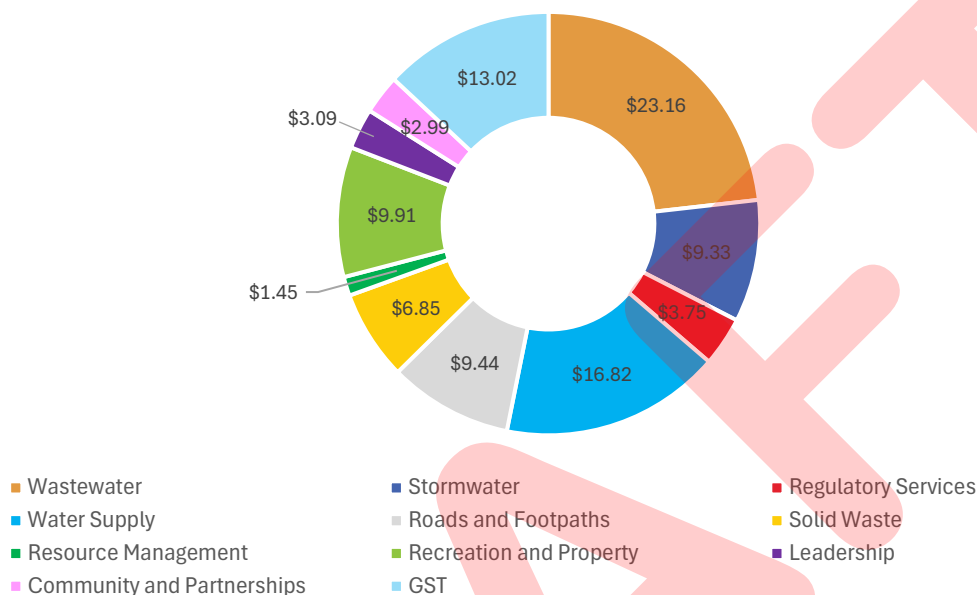
Public debt is forecast to be **\$44.4 million** at 30 June 2026, \$3.8 million more than forecast in the LTP. This is due in part to the resequencing of the Te Kūiti resilience project that is forecast to commence construction during 2025/26 and the Te Kūiti transfer station improvements.



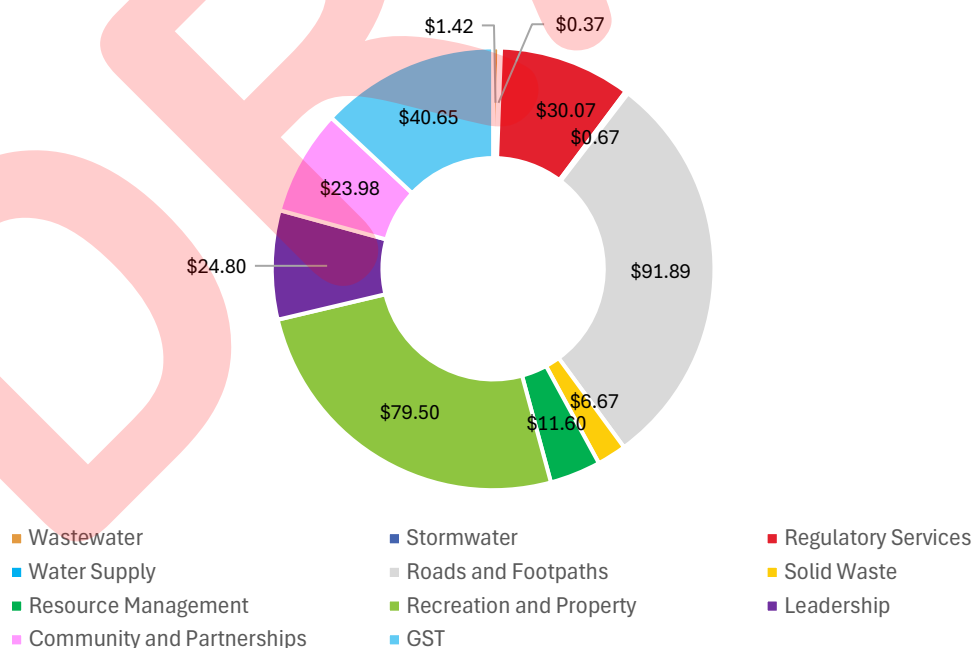
WHERE YOUR RATES ARE SPENT

The following provides a summary of where rates are spent on a weekly basis using indicative residential and rural properties as examples.

Te Kuiti Residential Property with a Capital Value of \$450,000 (paying \$99.81 per week)



Rural Drystock Property with a Capital Value of \$4.4m (paying \$311.63 per week)



INTRODUCTION

This section outlines Council's prospective financial performance and position for the 2025/26 financial year in prospect. The information that follows shows the financial impact of the measures and decisions Council has taken as detailed in this plan.

Whole of Council Prospective Funding Impact Statement

(\$000's)	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026	Variation to Long Term Plan 2025	Variation to Long Term Plan 2026
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	11,328	12,005	11,026	(302)	(979)
Targeted rates	14,122	15,425	15,166	1,044	(259)
Subsidies and grants for operating purposes	7,957	6,888	6,988	(969)	100
Fees and charges	4,895	5,075	4,390	(505)	(685)
Interest and dividends from investments	66	72	342	276	270
Local authorities fuel tax, fines, infringement fees and other receipts	290	293	282	(8)	(11)
Total operating funding (A)	38,658	39,758	38,194	(464)	(1,564)
Applications of operating funding					
Payments to staff and suppliers	33,022	32,327	31,281	(1,741)	(1,046)
Finance costs	1,621	2,105	1,545	(76)	(560)
Other operating funding applications	0	0	0	0	0
Total applications of operating funding (B)	34,643	34,432	32,826	(1,817)	(1,606)
Surplus (deficit) of operating funding (A-B)	4,015	5,326	5,368	1,353	42
Sources of capital funding					
Subsidies and grants for capital expenditure	7,743	6,139	6,534	(1,209)	395
Increase (decrease) in debt	8,520	5,582	9,325	805	3,743
Gross proceeds from sale of assets	0	0	0	0	0
Lump sum contributions	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0
Total sources of capital funding (C)	16,263	11,721	15,859	(404)	4,138
Applications of capital funding					
Capital expenditure - to improve the level of service	7,182	6,657	10,889	3,707	4,232
Capital expenditure - to replace existing assets	14,359	11,498	11,151	(3,208)	(347)
Increase (decrease) in reserves	(1,263)	(1,108)	(813)	450	295
Total applications of capital funding (D)	20,278	17,047	21,227	949	4,180
Surplus (deficit) of capital funding (C-D)	(4,015)	(5,326)	(5,368)	(1,353)	(42)
Funding Balance ((A-B)+(C-D))	0	0	0	0	0

Prospective Statement of Comprehensive Revenue and Expense for the Year Ending 30 June 2026

(\$000's)	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026
Revenue			
Rates revenue including rates penalties	23,807	25,645	24,388
Metered water rates	1,251	1,385	1,350
Subsidies and grants	15,700	13,027	13,522
Dividend revenue	0	0	200
Interest revenue	66	72	142
Fees and charges	4,902	5,082	4,399
Other revenue including gains/(losses)	282	285	273
Total Revenue and Gains/(Losses)	46,008	45,496	44,274
Expenditure			
Employee benefit expenses	7,788	7,969	7,875
Depreciation and amortisation expense	10,018	10,665	10,778
Finance costs	1,622	2,103	1,545
Other expenses	24,068	23,129	22,953
Total Expenditure	43,496	43,866	43,151
Surplus/(Deficit)	2,512	1,630	1,123
Other Comprehensive Revenue and Expense			
Gains/(Losses) on revaluation of property, plant and equipment	2,735	28,163	31,531
Gains/(Losses) on cash flow hedges	0	0	(636)
Total Other Comprehensive Revenue and Expense	2,735	28,163	30,895
Total Comprehensive Revenue and Expense for the year	5,247	29,793	32,018

Prospective Statement of Changes in Equity for the Year Ending 30 June 2026

(\$000's)	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026
Opening balance at 1 July	698,549	703,796	688,599
Revaluation of property, plant and equipment	2,735	28,163	31,531
Gains/(Losses) on cash flow hedges	0	0	(636)
Net Income recognised directly in equity	2,735	28,163	30,895
Net Surplus/(Deficit) for the year	2,512	1,630	1,123
Total Recognised Income for the years ended 30 June	2,512	1,630	1,123
Total Comprehensive Revenue and Expense for the year	5,247	29,793	32,018
Balance at 30 June	703,796	733,589	720,617

Prospective Statement of Financial Position as at 30 June 2026

(\$'000's)	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026
Equity			
Accumulated funds	252,708	254,619	254,871
Council created reserves	20,555	20,274	18,573
Investment reserves	10,606	10,606	12,887
Hedging reserves	736	736	(120)
Revaluation reserve	419,191	447,354	434,406
Total Equity	703,796	733,589	720,617
Current Assets			
Cash and cash equivalents	1,553	1,553	1,593
Other financial assets	54	54	298
Inventory	134	137	120
Receivables under exchange transactions	466	476	543
Receivables under non exchange transactions	4,758	4,863	6,455
Derivative financial instruments	297	297	0
Total Current Assets	7,262	7,380	9,009
Current Liabilities			
Payables and deferred revenue under exchange transactions	5,620	5,743	5,877
Payables and deferred revenue under non exchange transactions	1,017	1,039	1,009
Current portion of borrowings	14,508	14,241	21,424
Provisions	4	4	2
Employee entitlements	884	903	701
Derivative financial instruments	0	0	100
Total Current Liabilities	22,033	21,930	29,113
Net Working Capital	(14,771)	(14,550)	(20,104)
Non Current Assets			
Property, plant and equipment	725,770	761,402	742,954
Intangible assets	7,208	7,228	5,441
Investment property	2,581	2,581	2,127
Other financial assets	664	639	758
Investment in CCO and Civic Financial Services Ltd	10,622	10,622	12,903
Derivative financial instruments	260	260	0
Total Non Current Assets	747,105	782,732	764,183
Non Current Liabilities			
Borrowings	28,000	34,000	22,991
Provisions	538	593	271
Derivative financial instruments	0	0	200
Total Non Current Liabilities	28,538	34,593	23,462
Net Assets	703,796	733,589	720,617

Prospective Statement of Cash Flows for Year Ending 30 June 2026

(\$'000's)	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026
Cashflows from Operating Activities			
Cash forecast to be provided from:			
Rates revenue (including penalties)	25,451	27,316	26,192
Subsidies and grants	15,700	13,027	13,522
Dividends Received	0	0	200
Property rentals	604	617	387
Petroleum tax	140	143	130
Interest revenue	66	72	142
Receipts from other revenue	4,440	4,608	4,155
	46,401	45,783	44,728
Cash forecast to be applied to:			
Payments to suppliers and employees	31,613	30,650	30,715
Elected members	541	582	600
Interest paid on borrowings	1,622	2,103	1,545
	33,776	33,335	32,860
Net Cash Inflows from Operating Activities	12,625	12,448	11,868
Cashflows from Investing Activities			
Cash forecast to be provided from:			
Proceeds from surrender/or sale of financial assets	0	25	0
	0	25	0
Cash forecast to be applied to:			
Purchase and development of property, plant and equipment	21,489	18,135	22,042
Purchase of intangible assets	50	20	0
Purchase of financial assets	125	0	251
	21,664	18,155	22,293
Net Cash Outflow from Investing Activities	(21,664)	(18,130)	(22,293)
Cashflows from Financing Activities			
Cash forecast to be provided from:			
Cash was provided from borrowings	24,039	20,682	23,925
	24,039	20,682	23,925
Cash forecast to be applied to:			
Repayment of borrowings	15,000	15,000	15,000
	15,000	15,000	15,000
Net Cash Inflows /(Outflows) from Financing Activities	9,039	5,682	8,925
Net increase/(decrease) in cash and cash equivalents	0	0	(1,500)
Cash and cash equivalents at the beginning of the year	1,553	1,553	3,093
Cash and cash equivalents at the end of the year	1,553	1,553	1,593
Cash at the end of the year represented by:			
Cash at bank and in hand	1,553	1,553	1,593

Prospective Statement of Public Debt for the Year Ending 30 June 2026

(\$000's)	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026
Opening Balance	33,419	42,508	35,439
Loans raised	24,089	20,733	23,976
Loans repaid	(15,000)	(15,000)	(15,000)
Closing Balance	42,508	48,241	44,415

Note: Loans raised or repaid shown in the Public Debt, Cash Flow and Statement of Financial Position prospective statements are based on budgeted cash flow requirements, which includes working capital movements and do not equate to either the internal loans drawn or the external loan repayments shown in the Prospective Statement of Funding Sources or the Prospective Funding Impact Statement.

