

2024/25
DRAFT ANNUAL REPORT
2024/25 PŪRONGO-Ā-TAU

CONTENTS

INTRODUCTION.....	3
FROM THE MAYOR AND CHIEF EXECUTIVE	4
YOUR COUNCIL	5
OUR IMPACT ON THE DISTRICT.....	6
OUR FINANCIAL PERFORMANCE	7
FINANCIAL REPORTING AND PRUDENCE BENCHMARKS	10
OUR COMMUNITY OUTCOMES	15
OUR PRIORITY AREAS	16
SERVICE PERFORMANCE.....	17
SUMMARY	18
LEADERSHIP	20
COMMUNITY AND PARTNERSHIPS	24
RECREATION AND PROPERTY	28
REGULATORY SERVICES	32
RESOURCE MANAGEMENT	36
SOLID WASTE	39
STORMWATER.....	43
WASTEWATER	47
WATER SUPPLY	51
ROADS AND FOOTPATHS	58
FINANCES	62
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2025	63
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025	63
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025.....	64
CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025.....	65
NOTES TO THE FINANCIAL STATEMENTS	67
COUNCIL CONTROLLED ORGANISATIONS.....	117
AUDIT	121
STATEMENT OF COMPLIANCE	122
AUDIT OPINION	123



Everything we do at Waitomo District Council is linked to our vision.

“Te hanga tahi o tātou Takiwa Shaping our District together”

Our aim is to make the District an attractive place that people will want to come and visit, work and live in. The intention is to enhance the liveability of our District, facilitate our communities to be vibrant and thriving and to do this in a financially prudent and sustainable manner. Waitomo District Council has set areas of focus to drive this vision and guide our efforts:

- strengthening relationships;
- preparing for the future;
- effective management of resources.

We have made excellent progress in our focus areas during the 2024/25 year.

Key highlights are included in the following pages with further detail of our achievements in the activity areas included in the ‘Service Performance’ section of the full Annual Report which is available at www.waitomo.govt.nz/council/publications

INTRODUCTION

KŌRERO WHAKATAKI

FROM THE MAYOR AND CHIEF EXECUTIVE

This year ending 30 June 2025 has been one when most of the road network repair projects that came about from the storm events in 2023 were completed. We spent \$18 million on such repairs over two years, with over ninety percent funded by the New Zealand Transport Agency.

Investment in our stormwater network in Te Kūiti was also sparked by these storm events. Work continues to mitigate against flood risk and to understand and attend to issues arising from our wastewater network being infiltrated by stormwater. Our wastewater ponds have accumulated years of solids. A sludge removal project has begun, expected to take place over the next 10-15 years.

In October 2022 Council agreed to begin a stream of work to mitigate against some of the risk of failure of the public drinking water supply in Te Kūiti. A design and build process was selected. In May this year Council resolved to proceed to negotiate a contract with the preferred tenderer. A contract has since been executed with HEB Construction Limited. Total project cost will be close to \$10 million.

Our parks and reserves have benefited from grants and central government funding. These include upgrading Centennial Park, including its grandstand, and walkways in Te Kūiti along the river.

We have continued to release Council land for housing. New build housing activity has been relatively strong in the year under review.

Council debt at \$33.2 million has changed little from a year ago. Our operating surplus this year was \$5.7 million. We finish the year in a sound fiscal position.

This year Council have had to consider some of the most important decisions facing local government through central government reforms. We presented stakeholders our proposal for how our Council might best deliver water services in the future. Feedback

supported Council's joining a multi-Council entity. In a landmark decision on 30 June 2025, elected members unanimously supported the formation of Waikato Waters Limited, with our Council transitioning its drinking water and wastewater assets and services into it on 1 July 2026.

Council also decided on 30 June 2025 that the estimated \$6.5 million to open up more area for solid waste disposal at the Waitomo District Landfill in Te Kūiti was too high risk given the falling waste volumes and difficulties of the old quarry site.

Elected members and staff have worked through a challenging few years. Government water reforms have been especially taxing, as policies have changed with changes in government. Further reforms lie ahead with respect to resource management and possibly the structure of local and regional government.

Delivering the best possible outcomes for our community is always at the heart of what we strive for. We are pleased to present this Annual Report 2024/25.



John Robertson
Mayor



Ben Smit
Chief Executive

YOUR COUNCIL



JOHN ROBERTSON

Mayor

John.Robertson@waitomo.govt.nz



ALLAN GODDARD

Deputy Mayor

Allan.Goddard@waitomo.govt.nz



JANENE NEW

Councillor: Urban

Janene.New@waitomo.govt.nz



JANETTE OSBORNE

Councillor: Rural

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GAVIN TODD

Councillor: Rural

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EADY MANAWAITI

Councillor: Urban

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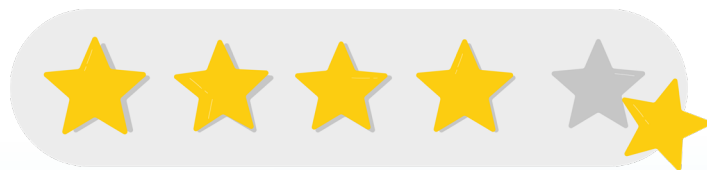
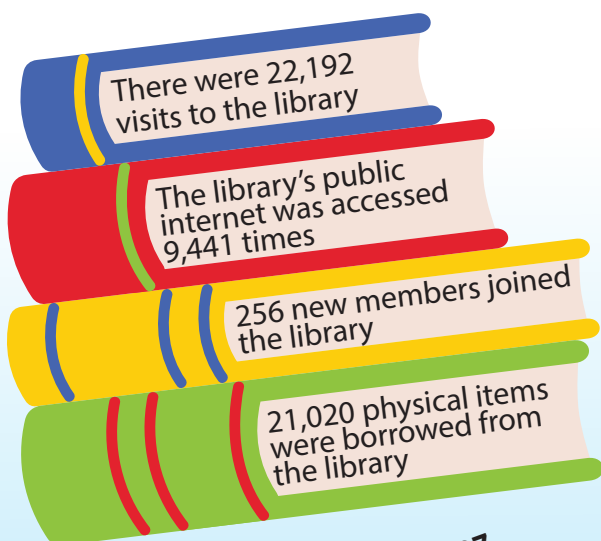
DAN TASKER

Councillor: Urban

Dan.Tasker@waitomo.govt.nz

Our Impact on the District

Here's a sample of our performance and what we delivered last year across the district.



We received 4,703 service requests
Customer Service handled 9,749 calls
354 Rate Rebates were processed

There were **6,857** visits to The Customer Services and Visitor Hub



We have **7,597** followers on Facebook
Our Facebook Page Reach was 495,915k
There were 68,036k Page visits

76% of residents rate their **quality of life** either good or excellent

66% of residents say they are **proud to live in the Waitomo District**

75% of residents are satisfied with Council's **rubbish and recycling services**

73% of residents are satisfied with Council's **waste management**

94% of residents are satisfied with Council's **open spaces**

76,985 visits to the Gallagher Recreation Centre



We received **723** **Waters related service requests**

We completed **85** playground inspections

74% are satisfied with Council's overall water management



We have 2946 registered dogs



Resurfacing **41km** of sealed roads

Maintained **549km** of unsealed road and **459km** of sealed road

Rehabilitated **2.27km** of pavement
We received **727** **roading related service requests**