Prospective Statement of Reserve Fund Movements for Council Created Reserves for the Year Ending 30 June 2026

(\$000's)	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026
Opening Balance	21,045	20,555	19,586
Transfer to/(from) Reserves	(490)	(281)	(1,013)
Closing Balance	20,555	20,274	18,573

Note: Reserves form part of Council's total equity which is matched by net assets (i.e assets less liabilities, both current and non-current). Reserves are not matched by available cash.

The use of reserves as a funding tool will therefore result in either a decrease in available cash, or when cash is not available, an increase in borrowings.

Prospective Depreciation and Amortisation Expense for the Year Ending 30 June 2026

(\$000's)	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026	Variation to Long Term Plan 2025	Variation to Long Term Plan 2026
Leadership	777	830	754	23	76
Community and Partnerships	10	11	13	3	2
Recreation and Property	1,584	1,658	1,673	89	15
Regulatory Services	15	16	19	4	3
Solid Waste	122	171	132	10	39
Stormwater	259	275	283	24	8
Wastewater	1,088	1,102	1,151	63	49
Water Supply	954	1,030	1,036	82	6
Roads and Footpaths	5,209	5,572	5,717	508	145
Total Forecast Depreciation and Amortisation	10,018	10,665	10,778	760	113

Forecast Capital Expenditure for the Year Ending 30 June 2026

(\$'000's)	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026	Variation to Long Term Plan 2025	Variation to Long Term Plan 2026
Leadership					
Investments	40	41	41	1	0
Overhead	668	579	539	128	40
	708	620	580	127	40
Community and Partnerships	3	0	0	3	0
Recreation and Property					
Park and Recreation	366	206	80	286	126
Housing and Other Property	57	64	351	294	287
Community Facilities	102	124	108	6	16
Public Facilities	568	143	72	496	71
	1,093	537	611	482	74
Regulatory Services	10	10	5	5	5
Solid Waste Management					
Waste Management	3,141	755	2,651	490	1,896
Stormwater					
Te Kūiti Urban Stormwater	1,708	1,708	1,060	648	648
Rural Stormwater	80	77	76	4	1
	1,788	1,785	1,136	652	649
Wastewater					
Te Kūiti	434	426	424	10	2
Te Waitere	7	7	7	0	0
Maniaiti/Benneydale	45	103	155	110	52
Piopia	7	59	138	131	79
	493	595	724	231	129
Water Supply					
Te Kūiti	4,988	5,113	7,812	2,824	2,699
Mōkau	205	199	299	94	100
Piopia	157	166	166	9	0
Maniaiti/Benneydale	49	50	50	1	0
	5,399	5,528	8,327	2,928	2,799
Roads and Footpaths					
Subsidised roading	8,770	8,186	8,007	763	179
Unsubsidised roading	136	139	0	136	139
	8,906	8,325	8,007	899	318
Total Forecast Capital Expenditure	21,541	18,155	22,041	501	3,886

Set out in the table below is the forecast capital projects for 2025/26 grouped by improvements in level of service (LOS) and renewals. The categorisation is based on the predominant reason for the expenditure as there can be an element of both LOS and renewals for a project. There are no projects forecast due to an increase in demand of a service.

The funding source for each project is provided, where "loan" indicates an internal loan will be raised to fund the project. Use of the asset replacement reserve (ARR) indicates that funding will be from the relevant depreciation reserve. Where "subsidy" has been indicated, subsidy is from an external funding source from Council. "Rates for local share" indicates that the expenditure will be funded directly from rates with the balance from NZTA subsidy.

Forecast Capital Expenditure Projects for Year Ending 30 June 2026

(\$'000's)	Annual Plan 2026	Funding Source	Classification
Leadership			
Information Services Hardware Improvements	40	ARR	LOS
Quarry Safety Improvements	41	Loan	
Information Services Hardware Renewals	107		
Motor Vehicle and Equipment Replacements	370	ARR	Renewals
Minor Renewals	21		
	579		
Recreation and Property			
Motakiora/Brook Park Improvements	10	Loan	LOS
Eketone Street Subdivision Improvements	331	Reserve	
Park Renewals	39	Loan	
Playground Renewals	31		
Minor Renewals	113	ARR	Renewals
Library Books Renewals	46		
Security Camera Renewals	41		
	611		
Regulatory Services	5	Loan	Renewals
Solid Waste			
Te Kūiti Transfer Station Improvements	1,907		LOS
Landfill Final Capping	600	Loan	
Minor Renewals	134		Renewals
Rural Transfer Station Improvements	10		
	2,651		
Stormwater			
Stormwater Improvements	271	Loan	
Stormwater Attenuation Ponds Design	250	Subsidy	LOS
Eketone Street Stormwater Improvements	120		
Stormwater Renewals	490	ARR and Loan	Renewals
Stormwater Discharge Resource Consent Renewals	5	ARR	
	1,136		
Wastewater			
Minor Improvements	15	Loan	LOS
Treatment Plant Renewals	348	Loan and ARR	
Te Kūiti Main Sewer Renewal	261	Loan	Renewals
Maniaiti/Benneydale Wastewater Resource Consent Renewal	100	ARR	
	724		
Water Supply			
Minor Improvements	68		
Water Supply Plan Improvements	269		LOS
Te Kūiti Resilience of Supply Improvements	7,000	Loan	
Treatment Plant Renewals	220		Renewals
Reticulation Renewals	518		
Mōkau Water Main Renewal	123		
Mōkau Water Supply Resource Consent Renewal	130		
	8,328		
Roads and Footpaths			
Crown Resilience Projects	1,220		
Other Road Renewals	101		
Drainage Renewals	357		
Pavement Rehabilitation	1,732	Subsidy and Rates for Local Share	Renewals
Sealed Surfacing Renewals	2,604		
Bridge and Bridge Structures Replacements	381		
Unsealed Road Metalling Renewals	898		
Emergency Reinstatement Renewals	714		
	8,007		
Total Forecast Capital Expenditure	22,041		

FUNDING IMPACT STATEMENT AND RATING INFORMATION

Introduction

Council is required under clause 20 of Schedule 10 of the Local Government Act 2002 (LGA) to adopt a Funding Impact Statement.

The Funding Impact Statement provides a summary of Council's funding sources and how the funds are to be applied, as well as the detailed rate requirement for the 2025/26 financial year.

The Funding Impact Statement represents the fiscal outcome from the Revenue and Financing Policy. The Revenue and Financing Policy is available on Council's website www.waitomo.govt.nz

Rates Remissions and Postponements

Remissions

Council has developed a Rates Remissions Policy as per LGA (section 102 (3)(a), 108 and 109) and Local Government (Rating) Act 2002 (LGRA) (Section 85). Remission categories include Properties Used Jointly as a Single Unit, Community Organisations and Clubs and Societies, Penalties, Financial Hardship, Organisations Providing Care for the Elderly, New Residential Subdivisions, Māori Freehold Land, Cases of Land Affected by Natural Calamity, New Businesses and Rates and/or Penalties following a rating sale or abandoned land sale. The estimated value of these rates remissions is \$180,500 (excluding GST) for the 2025/26 year.

Postponements

Under the Rates Remission Policy, Council will not offer any permanent postponements of rates.

Separately Used or Inhabited Part of a Rating Unit (SUIP)

Council has resolved that the basis of calculating liability for the Uniform Annual General Charge (UAGC) and for certain targeted fixed rates (TFRs), will be the number of 'separately used or inhabited parts' (SUIPs) of rating units.

Council sets TFRs in all rating areas of the District on a SUIP basis for provision of:

- Water Supplies
- Wastewater Systems
- Solid Waste
- Solid Waste Collection
- Aquatic Centre
- Rural Stormwater

Definition of SUIP

A separately used or occupied part of a rating unit includes any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner.

For the avoidance of doubt, a rating unit that has only one use (i.e. does not have separate parts or is vacant land) is treated as being one SUIP.

1. STATEMENT OF FUNDING SOURCES

The table on the following page provides a summary of the funding sources for the 2025/26 year. Council's Revenue and Financing Policy and work programmes form the basis for the funding forecasts. The table is produced on a GST exclusive basis.

2. FUNDING CAP FOR UNIFORM CHARGES

Section 21 of the LGRA requires that revenue from certain rates must not exceed 30% of total rates revenue. Those rates include Uniform Annual General Charges and Targeted Rates that are set on a uniform basis.

Council is not in breach of the Funding Cap for this Annual Plan. The uniform charges for 2025/26 are 13.1% of the total rates revenue.

3. SETTING OF THE UNIFORM ANNUAL GENERAL CHARGE (UAGC)

Council will set the value of the UAGC annually taking the following factors into consideration:

- Adherence to the legislative cap (UAGC to be maximum of 30% of total rates excluding any fixed rate charges for water or wastewater) and;
- Set the amount of UAGC such that it is as fair as possible to all ratepayers and in consideration of the principles of affordability and sustainability and;
- The LGCI (Local Government Cost Indicator) for that year.

Prospective Statement of Funding Sources for the Year Ending 30 June 2026

(\$'000's)	Long Term Plan 2025	Long Term Plan 2026	Annual Plan 2026	Variation to Long Term Plan 2025	Variation to Long Term Plan 2026
Targeted Rates and Services Charges					
Wastewater	2,713	2,936	3,041	328	105
Water Supply	2,463	2,910	2,671	208	(239)
Metered Water Supply Rates	1,251	1,385	1,350	99	(35)
Piopio Retirement Village Contribution	13	13	16	3	3
District Rooding Rate	5,197	5,339	5,322	125	(17)
Solid Waste Rate	1,337	1,584	1,590	253	6
Solid Waste Collection	230	235	251	21	16
Stormwater	918	1,023	925	7	(98)
Forecast Total Targeted Rates and Service Charges	14,122	15,425	15,166	1,044	(259)
General Rate	9,242	9,873	9,434	192	(439)
UAGC	1,727	1,765	1,232	(495)	(533)
Rates Penalties Revenue	360	368	360	0	(8)
Forecast General Rates and UAGC Requirement	11,329	12,006	11,026	(303)	(980)
Forecast Total Rates Requirement	25,451	27,431	26,192	741	(1,239)
Change in Rates Requirement		1,980	741		
Percentage Change	11.07%	7.78%	2.91%		
Other Revenue Sources					
Subsidises and Grants	15,700	13,027	13,522	(2,178)	495
Interest Revenue	66	72	142	76	70
Dividend Revenue	0	0	200	200	200
Fees and Charges	5,184	5,367	4,672	(512)	(695)
Total Other Revenue	20,950	18,466	18,536	(2,414)	70
Other Funding Sources					
Internal Loan Raised	11,557	9,204	12,610	1,053	3,406
Total Funding Sources	57,958	55,101	57,338	(620)	2,237
Funding applied to					
Operating Expenditure	43,889	44,268	43,604	(285)	(664)
Capital Expenditure	21,539	18,155	22,041	502	3,886
Internal Loan Repayments	3,038	3,625	3,286	248	(339)
Debt Repayment From Dividend	0	0	200	200	200
Reserve transfers and non-funding of depreciation	(10,508)	(10,947)	(11,793)	(1,285)	(846)
Total Funding Applied	57,958	55,101	57,338	(620)	2,237

4. GENERAL RATE

Description and Use

The General Rate set on every rating unit across the District is assessed as a rate per \$100 of capital value. The General Rate is not set differentially. The rationale for assessing the General Rate using capital value is contained in the Revenue and Financing Policy.

The General Rate will contribute to the funding of:

- Leadership
- Other Land and Buildings
- District Libraries
- Aquatic Centre
- Les Munro Centre
- Aerodrome
- Public Facilities
- Parks and Reserves
- Elderly Persons Housing
- Community Halls
- Cemeteries
- Community Development
- Economic Development
- District Promotion
- Emergency Management
- Regulatory Services
- Waste Minimisation
- Resource Management
- Gallagher Recreation Centre

Requirement in 2025/26 (incl. GST)

General Rate	Rate per \$100 capital value	Total Revenue Requirement (\$000)
All rating units in the district	0.22791	10,849

5. UNIFORM ANNUAL GENERAL CHARGE

Description and Use

Council will set a Uniform Annual General Charge (UAGC) per separately used or inhabited part of a rating unit across the District under Section 15(1) (b) of the LGRA. The rationale for use of the UAGC is contained in the Revenue and Financing Policy.

The UAGC will contribute to the funding of:

- Leadership
- Other Land and Buildings
- District Libraries
- Aquatic Centre
- Les Munro Centre
- Aerodrome
- Public Facilities
- Parks and Reserves
- Elderly Persons Housing
- Community Halls
- Cemeteries
- Community Development
- Economic Development
- District Promotion
- Emergency Management
- Regulatory Services
- Waste Minimisation

- Resource Management
- Gallagher Recreation Centre

Requirement in 2025/26 (incl. GST)

UAGC	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the district	\$250	1,417

6. TARGETED RATES

Description and Use

Rates which can fund a particular activity or group of activities and can apply to certain areas, categories or to certain ratepayers.

The matters and categories used to define categories of rateable land and calculate liability for targeted rates are set out in the Local Government (Rating) Act 2002 Schedule 2 and Schedule 3 and enable categories of land to be defined by some factor, such as geographic location, provision of service, area or the use to which the land is put.

The titles of 'Targeted Rate' ('TR') and Targeted Fixed Rate (TFR) are used by this Council. Targeted Fixed Rates are based on a uniform amount set per separately used or inhabited part of a rating unit (SUIP) or set per rating unit. Targeted Rates are assessed based on capital value or water consumption.

6.1. Targeted rates differentiated on Location

Council will use location (Schedule 2(6) LGRA) to define the land liable for the Piopio Retirement Village Contribution TFR, Rural Stormwater TFR, Te Kūiti Urban Stormwater TFR and targeted rate.

The following location definitions for the respective rating areas will apply:

Te Kūiti Urban Rating Area	<i>All rating units situated within the Te Kūiti Urban Rating Area (Refer to Revenue and Financing Policy for further details)</i>
Rural Rating Area	<i>All rating units situated within the Rural Rating Area (Refer to Revenue and Financing Policy for further details)</i>
Piopio Township	<i>All rating units connected or with the ability to connect to the Piopio Wastewater System (Refer to Revenue and Financing Policy for further details)</i>
Piopio Wider Benefit Rating Area	<i>All rating units situated in the rural areas around Piopio Township (excluding Rating units/SUIPs connected or with the ability to connect to the Piopio Wastewater System) that are deemed to indirectly benefit from the Piopio Wastewater reticulation network. (Refer to Revenue and Financing Policy for further details)</i>

6.2. Differentials and factors of liability

Targeted rates may be set differentially, with different categories of land attracting a different level of rate.

Council has chosen to differentiate the District Roding Rate into two categories and will use the 'use to which the land is put' to define land liable for these rates (schedule 2 (1) LGRA).

Differential Category Definitions

The following land use categories and differential factors will apply to the District Roding Rate:

(a) District Roding Rate - General

All rating units in the district excluding those properties categorised as differential b) below.

The District Roding Rate – General category will have a differential factor of 1.0.

(b) District Roding Rate -Forestry Exotic

Rating units that have been assigned the FE category code (Forestry Exotic) by Council's Valuation Service Provider and/or properties that are partially used for forestry.

The District Roding Rate – Forestry Exotic category will have a differential factor of 3.0.

Properties with a mixed use

Where rating units have a mixed forestry use (eg; pastoral and exotic forestry), and the area of exotic forestry is 20 hectares or more, the rating unit will be apportioned to enable the district roding rate to be charged correctly.

The portion used for exotic forestry will be charged the differential of 3.0 and the remaining portion will be charged the differential of 1.0.

6.3. District Roding Rates

Description and Use

Council will set a differential TR on every rating unit within the district differentiated on the basis of use. The TR will be assessed as a rate per \$100 of capital value to part fund the Roads and Footpaths Activity. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2025/26 (incl. GST)

Roding Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
District Roding Rate - General	0.12546	5,777
District Roding Rate - Forestry Exotic	0.37639	343

6.4. Piopio Retirement Village Contribution TFR

Description and Use

Council will set a TFR per rating unit situated within the Piopio Township and the Piopio Wider Benefit Rating Area to fund the support of the continued delivery of elderly housing accommodation services provided by the Piopio Retirement Trust Board through the remission of service charges. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2025/26 (incl. GST)

Piopio Retirement Village Contribution (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
Piopio Wider Benefit Rating Area and Piopio Township	\$24	18

6.5. Rural Stormwater TFR

Description and Use

Council will set a TFR per separately used or inhabited part of a rating unit in the Rural Rating Area of the District to fund the Rural Stormwater Activity.

Requirement in 2025/26 (incl. GST)

Rural Stormwater (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Rural Rating Area	\$22	76

6.6. Te Kūiti Urban Stormwater TFR and Targeted Rate

Description and Use

- Council will set a TFR per rating unit in the Te Kūiti Urban Rating Area to partly fund the Te Kūiti Urban Stormwater Activity.
- Council will set a Targeted Rate to partly fund the Te Kūiti Urban Stormwater Activity, to be assessed as a rate per \$100 of Capital value on every rating unit in the Te Kūiti Urban Rating Area excluding those in respect of which there is a current resource consent to discharge stormwater into the Mangaokewa Stream, and so are not using any part of the urban reticulated stormwater or drainage network.

Requirement in 2025/26 (incl. GST)

Te Kūiti Urban Stormwater (TFR)	Charge Per Rating Unit	Total Revenue Requirement (\$000)
Te Kūiti Urban Rating Area	\$193	355

Requirement in 2025/26 (incl. GST)

Te Kūiti Urban Stormwater Targeted Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Te Kūiti Urban Rating Area (excluding rating units not using network)	0.08108	632

6.7. Water Supply RatesDescription and Use

Council will set a TFR for Water Supply differentiated on the basis of supply area.

The TFR is set per separately used or inhabited part of a rating unit within Te Kūiti and Rural Communities (Piopio, Maniaiti /Benneydale and Mōkau), with liability calculated based on whether the SUIP is connected, or merely serviceable (Serviceable means the rating unit is within 100m of water main and practicably serviceable in the opinion of Council).

Requirement in 2025/26 (incl. GST)

Water Supply (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Te Kūiti	\$966	\$483	2,079
Piopio	\$1356	\$678	337
Maniaiti / Benneydale	\$1356	\$678	170
Mōkau	\$1356	\$678	302

Council will set a TR per cubic metre of water consumed over and above an annual consumption of 292m³ per SUIP, differentiated by supply area that has been fitted with a water meter and/or is defined as having an extraordinary supply (in accordance with Council's Water Services Bylaw).

Requirement in 2025/26 (incl. GST)

Water Supply Rate (TR)	2025/26 Charge per cubic metre (including GST) above 292m ³
Te Kūiti	\$4.61
Piopio	\$5.03
Maniaiti / Benneydale	\$5.55
Mōkau	\$7.37
Total Revenue Requirement (\$000)	1,553

Metered Water Supply Due Dates

	Reading Period	Due Date
Te Kūiti Meat Companies	Monthly	15 th of the month following invoice
Te Kūiti, Piopio, Mōkau and Maniaiti / Benneydale	Jul-Dec 2025 Jan-Jun 2026	15 th of the month following invoice

6.8. District Wide Benefit Rate for Water SupplyDescription and Use

Council will set a TFR on every rating unit within the District to part fund the water supply activities. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2025/26 (incl. GST)

District Wide Benefit Rate Water Supply (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$40	184

6.9. Wastewater RatesDescription and Use

Council will set a TFR to provide for the collection and disposal of sewage. The TFR is set per separately used or inhabited part of a rating unit within the District, with liability calculated based on whether the SUIP is connected to the wastewater network, or merely serviceable (Serviceable means the rating unit is within 30m of sewer reticulation and practicably serviceable in the opinion of Council).

Requirement in 2025/26 (incl. GST)

Wastewater (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Te Kūiti (Residential only)	\$1300	\$650	2,286
Maniaiti / Benneydale (Residential and Non-residential)	\$1300	\$650	151
Te Waitere (Residential and Non-residential)	\$1300	\$650	26
Piopio (Residential and Non-residential)	\$1300	\$650	273

Wastewater rates for non-residential properties in Te Kūiti

Description and Use

For all non-residential properties in Te Kūiti, Council will assess a Targeted Fixed Rate per SUIP set on a differential basis based on the following categories:

- **Category 1** - All Businesses
- **Category 2** - Education & Community Childcare, Places of Worship, Marae, Clubs and Societies and Emergency Services. This category consists of organisations that are generally deemed 'not for profit'. For avoidance of doubt, Category 2 only covers properties with uses listed within this category and no others.
- **Category 3** - Government Department use, Rest Homes and Hospitals.

All non-residential SUIPs will be charged one base charge for up to four pans and per pan (Pan Charge) for every pan over and above this threshold on the following basis:

Requirement in 2025/26 (incl. GST)

Base Charge:

Non – residential Targeted Rate (TFR)	Base Charge Per SUIP (up to 4 pans)	Per serviceable SUIP	Total Revenue Requirement (\$000)
Category 1	\$650	\$650	132
Category 2	\$650	\$650	29
Category 3	\$1,300	\$650	22

Pan Charge:

Non – residential Targeted Rate (TFR)	Number of Pans	Charge per pan (pan charge)	Total Revenue Requirement (\$000)
Category 1	5 th pan and over	\$910	94
Category 2	5-10 Pans	\$390	6
	Over 10 Pans	\$260	31
Category 3	5 th Pan and over	\$910	56

The rationale for the use of this rate is contained in the Revenue and Financing Policy.

6.10. Trade Waste Contribution TFR

Description and Use

A Trade Waste Contribution TFR will be set per rating unit in the District in recognition of the contribution made to the social and economic well-being of the District by the large industrial users of the Te Kūiti Wastewater Network. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2025/26 (incl. GST)

Trade Waste Contribution (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$42	194

6.11. District Wide Benefit Rate for Wastewater

Description and Use

Council will set a TFR on every rating unit within the District to part fund the wastewater activities. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2025/26 (incl. GST)

District Wide Benefit Rate Wastewater (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$43	198

6.12. Solid Waste Collection Rate

Description and Use

Council will set a TFR per separately used or inhabited part of a rating unit to which Council provides a kerbside collection and recycling service differentiated by service areas where Council operates kerbside collection and kerbside recycling services (Te Kūiti, Piopio, Mōkau (including Awakino) communities and Waitomo Village and some surrounding parts).

Requirement in 2025/26 (incl. GST)

Solid Waste Collection (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kūiti	\$71	150
Waitomo	\$76	52
Piopio	\$160	38
Mōkau	\$174	49

6.13. Solid Waste Rate

Description and Use

Council will set a TFR per separately used or inhabited part of a rating unit District wide to part fund the solid waste activity.

Requirement in 2025/26 (incl. GST)

Solid Waste (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
All Rating Units in the District	\$330	1,828

7. RATES PAYMENTS

Pursuant to Section 24 of the Local Government (Rating) Act 2002, rates for the financial year commencing **1 July 2025** will be payable in four equal instalments with the due dates for payment being:

1st Instalment	29 August 2025 (Friday)
2nd Instalment	28 November 2025 (Friday)
3rd Instalment	27 February 2026 (Friday)
4th Instalment	29 May 2026 (Friday)

Note

The due date for payment of each instalment is the last working day in each of the months specified above.

Rates payments will be allocated to the oldest debt first.

Penalties

Pursuant to sections 57 and 58 of the Local Government (Rating) Act 2002, Council may apply penalties as follows:

- (a) A penalty charge of 10 percent (10%) on any part of an instalment that has been assessed for the financial year commencing 1 July 2025 and which remains unpaid after 5pm on the due date for payment of that instalment, to be added on the penalty dates below:

Instalment 1	2 September 2025
Instalment 2	2 December 2025
Instalment 3	3 March 2026
Instalment 4	2 June 2026

- (b) A further penalty charge of 10 percent (10%) on any part of any rates assessed before 1 July 2025 that remains unpaid on 1 July 2025, to be added on 7 July 2025.
- (c) No penalties will be charged where a ratepayer is paying rates by direct debit or where there is an approved payment arrangement in place.



RATES EXAMPLES

Rates Examples 2025/26

(Including GST) Capital Value \$ as at September 2024	Te Kūiti Residential \$450,000 2025/26	Te Kūiti Commercial \$375,000 2025/26	Te Kūiti Wider Rating Area \$1,070,000 2025/26	Waitomo Commercial \$1,160,000 2025/26 (2 parts)	Maniaiti/ Benneydale Residential \$160,000 2025/26	Piopio Residential \$335,000 2025/26	Piopio Wider Rating Area \$670,000 2025/26	Mōkau Residential \$505,000 2025/26	Drystock Rural \$4,380,000 2025/26	Dairy Farm Rural \$5,970,000 2025/26 (4 parts)	Te Waitere Residential \$420,000 2025/26
Capital Value Change due to Revaluation	2%	-17%	6%	-14%	28%	-1%	9%	4%	6%	0%	0%
Uniform Annual General Charge (UAGC)	250	250	250	500	250	250	250	250	250	1,000	250
General Rate	1,026	855	2,439	2,644	365	763	1,527	1,151	9,982	13,606	957
District Roding Rate	565	470	1,342	1,455	201	420	841	634	5,495	7,490	527
District Benefit Water	40	40	40	40	40	40	40	40	40	40	40
District Benefit Wastewater	43	43	43	43	43	43	43	43	43	43	43
Stormwater Urban Fixed Charge	193	193	0	0	0	0	0	0	0	0	0
Stormwater Urban Capital Value	365	304	0	0	0	0	0	0	0	0	0
Stormwater (Rural)	0	0	22	44	22	22	22	22	22	88	22
Water Supply (Te Kūiti and Rural)	966	966	0	0	1,356	1,356	0	1,356	0	0	0
Wastewater (Uniform)	1,300	650	0	0	1,300	1,300	0	0	0	0	1,300
Piopio Retirement Village Contribution	0	0	0	0	0	24	24	0	0	0	0
Te Kūiti Trade Waste Contribution	42	42	42	42	42	42	42	42	42	42	42
Solid Waste Management - District	330	330	330	660	330	330	330	330	330	1,320	330
Solid Waste Collection & Recycling	71	71	76	152	0	160	0	174	0	304	0
Proposed Total Rates 2025/26	5,191	4,214	4,584	5,580	3,949	4,750	3,119	4,042	16,204	23,933	3,511
Total Rates (Actual) 2024/25	5,010	4,499	4,599	6,591	3,587	4,548	3,107	3,966	16,096	25,120	3,477
Change (%)	3.6%	-6.3%	-0.3%	-15.3%	10.1%	4.5%	0.4%	1.9%	0.7%	-4.7%	1.0%
Change (\$)	181	-285	-15	-1,011	362	202	12	76	108	-1,187	34

Rates Examples 2024/25

(Including GST)
Capital Value \$ as at September 2021

	Te Kūiti Residential \$440,000 2024/25	Te Kūiti Commercial \$450,000 2024/25	Te Kūiti Wider Rating Area \$1,005,000 2024/25	Waitomo Commercial \$1,350,000 2024/25 (2 parts)	Maniaiti/ Benneydale Residential \$125,000 2024/25	Piopio Residential \$340,000 2024/25	Piopio Wider Rating Area \$615,000 2024/25	Mōkau Residential \$485,000 2024/25	Drystock Rural \$4,130,000 2024/25	Dairy Farm Rural \$5,970,000 2024/25 (4 parts)	Te Waitere Residential \$420,000 2024/25
Uniform Annual General Charge (UAGC)	350	350	350	700	350	350	350	350	350	1,400	350
General Rate	1,048	1,072	2,394	3,216	298	810	1,465	1,156	9,840	14,224	1,001
District Roding Rate	580	593	1,325	1,780	165	448	811	639	5,445	7,871	554
District Benefit Water	61	61	61	61	61	61	61	61	61	61	61
District Benefit Wastewater	63	63	63	63	63	63	63	63	63	63	63
Stormwater Urban Fixed Charge	187	187	0	0	0	0	0	0	0	0	0
Stormwater Urban Capital Value	371	379	0	0	0	0	0	0	0	0	0
Stormwater (Rural)	0	0	20	40	20	20	20	20	20	80	20
Water Supply (Te Kūiti and Rural)	856	856	0	0	1,202	1,202	0	1,202	0	0	0
Wastewater (Uniform)	1,111	555	0	0	1,111	1,111	0	0	0	0	1,111
Piopio Retirement Village Contribution	0	0	0	0	0	20	20	0	0	0	0
Te Kūiti Trade Waste Contribution	41	41	41	41	41	41	41	41	41	41	41
Solid Waste Management - District	276	276	276	552	276	276	276	276	276	1,104	276
Solid Waste Collection & Recycling	66	66	69	138	0	146	0	158	0	276	0
Total Rates (Actual) 2024/25	5,010	4,499	4,599	6,591	3,587	4,548	3,107	3,966	16,096	25,120	3,477

Rates Examples 2025/26 – Residential and Lifestyle

(Including GST) Capital Value \$ as at Sep 2024	Te Kūiti Average Residential \$375,000 2025/26	Piopio Average Residential \$300,000 2025/26	Maniaiti / Benneydale Average Residential \$165,000 2025/26	Mōkau Average Residential \$425,000 2025/26	Te Waitere Average Residential \$440,000 2025/26	Low Value Residential \$155,000 2025/26	High Value Residential \$780,000 2025/26	Low Value Lifestyle \$285,000 2025/26	Average Value Lifestyle \$640,000 2025/26	High Value Lifestyle \$1,240,000 2025/26
Capital Value Change due to Revaluation	1%	28%	24%	35%	0%	24%	0%	36%	7%	3%
Uniform Annual General Charge (UAGC)	250	250	250	250	250	250	250	250	250	250
General Rate	855	684	376	969	1,003	353	1,778	650	1,459	2,826
District Roding Rate	470	376	207	533	552	194	979	358	803	1,556
Stormwater Urban Fixed Charge	193	0	0	0	0	0	193	0	0	0
Stormwater Urban Capital Value	304	0	0	0	0	0	632	0	0	0
Stormwater (Rural)	0	22	22	22	22	22	0	22	22	22
Water Supply (Te Kūiti and Rural)	966	1,356	1,356	1,356	0	1,356	966	0	0	0
Wastewater (Uniform)	1,300	1,300	1,300	0	1,300	1,300	1,300	0	0	0
Solid Waste Management - District	330	330	330	330	330	330	330	330	330	330
Solid Waste Collection & Recycling	71	160	0	174	0	0	71	76	0	76
Piopio Retirement Village Contribution	0	24	0	0	0	0	0	0	0	0
Te Kūiti Trade Waste Contribution	42	42	42	42	42	42	42	42	42	42
District Wide Benefit Water	40	40	40	40	40	40	40	40	40	40
District Wide Benefit Sewerage	43	43	43	43	43	43	43	43	43	43
Proposed Total Rates 2025/26	4,864	4,627	3,966	3,759	3,582	3,930	6,624	1,811	2,989	5,185
Total Rates (Actual) 2024/25	4,693	4,160	3,616	3,337	3,550	3,587	6,554	1,657	3,032	5,321
Change (%)	3.7%	11.2%	9.7%	12.6%	0.9%	9.6%	1.1%	9.2%	-1.4%	-2.6%
Change (\$)	171	467	350	422	32	343	70	154	-43	-136

Rates Examples 2024/25 – Residential and Lifestyle

(Including GST) Capital Value \$ as at Sep 2021	Te Kūiti Average Residential	Piopio Average Residential	Maniaiti / Benneydale Average Residential	Mōkau Average Residential	Te Waitere Average Residential	Low Value Residential	High Value Residential	Low Value Lifestyle	Average Value Lifestyle	High Value Lifestyle
	\$370,000	\$235,000	\$133,000	\$315,000	\$440,000	\$125,000	\$780,000	\$210,000	\$600,000	\$1,200,000
	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25
Uniform Annual General Charge (UAGC)	350	350	350	350	350	350	350	350	350	350
General Rate	882	560	317	751	1,048	298	1,858	500	1,430	2,859
District Roading Rate	488	310	175	415	580	165	1,028	277	791	1,582
Stormwater Urban Fixed Charge	187	0	0	0	0	0	187	0	0	0
Stormwater Urban Capital Value	312	0	0	0	0	0	657	0	0	0
Stormwater (Rural)	0	20	20	20	20	20	0	20	20	20
Water Supply (Te Kūiti and Rural)	856	1,202	1,202	1,202	0	1,202	856	0	0	0
Wastewater (Uniform)	1,111	1,111	1,111	0	1,111	1,111	1,111	0	0	0
Piopio Retirement Village Contribution	276	276	276	276	276	276	276	276	276	276
Solid Waste Management - District	66	146	0	158	0	0	66	69	0	69
Solid Waste Collection & Recycling	0	20	0	0	0	0	0	0	0	0
Te Kūiti Trade Waste Contribution	41	41	41	41	41	41	41	41	41	41
District Wide Benefit Water	61	61	61	61	61	61	61	61	61	61
District Wide Benefit Wastewater	63	63	63	63	63	63	63	63	63	63
Total Rates (Actual) 2024/25	4,693	4,160	3,616	3,337	3,550	3,587	6,554	1,657	3,032	5,321

Rates Examples 2025/26 – Pastoral, Dairy and Commercial

(Including GST) Capital Value \$ as at Sep 2024	Low Value Pastoral \$870,000 2025/26	Average Value Pastoral \$2,620,000 2025/26	High Value Pastoral \$11,300,000 2025/26 (4 parts)	Low Value Dairy \$1,240,000 2025/26	Average Value Dairy \$3,650,000 2025/26 (3 parts)	High Value Dairy \$16,700,000 2025/26 (7 parts)	Low Value Commercial \$435,000 2025/26	Average Value Commercial \$740,000 2025/26	High Value Commercial \$12,300,000 2025/26 (2 parts & 11 pans)
Capital Value Change due to Revaluation	2%	4%	3%	14%	0%	14%	-18%	-20%	-12%
Uniform Annual General Charge (UAGC)	250	250	1,000	250	750	1,750	250	250	500
General Rate	1,983	5,971	25,754	2,826	8,319	38,061	991	1,687	28,033
District Roding Rate	1,092	3,287	14,177	1,556	4,579	20,952	546	928	15,432
Stormwater Urban Fixed Charge	0	0	0	0	0	0	193	193	193
Stormwater Urban Capital Value	0	0	0	0	0	0	353	600	9,973
Stormwater (Rural)	22	22	88	22	66	154	0	0	0
Water Supply (Te Kūiti and Rural)	0	0	0	0	0	0	966	966	1,932
Wastewater (Uniform)	0	0	0	0	0	0	650	650	4,030
Piopio Retirement Village Contribution	0	24	0	0	0	0	0	0	0
Solid Waste Management - District	330	330	1,320	330	990	2,310	330	330	660
Solid Waste Collection & Recycling	0	0	0	76	228	532	71	71	142
Te Kūiti Trade Waste Contribution	42	42	42	42	42	42	42	42	42
District Wide Benefit Water	40	40	40	40	40	40	40	40	40
District Wide Benefit Wastewater	43	43	43	43	43	43	43	43	43
Proposed Total Rates 2025/26	3,802	10,009	42,464	5,185	15,057	63,884	4,475	5,800	61,020
Total Rates (Actual) 2024/25	3,957	10,157	43,163	4,914	15,781	59,389	4,863	6,680	70,496
Change (%)	-3.9%	-1.5%	-1.6%	5.5%	-4.6%	7.6%	-8.0%	-13.2%	-13.4%
Change (\$)	-155	-148	-699	271	-724	4,495	-388	-880	-9,476

Rates Examples 2024/25 – Pastoral, Dairy and Commercial

(Including GST) Capital Value \$ as at Sep 2021	Low Value Pastoral \$850,000 2024/25	Average Value Pastoral \$2,520,000 2024/25	High Value Pastoral \$10,920,000 2024/25 (4 parts)	Low Value Dairy \$1,090,000 2024/25	Average Value Dairy \$3,640,000 2024/25 (3 parts)	High Value Dairy \$14,650,000 2024/25 (7 parts)	Low Value Commercial \$530,000 2024/25	Average Value Commercial \$930,000 2024/25	High Value Commercial \$14,000,000 2024/25 (2 parts & 11 pans)
Uniform Annual General Charge (UAGC)	350	350	1,400	350	1,050	2,450	350	350	700
General Rate	2,025	6,004	26,017	2,597	8,672	34,904	1,263	2,216	33,355
District Roading Rate	1,121	3,322	14,397	1,437	4,799	19,315	699	1,226	18,458
Stormwater Urban Fixed Charge	0	0	0	0	0	0	187	187	187
Stormwater Urban Capital Value	0	0	0	0	0	0	446	783	11,794
Stormwater (Rural)	20	20	80	20	60	140	0	0	0
Water Supply	0	0	0	0	0	0	856	856	1,712
Wastewater	0	0	0	0	0	0	555	555	3,441
Piopio Retirement Village Contribution	0	20	0	0	0	0	0	0	0
Solid Waste Management - District	276	276	1,104	276	828	1,932	276	276	552
Solid Waste Collection & Recycling	0	0	0	69	207	483	66	66	132
Te Kūiti Trade Waste Contribution	41	41	41	41	41	41	41	41	41
District Wide Benefit Water	61	61	61	61	61	61	61	61	61
District Wide Benefit Wastewater	63	63	63	63	63	63	63	63	63
Total Rates (Actual) 2024/25	3,957	10,157	43,163	4,914	15,781	59,389	4,863	6,680	70,496

Rates Examples 2025/26 – Forestry

(Including GST) Capital Value \$ as at September 2024	Low Value Forestry \$175,000 2025/26	Average Value Forestry \$1,294,000 2025/26	High Value Forestry \$3,257,000 2025/26	Highest Value Forestry \$13,695,000 2025/26	Mixed Use Forestry \$1,910,000 2025/26
Capital Value Change due to Revaluation	9%	13%	4%	8%	10%
Uniform Annual General Charge (UAGC)	250	250	250	250	250
General Rate	399	2,949	7,423	31,212	4,353
District Roding Rate - Forestry Exotic	659	4,870	12,259	51,547	2,522
District Roding Rate	0	0	0	0	1,556
Stormwater (Rural)	22	22	22	22	22
Piopia Retirement Village Contribution	0	24	24	0	0
Solid Waste Management - District	330	330	330	330	330
Te Kūiti Trade Waste Contribution	42	42	42	42	42
District Wide Benefit Water	40	40	40	40	40
District Wide Benefit Wastewater	43	43	43	43	43
Proposed Total Rates 2025/26	1,785	8,570	20,433	83,486	9,158
Total Rates (Actual) 2024/25	1,828	8,062	20,605	80,940	9,377
Change (%)	-2.4%	6.3%	-0.8%	3.1%	-2.3%
Change (\$)	-43	508	-172	2,546	-219

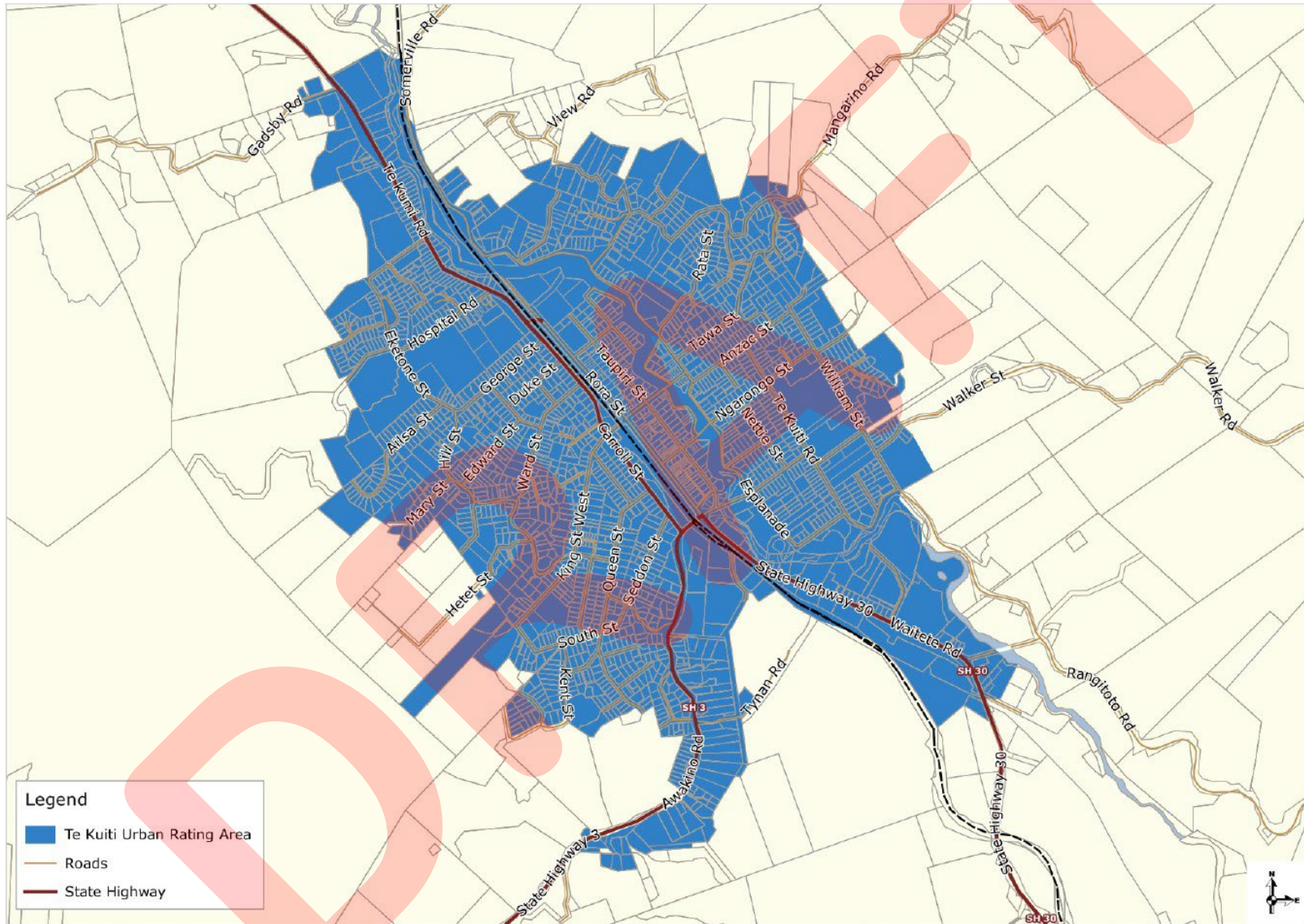
Rates Examples 2024/25 – Forestry

(Including GST) Capital Value \$ as at September 2021	Low Value Forestry \$160,500 2024/25	Average Value Forestry \$1,141,000 2024/25	High Value Forestry \$3,120,000 2024/25	Highest Value Forestry \$12,643,000 2024/25	Mixed Use Forestry \$1,740,000 2024/25
Uniform Annual General Charge (UAGC)	350	350	350	350	350
General Rate	382	2,718	7,433	30,122	4,479
District Roding Rate - Forestry Exotic	635	4,513	12,341	50,007	2,413
District Roding Rate	0	0	0	0	1,674
Stormwater (Rural)	20	20	20	20	20
Piopio Retirement Village Contribution	0	20	20	0	0
Solid Waste Management - District	276	276	276	276	276
Te Kūiti Trade Waste Contribution	41	41	41	41	41
District Wide Benefit Water	61	61	61	61	61
District Wide Benefit Wastewater	63	63	63	63	63
Total Rates (Actual) 2024/25	1,828	8,062	20,605	80,940	9,377

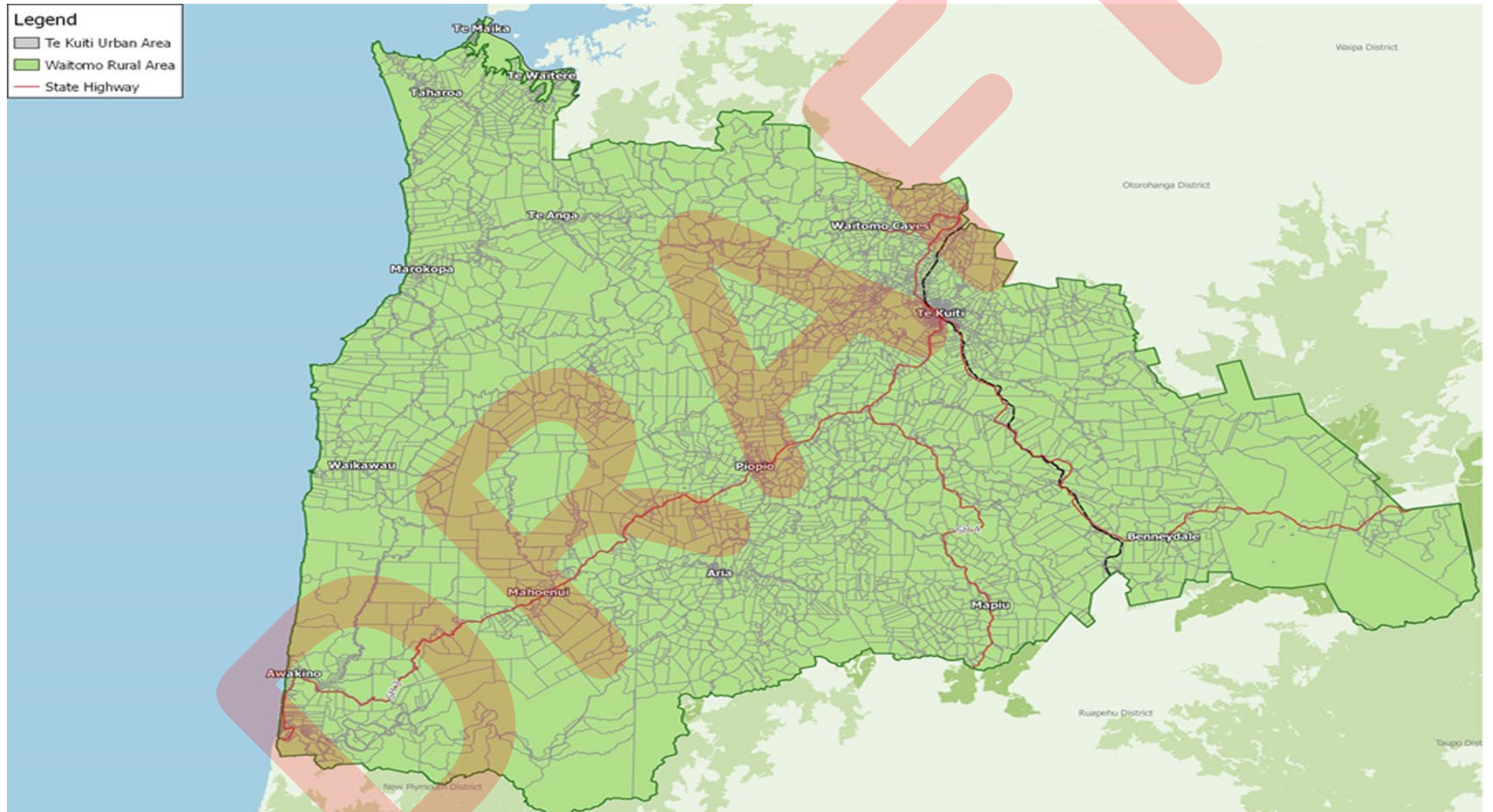


RATING MAPS

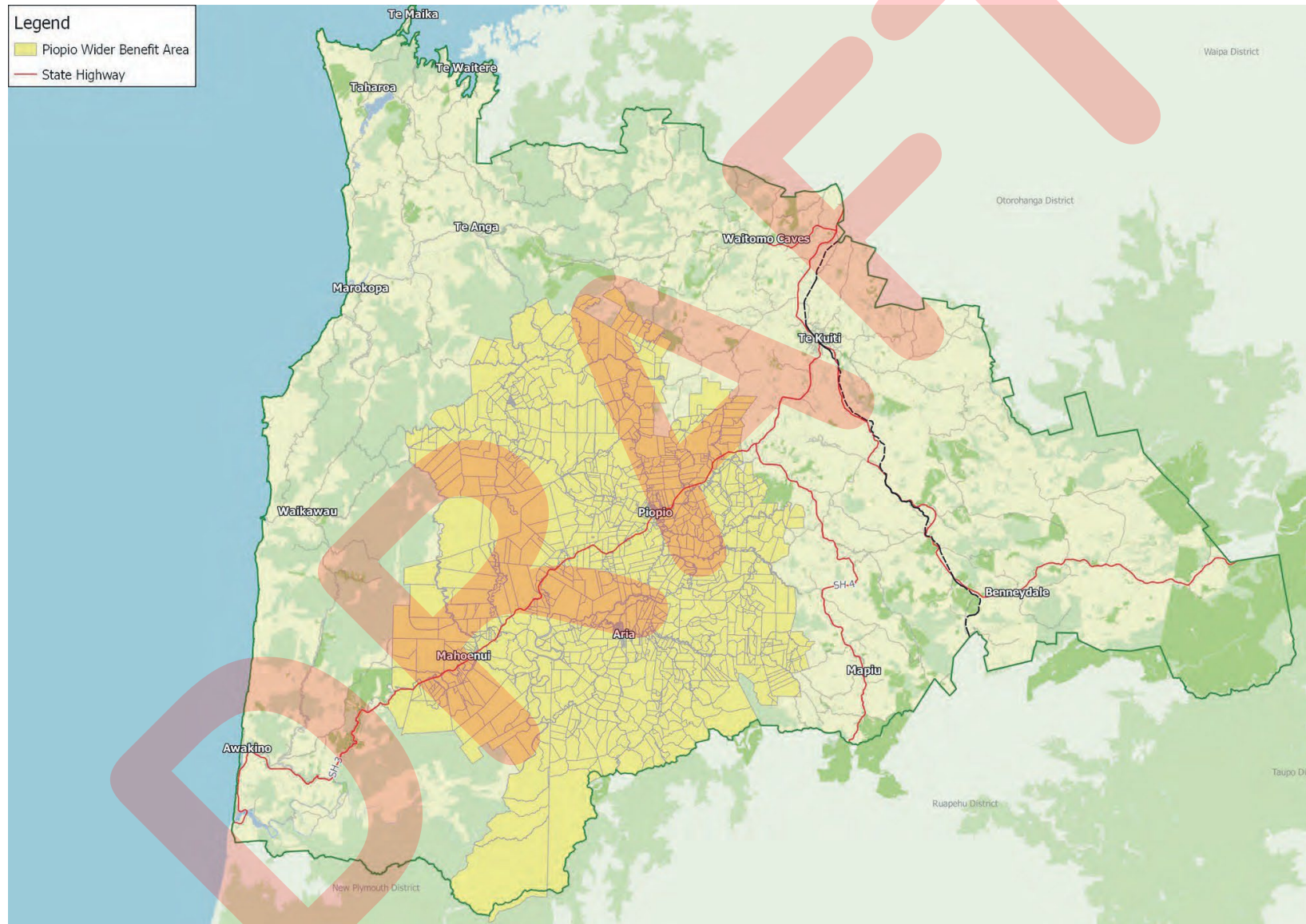
Te Kūiti Urban Rating Area



Rural Rating Area



Pioppo Wider Benefit Rating Area



PROSPECTIVE STATEMENT OF RESERVE FUNDS

The Council maintains reserves as a sub-part of its equity. Schedule 10(16) Local Government Act 2002 requires certain information on Reserve Funds to be included in the Council's Long Term Plan. The following represents a Summary of Reserve Funds over the period of the plan and provides information on:

- The purpose of the Reserve Fund;
- The activity to which the fund relates;
- The amount expected to be in the fund at:
 - the commencement of the year to which the LTP relates; and
 - the end of the last year to which the LTP relates; and
- The amount expected to be deposited in the fund in the period to which the LTP relates; and
- The amount expected to be withdrawn from the fund in the period to which the LTP relates.

OPERATIONAL RESERVES (1)

Operational reserves are created to hold shortterm funding surpluses/(deficits) arising from the various activities of Council. A deficit may occur when operating expenditure exceeds budget, operating revenue is less than budget or a combination of both.

A balance in the operational reserve forms part of the Council's funding considerations for a particular activity in the subsequent years budget. Council ensures that rates collected for a particular activity from an identified group of ratepayers are used only for that activity and for the benefit of that identified ratepayer.

DEPRECIATION RESERVES (2)

The Council sets aside accumulated funds from rates in specific Depreciation Reserves to fund The Council sets aside accumulated funds from rates in specific Depreciation Reserves to fund repayments on loans raised for capital expenditure and to maintain the service capacity and integrity of assets throughout their useful lives. Council ensures that funds accumulated for a particular activity from an identified group of ratepayers can only be used for that activity and for the benefit of that identified group. The purpose of the Depreciation Reserves is to ensure that Council's ability to provide services to the District's communities is maintained.

SPECIAL PURPOSE RESERVES (3)

Council maintains special purpose reserves to hold specific funds in relation to an activity. There are currently five special purposes reserves held as follows:

- Gallagher Recreation Centre reserve is to hold funds specially for the operation of the stadium as detailed in the property sharing agreement.

- Community Housing Strategy Reserve is to implement a housing strategy for the district.
- District Development Reserve funds were received from the Development King Country Trust in April 2012 with the intention to set up a Waitomo District Development Board.
- Carbon credits reserve is used to record the funding and expenditures in relation to Council's responsibilities for the Emissions Trading Scheme.
- Waste Minimisation Levy Reserve - The waste minimisation reserve is used to record the funding and expenditure in relation to the Council's share of the waste disposal levy received from Central Government under the Waste Minimisation Act 2008. The funds received are required to be expended on initiatives and projects to promote or achieve waste minimisation in accordance with the Council's Waste Management and Minimisation Plan.

OTHER RESERVES (4)

- **Investment Revaluation Reserves** - Council investment activities include its subsidiary company. Council is obliged to periodically review the value of its investment in its subsidiary. Investment revaluation reserves are therefore created when the value of Council's investment either increases or decreases as a result of that revaluation.
- **Cashflow Hedging Reserve** - comprises the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges.
- **Property Revaluation Reserves** - relates to the revaluation of property, plant and equipment to fair value.

Prospective Statement of Council Created Reserve Funds for the Year Ending 30 June 2025

(\$'000'S)	Projected Reserve Balance 30 June 2025	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Forecast Reserve Balance 30 June 2026
Operational Reserves (1)				
Leadership				
Representation, Strategy and Engagement	1,049	0	(10)	1,039
Investments	1,121	0	0	1,121
	2,170	0	(10)	2,160
Community and Partnerships	1,814	6	0	1,820
Recreation and Property				
Parks and Recreation	1,164	0	0	1,164
Housing and Property	668	0	0	668
Forestry Harvesting and Replanting	405	0	(30)	375
Community Facilities				
- Library	50	0	0	50
- Aquatic Centre	51	0	0	51
- Les Munro Centre	258	0	0	258
- Aerodrome	31	0	0	31
- Gallagher Recreation Centre	35	0	0	35
Public Facilities	614	0	0	614
	3,276	0	(30)	3,246
Regulatory Services	853	0	0	853
Regulatory Services	500	0	0	500
Emergency Management	426	0	0	426
Natural Disaster	1,779	0	0	1,779
Resource Management	194	0	0	194
Solid Waste				
Kerbside Collection	231	0	(123)	85
Waste Disposal	(940)	0	0	(940)
Waste Minimisation	10	0	0	10
	(699)	0	(123)	(822)
Stormwater				
Te Kūiti	101	0	0	101
Rural	182	0	0	182
	283	0	0	283
Wastewater	3,143	0	(1,101)	2,042
Water Supply	(3,500)	0	0	(3,500)
Roads and Footpaths				
Subsidised Roads	(334)	0	0	(334)
Unsubsidised Roads	587	0	0	587
	253	0	0	253
Total Operational Reserves	8,713	6	(1,264)	7,455

(\$'000'S)	Projected Reserve Balance 30 June 2025	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Forecast Reserve Balance 30 June 2026
Depreciation Reserves (2)				
Leadership	8	0	0	8
Community and Partnerships	69	8	0	77
Visitor Information	69	8	0	77
Recreation and Property				
Parks and Recreation	241	154	(31)	364
Housing and Property				
- Elder Persons	223	26	(7)	242
- Community Halls	811	0	0	811
- Land and Buildings	353	107	(125)	335
Community Facilities				
- Library	760	106	(54)	812
- Aquatic Centre	28	55	(45)	38
- Les Munro Centre	914	271	(32)	1,153
- Aerodrome	112	15	(5)	122
Public Facilities	350	217	(143)	424
	3,792	951	(442)	4,301
Regulatory Services	(20)	19	0	(1)
	(20)	19	0	(1)
Solid Waste	(1,017)	132	(308)	(1,193)
	(1,017)	132	(308)	(1,193)
Stormwater				
Te Kūiti	363	254	(342)	275
Rural	70	13	(3)	80
	433	267	(345)	355
Wastewater	316	896	(949)	263
Water Supply	436	709	(583)	562
Roads and Footpaths				
Subsidised Roads	5,733	0	0	5,733
Unsubsidised Roads	230	58	(26)	262
	5,963	58	(26)	5,995
Business Support				
Business Support	908	506	(168)	1,246
Plant	(138)	242	(371)	(267)
	770	748	(539)	979
Total Depreciation Reserves	10,750	3,788	(3,192)	11,346
Special Purpose Reserves (3)				
Gallagher Recreation Centre	82	64	0	146
Community Housing Strategy	(150)	0	(382)	(532)
District Development	16	0	0	16
	(52)	64	(382)	(370)
Solid Waste				
Carbon Credits	5	0	0	5
Waste Minimisation Reserve	170	24	57	137
	175	24	57	142

(\$000'S)	Projected Reserve Balance 30 June 2025	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Forecast Reserve Balance 30 June 2026
Total Special Purpose Reserves	123	88	(439)	(228)
Total Council Created Reserves	19,586	3,882	(4,895)	18,571
Net Movement in Council Created Reserves			(1,013)	
Other Reserves (4)				
Investment Revaluation Reserves	12,887	0	0	12,887
Cashflow Hedging Reserve	516	0	(636)	(120)
Property Revaluation Reserves	402,875	31,531	0	434,406
Total Council and Other Reserves	435,864	35,413	(5,531)	465,746

Note: Credit balances indicate that the reserve is overdrawn.

Reconciliation between the Prospective Statement of Council Created Reserve Funds and other Statements

(\$000'S)	Annual Plan 2026
Prospective Statement of Council Created Reserve Funds	
Forecast Reserve Deposits	3,882
Forecast Reserve Withdrawals	(4,895)
Net Deposit to/(Withdrawal from) Council Created Reserves	(1,013)
Prospective Statement of Funding Sources	
Reserve Transfers	(11,793)
Less Total Depreciation Expense	10,780
Net funding from Reserves	(1,013)
Variance	0
Prospective Funding Impact Statement: Whole of Council	
Increase (decrease) in reserves	(813)
Plus dividend received applied to debt	(200)
Net funding from Reserves	(1,013)
Variance	0

ACCOUNTING POLICIES

STATEMENT OF RESPONSIBILITY

The Annual Plan 2025/26 was adopted by Council on **30 June 2025**.

The purpose of the plan is to provide a roadmap to the Council and community on the planned activities and expenditure of Council over the next year. The use of this information for purposes other than for which it is prepared may not be appropriate.

Council is responsible for the prospective financial statements presented, including the appropriateness of the underlying assumptions and related disclosures. The prospective financial statement have been prepared in compliance with the PBE FRS 42 Prospective Financial Statements.

Council, who are authorised to do so, believe the assumptions underlying the Prospective Financial Statements are appropriate and as such, adopted the Annual Plan 2025/26 on **30 June 2025**.

No actual financial results have been incorporated within the prospective financial statements.

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Waitomo District Council is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's activities is the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The financial information contained within the Annual Plan 2025/26 may not be appropriate for purposes other than those described.

Basis of Preparation

The prospective financial statements are for Waitomo District Council as a separate legal entity. Consolidated prospective financial statements comprising the Council and its controlled entities and associates have not been prepared.

STATEMENT OF COMPLIANCE

The prospective financial statements have been prepared in accordance with the requirements of the LGA, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The prospective financial statements have been prepared in accordance with Tier 1 PBE (Public Benefit Entity) accounting standards.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

PRESENTATION CURRENCY AND ROUNDING

The reporting period for these prospective financial statements is the year ending 30 June 2026. The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000's), unless otherwise stated.

MEASUREMENT BASIS

The measurement basis applied is historical cost, modified by the revaluation of land and buildings, certain infrastructural assets and financial instruments and investment property. The accrual basis of accounting has been used unless otherwise stated.

For the assets and liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. For investment property, the fair value is determined by reference to market value. The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction.

REVENUE

Revenue comprises rates, revenue from operating activities, grant revenue, interest revenue, and other revenue and is measured at the fair value of consideration received or receivable.

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Council and the revenue can be reliably measured.

Revenue may be derived from either exchange or non-exchange transactions. These are defined as:

Exchange transactions

Exchange transactions are transactions where the Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

The following specific recognition criteria must also be met before revenue is recognised.

RATES REVENUE

Rates are set annually by resolution from the Council and relate to a particular financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates revenue is recognised as revenue when rates are levied. Rates arising from late payment penalties are recognised when rates become overdue. Rates revenue is classified as non-exchange revenue.

NZTA WAKA KOTAHI ROADING SUBSIDIES

The Council receives funding assistance from Waka Kotahi, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled. Road subsidies are classified as non-exchange revenue.

OTHER SUBSIDIES AND GRANTS RECEIVED

Other subsidies and grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grants are satisfied. Other subsidies and grants received are classified as non-exchange revenue.

FEES, LEVIES & CHARGES

Other fees, levies and charges are recognised as revenue when the obligation to pay arises or, in the case of licence fees, upon renewal of the licence. Fees, levies and charges are classified as non-exchange revenue.

INTEREST REVENUE

Revenue is recognised using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument. Interest revenue is classified as exchange revenue.

SALE OF GOODS

The sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer. This revenue is classified as exchange revenue.

PROPERTY RENTAL REVENUE

Rental revenue arising on property owned by the Council is accounted for on a straight-line basis over the lease term. Property rental revenue is generally classified as non-exchange.

DONATED, SUBSIDISED OR VESTED ASSETS

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised when the control of the asset is transferred to Council. The fair value of this asset is recognised as revenue, unless there is a use or return condition attached to the asset and is classified as non-exchange revenue.

EXPENDITURE

Expenditure is recognised when Council has been supplied with the service or has control of the goods supplied.

GRANT EXPENDITURE

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

DEPRECIATION AND AMORTISATION

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

BORROWING COSTS

Borrowing costs are recognised in the period in which they are incurred.

INCOME TAX

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantially enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the Statement of Financial Position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business

combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus of deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly into equity.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

INVENTORY

Inventory held for use in the provision of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The amount of any write down from the loss of service potential or from cost to net realisable value is recognised in surplus or deficit in the period of the write down.

RECEIVABLES

Short-term receivables are recorded at the amount due, less an allowance for Expected Credit Losses (ECL).

The Council apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are "written-off"

when remitted in accordance with the Council's rates remission policy; and

- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and
- 90B (in relation to Māori freehold land) of the local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

OTHER FINANCIAL ASSETS

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and

- fair value through surplus and deficit (FVTSD)

Transaction costs are included in the value of the financial asset at initial recognition unless the it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, NZLGF borrower notes, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and group designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Other than for derivatives, the Council and group has no instruments in this category.

Expected credit loss allowance (ECL)

The Council and group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls. Which is the difference between the cash flows due to Council and group in accordance with the contract and the cash flows it expects to receive. ECLs

are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and group's historical experience and informed credit assessment and including forward-looking information.

The Council and group consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

Unlisted shares in the subsidiary and other companies

Investments in subsidiaries and other companies is carried in Council and group financial statements in the following way;

- Investment in the subsidiary is carried at fair value through other comprehensive revenue and expense (FVTOCRE).
- Investments in other companies is carried at cost, which materially approximate their fair value.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are used to manage exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses of derivatives that are not hedge accounted are recognised in surplus or deficit.

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current, if the remaining maturity of the hedged items is less than 12 months.

The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realized within 12 months of balance date is classified as

current, with the remaining portion of the derivative classified as non-current.

HEDGE ACCOUNTING

The Council designates certain derivatives as either:

- Hedges of highly probable forecast transactions (cash flow hedge); or
- Derivatives that do not qualify for hedge accounting.

The Council documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Council also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedge transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

CASH FLOW HEDGE

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive revenue and expense, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit as part of finance costs.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive revenue and expense are classified into surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects the surplus or deficit. However, if it is expected that all or a portion of a loss recognised in other comprehensive revenue and expense will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated gains and losses that were recognised in other comprehensive revenue and expense will be included in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective is reclassified from equity to surplus or deficit.

HEDGE INEFFECTIVENESS

Hedge ineffectiveness in a hedge relationship can arise from:

- Differences in the timing of cash flows of the hedged items and hedging instruments
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments
- The counterparties credit risk effecting fair value movements of hedging instruments and hedged items.

PAYABLES

Payables are recognised at their face value when the Council becomes obligated to make future payments resulting from the purchase of goods or services.

Payables may be derived from either exchange or non-exchange transactions. These are defined as:

Exchange transactions

Exchange transactions are transactions where the Council receives assets (primarily cash) goods, assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash) to another entity in exchange.

Payables from exchange transactions include payables to suppliers, retention monies and payables for elected members and director's fees.

Non-exchange transactions

A non-exchange transaction is a transaction where Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Non exchange payables include payables for GST, deposits and bonds held and deferred grant revenue.

BORROWINGS

Borrowings on normal commercial terms are initially recognised as the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balances.

GOOD AND SERVICES TAX (GST)

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Prospective Statement of Financial Position.

Where the Council is not in possession or issued a valid tax invoice at balance date, the GST portion is not accounted for in either receivables or payables.

Commitments and contingencies are disclosed exclusive of GST.

PROVISIONS

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in finance costs.

LANDFILL POST CLOSURE COSTS

Council has a legal obligation under its resource consents held for both open and closed landfills to provide for ongoing maintenance and monitoring at the landfill sites after closure. A provision for post closure costs is recognised as a liability when the obligation for post closure expenditure arises.

The provision is a measure based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure. Amounts provided for landfill post closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill post closure asset is depreciated over its useful life.

EMPLOYEE ENTITLEMENTS

Short-Term Employee Entitlements

Employee benefits expected to be settled within 12 months after the end of the period which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and entitlements expected to be settled within 12 months, and sick leave.

A liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at

balance date, to the extent that Council anticipates it will be used by staff to cover those future absences.

LEASES

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases recognised as assets and liabilities in the Prospective Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

A finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment consists of operational assets, restricted assets, and infrastructural assets.

OPERATIONAL ASSETS

Operational assets are tangible assets, able to be dealt with as part of the operating strategy and include land, buildings, furniture and fittings, computer hardware, plant and equipment, library books, and motor vehicles.

INFRASTRUCTURAL ASSETS

Infrastructural assets are the fixed utility systems providing an ongoing service to the community, but are not generally regarded as tradable. They include infrastructural land, roads, water reticulation systems, solid waste assets, sewerage reticulation systems, stormwater systems, and land under roads.

RESTRICTED ASSETS

Restricted assets cannot be disposed of because of legal and other restrictions but provide a benefit or service to the community. These are mainly assets associated with reserves vested under the Reserves Act, endowments and other property held in Trust for specific purposes.

ADDITIONS

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

DISPOSALS

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit. When revalued assets are sold, the amounts included in the property revaluation reserves in respect of those assets are transferred to accumulated funds.

SUBSEQUENT COSTS

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

The costs of day to day servicing and maintenance of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

DEPRECIATION

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, land under roads, work in progress and those assets in the tables below that are not depreciated, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Operational Assets

Operational assets are depreciated on a straight line basis. The estimated useful lives are as follows:

Operational buildings	15-100 years
Plant and equipment	4-13 years
Motor vehicles	5-7 years
Furniture and fittings	5-30 years
Computers	4-5 years
Library books	7 years
Archive books	No depreciated

Infrastructural Assets

Infrastructural assets are depreciated on a straight line basis. The estimated useful lives are as follows:

Roads and Footpaths

Pavement formation	Not depreciated
Pavement subbase	160 years or not depreciated
Pavement base	120 years or not depreciated
Sealed surface	10 – 80 years
Metal surface	Not depreciated
Bridges and major culverts	60-100 years
Retaining walls and other structures	20-100 years
Footpaths and footpath crossings	50-80 years
Drainage and culverts	60-80 years
Kerbs and channels	80 years
Stormwater channels	Not depreciated
Guard rails	20-50 years
Streetlights and Poles	Lanterns 20-25 years, poles and brackets 30-60 years

Road signs	Signs 15-20 years, Signposts 40 years
Resource consents	10-35 years

Water Supply Assets

Pipes	60-120 years
Fire hydrant valves	75 years
Meters	30 years
Tobies	60 years
Pump stations	20-100 years
Dam structures	100 years
Reservoir structures	80 years
Treatment plants	5-100 years
Resource consents	11-35 years or not depreciated
Valves	75-100 years

Waste Water Assets

Pipes	50-120 years
Manholes	100 years
Separator tanks	50 years
Pump stations	15-100 years
Treatment Plants	15-100 years
Resource consents	15-35 years

Stormwater Assets

Pipes	60-120 years
Manholes and Cesspits	100 years
Resource consents	20 years

Solid Waste Assets

Landfill cells and earthworks	Not depreciated
Building and shelters	15-60 years
Oxidation ponds	80 years
Roading & driveways	12-80 years
Weighbridges & automatic gates	15-50 years
Bins and containers	15-80 years
Retaining walls	25 years
Fencing and other assets	15-50 years
Resource consents	30-35 years

The depreciation rates are applied at a component level and are dependent on the remaining useful life for each component. The residual value and useful life on an asset is reviewed and adjusted where applicable at each balance date.

Restricted Assets

Restricted assets are depreciated on a straight line basis as follows:

Restricted Buildings	15 – 100 years
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REVALUATIONS

Revaluations of property, plant and equipment are on a class of asset basis.

Land and buildings (operational and restricted) and infrastructural assets (except for land under roads) are revalued with sufficient regularity to ensure that their carrying value does not materially differ from fair value and at least every three years. The carrying values of revalued items are assessed annually to

ensure that they do not differ materially from fair value. If there is a material difference, then that asset class is revalued earlier than the three yearly planned revaluation.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to a property revaluation reserve in equity for that class of asset. Where this should result in a debit balance in the revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then in other comprehensive revenue and expense.

REVALUATION OF RESTRICTED ASSETS

Land and buildings in the restricted asset class are assets subject to either restrictions on use, or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land or buildings under a bequest or donation that restricts the purpose for which the assets can be used).

INTANGIBLE ASSETS

Computer Software

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The costs associated with maintaining computer software are recognised as an expense as incurred. The costs associated with the development and maintenance of the Council's website are recognised as an expense as incurred. Staff training costs are recognised in the surplus or deficit when incurred.

Carbon Credits

Purchased carbon credits are recognised at cost on acquisition. They are not amortised but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Service Concession Asset

Through a property sharing agreement with the Te Kūiti High School Board of Trustees and the Ministry of Education for the Gallagher Recreation Centre, Council is enabled to offer recreational and sporting services to the wider community. This arrangement is recognised as a service concession asset which is an intangible asset and is recognised at cost.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life for software. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates for software and service concession assets (GRC-licence to use the facility) have been estimated as follows:

Computer software	2 - 5 years
Service Concession Asset	35 years

FORESTRY ASSETS

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected future cash flows discounted at a current market determined rate. The calculation is based on assessment of growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains and losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. This condition is regarded as met only when the sale is highly probable and the assets (or disposal group) is available for immediate sale in its present condition and the sale of the asset (or disposal group) is expected to be completed within 12 months from the date of classification. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value less costs to sell are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as assets held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

INVESTMENT IN UNLISTED SHARES

Council has an interest (1.6%) in a Council Controlled Organisation (CCO); Waikato Local Authority Shared Services Limited. Council has no significant influences over operational or financial policies of the company.

Council has an interest (0.15%) in Civic Financial Services Ltd. Council has no significant influence over the company's operation of financial policies.

Council has interest (0.04%) in New Zealand National Mutual Riskpool. Council has no significant influence on operational or financial policies.

These three investments are carried at fair value through other comprehensive revenue and expense (FVTOCRE), however because there is no active market for these shares as they are unlisted and quoted market prices for similar financial assets are not available, their cost currently approximates their fair value.

INVESTMENT PROPERTY

Investment property are held primarily for capital growth, rental or similar revenue. Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs. After initial recognition, it is measured at fair value, determined annually by an independent valuer. Gains or losses arising from a change in fair value are recognised within surplus or deficit.

COST ALLOCATION

The Council has derived the cost of service for each significant activity. Direct costs are expensed directly to the activity. Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. These costs are allocated to Council activities using appropriate cost drivers such as resource use, staff numbers and floor area. All overhead costs have been allocated to significant activities.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Property, plant and equipment and intangible assets that have a finite useful life are reviewed annually for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

Value in use for non-cash generating assets

Non cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use cash generating assets

Cash generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash generating assets and cash generating units is the present value of expected future cash flows.

EQUITY

Equity is the community's interest in the Council, and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Accumulated funds;
- Other reserves; and
- Property revaluation reserves.

Other Reserves

Other reserves are a component of equity and consist of Council created reserves, investment revaluation reserves and the hedging reserve.

Council created reserves include operational reserves where separate revenue streams are held, depreciation reserves which are held for funding internal loan repayments or asset renewals, and special purpose reserves. Some reserves are restricted and only be used for their stated purpose unless revised by the group through reference to the courts or the affected third parties.

The investment revaluation reserves relate to revaluations of council's shareholdings in its subsidiary and or other companies.

The cashflow hedging reserve relates to cumulative changes in the net value of derivatives for hedges that are deemed affective.

PROPERTY REVALUATION RESERVES

Property revaluation reserves relates to the revaluation of property, plant and equipment to fair value.

EMISSIONS TRADING SCHEME (ETS)

The regulations for landfill methane emissions under the New Zealand Emissions Trading Scheme (NZ ETS) require waste disposal facility operators to surrender New Zealand Units (NZU's) by 31 May of each year to

match their emissions of the preceding calendar year. The cost of meeting ETS obligations is mandatory and Council is required to surrender NZU's for the landfill methane emissions associated with the Waitomo District Landfill. NZU's that are purchased to meet these liabilities are recognised at cost and subsequently recognised at cost subject to impairment. Where there is an obligation to return units the expense and liability are recognised and are measured at the carrying value of units on hand plus the fair value of any additional units required.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of prospective financial statements using PBE standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy. The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates. Further information around assumptions used in this Annual Plan can be found in the 2024-2034 LTP.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

Interest Rate Assumption

The interest rate assumption has been revised to a weighted average interest rate of 4.33% for this AP 25/26 (LTP 23/24: 2.75%) to reflect the expected interest rate for 2025/26 based on anticipated market conditions.

Estimates that affect Balance Sheet carrying values

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill Aftercare Provision

The Council has a legal obligation under resource consents for open and closed landfills to provide ongoing maintenance and monitoring service at the sites after closure. A provision for post closure costs is recognised as a liability when the obligation for post closure arises.

The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

Infrastructural Assets

There are a number of assumptions and estimates used when performing discounted replacement cost valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset. For example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes situated underground. This risk is minimised by

the Council performing a combination of physical inspections and condition modelling assessments of underground assets;

- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or underestimating the annual depreciation charge recognised as an expense in the surplus or deficit.

To minimise this risk the Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives the Council further assurance over its useful life estimates.

Infrastructural assets are revalued on a 3 yearly basis by an independent valuer.

Property, plant and equipment useful lives and residual values

At each balance date the Council reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Council to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Council, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the Prospective Statement of Financial Position. The Council minimises the risk of this estimation uncertainty with:

- Physical inspection of assets;
- Asset replacement programs;
- Review of second hand market prices for similar assets; and
- Analysis of prior asset sales.

Council has not made significant changes to past assumptions concerning useful lives and residual values.

Local Water Done Well

Central government is implementing a water services reform programme called Local Water Done Well that is intended to ensure all New Zealanders have safe, clean and affordable water services.

Council consulted with the community on options for the future of water services in April 2025. Council has resolved to transfer water and wastewater assets to a regional CCO at 1 July 2026.

Council must develop a Water Services Delivery Plan (WSDP) by 3 September 2025. The WSDP must outline future water services delivery arrangements and for councils to commit to an implementation plan.

Council continues to recognise its water and wastewater assets in accordance with these accounting policies. There has been no adjustment in these prospective financial statements to reflect the expected future transfer of assets to the new water entity. As further details are established this may require adjustments to Councils water and wastewater assets either in respect of disclosure or measurement.

Valuation of Investment in Inframax Construction Limited

The investment in Inframax Construction Limited was revalued as at 30 June 2024 and resulted in a valuation range of \$11.0m to \$14.8m with a mid-point of \$12.883 for the investment. After consideration of the subsidiary's financial statements and forecasts, Council adopted the mid-point valuation of \$12.883m to be fair value at 30 June 2024.

Experienced independent valuers performed the valuation of the investment in Inframax Construction Limited at 30 June 2024. The valuers used the capitalisation of earnings approach, consistent with the previous valuation, using a number of estimates and assumptions to establish a suitable level of earnings and a market derived multiple, all based on historical and forecast financial performance information.

In deriving the valuation, a number of developments were noted by the valuers. The valuers used the capitalisation of earnings approach, consistent with the previous valuation, using a number of estimates and assumptions to establish a suitable level of earnings and a market derived multiple, all based on historical and forecast financial performance information. In deriving the valuation, a number of developments were noted by the valuers. These included the renewal of the Waitomo District Council contract and the end of the Taupo District Council contract and disestablishment of company's operations in Taupo.

It has been assumed that there has been no change in the value of the investment in Inframax Construction Ltd over the life of this plan.

COMPARATIVES

To ensure consistency with the current year, certain comparative information is reclassified where appropriate. This could occur where:

- Classifications have changed between periods;
- The Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; and

- There has been a change of accounting policy.

**PUBLIC BENEFIT ENTITY FINANCIAL REPORTING
STANDARD 42 PROSPECTIVE FINANCIAL
STATEMENTS (PBE FRS 42)**

The Council has complied with PBE FRS 42 in the preparation of these prospective financial statements. In accordance with PBE FRS 42, the following information is provided:

- (i) Description of the nature of the entity's current operation and its principal activities;

The Council is a territorial local authority, as defined in the Local Government Act 2002. The Council's principal activities are outlined within this Annual Plan.

- (ii) Purpose for which the prospective financial statements are prepared;

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span one year and include them within the Annual Plan. This provides an opportunity for ratepayers and residents to review the projected financial results and position of the Council. Prospective financial statements are revised annually to reflect updated assumptions and costs.

- (iii) Bases for assumptions, risks and uncertainties;

The financial information has been prepared on the basis of best estimate assumptions as the future events which the Council expects to take place. The Council has considered factors that may lead to a material difference between information in the prospective financial statements and actual results.

These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within this Annual Plan.

- (iv) Cautionary Note;

The financial information is prospective. Actual results are likely to vary from the information presented and the variations may be material.

- (v) Other Disclosures;

The prospective financial statements were authorised for issue on 30 June 2025 by Waitomo District Council.

The Council is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures.

The Information for this Annual Plan is prospective and as such contains no actual operating results.

RATING BASE INFORMATION

The projected number of rating units within our district at 30 June 2025 is 5,976.

The projected total capital value of rating units within our district at 30 June 2025 is \$4,999,740,400.

The projected total land value of rating units within our district at 30 June 2025 is \$3,233,509,700.

ANNUAL PLAN DISCLOSURE STATEMENT

FOR THE YEAR ENDING 30 JUNE 2026

WHAT IS THE PURPOSE OF THIS STATEMENT?

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Financial Reporting and Prudence Benchmarks	Description	Annual Plan 2025/26	Met [Yes/No]
Rates (Income) Affordability Benchmark	The quantified limit is total rates revenue will be limited to an average of 75% of total operating expenditure	60%	Yes
Rates (Increases) Affordability Benchmark	The quantified limit is total rates increases will be limited to an average rate increase of 6% over the ten years of the LTP 2024-34.	3.83%	Yes
Debt Affordability Benchmark	The quantified limit is total net debt will not exceed 165% of total revenue	97%	Yes
Debt Affordability Benchmark	The quantified limit is the ratio of net interest will not exceed 20% of annual rates	5%	Yes
Balanced Budget Benchmark	The benchmark is met if planned revenue equals or is greater than planned operating expenditure	103%	Yes
Essential Services Benchmark	The benchmark is met if planned capital expenditure on network services equals or is greater than expected depreciation on network services	222%	Yes
Debt Servicing Benchmark	The benchmark is met if its planned borrowing costs is equal or is less than 10% of planned revenue	3%	Yes

NOTES

1. Rates Affordability Benchmark

- i For this benchmark
 - (a) Council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in the Council's Long Term Plan; and
 - (b) Council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in the Council's Long Term Plan.
- ii Council meets the rates affordability benchmark if:
 - (a) Its planned rates income for the year equals or is less than each quantified limit on rates; and
 - (b) Its planned rates increases for the year equal or are less than each quantified limit on rates increases.

2. Debt Affordability Benchmark

- i For this benchmark, Council's planned borrowing is compared with quantified limits on borrowing contained in the financial strategy included in Council's Long Term Plan.
- ii The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

3. Balanced Budget Benchmark

- i For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).
- ii The council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

4. Essential Services Benchmark

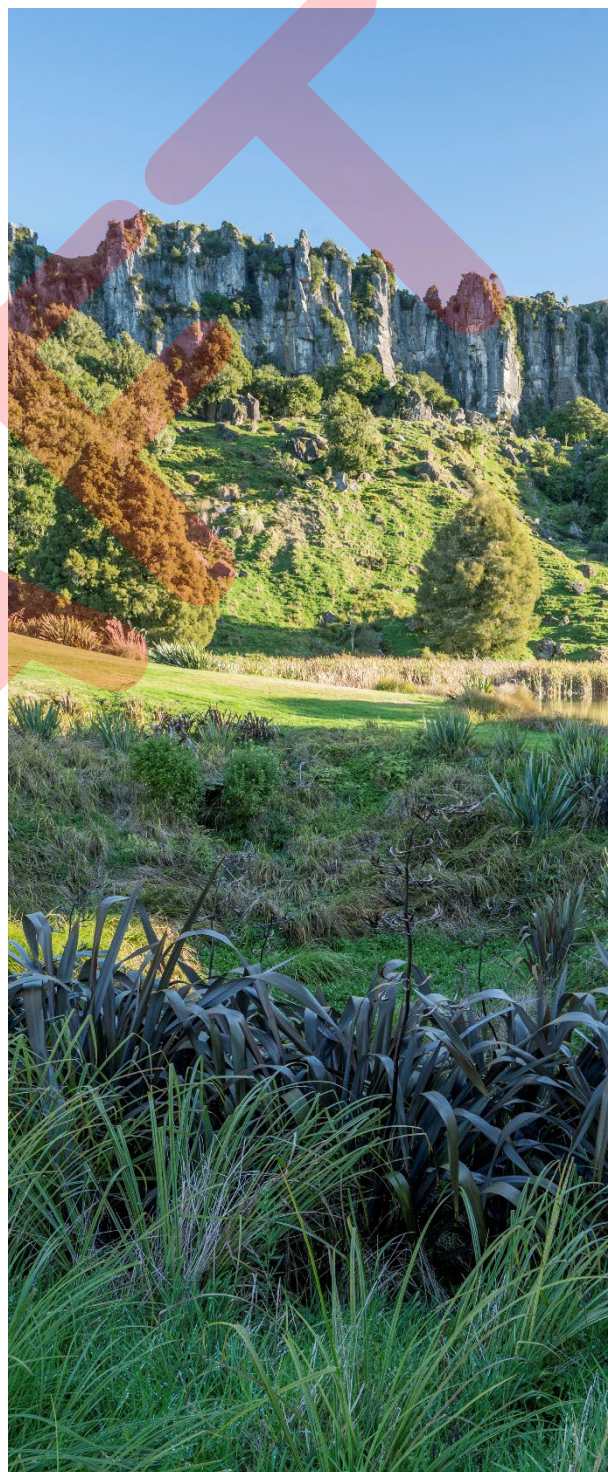
- i For this benchmark, Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- ii The council meets essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

5. Debt Servicing Benchmark

- i For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and

revaluations of property, plant or equipment).

- ii Because Statistics New Zealand projects that the council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if it's planned borrowing costs equal or are less than 10% of its planned revenue.



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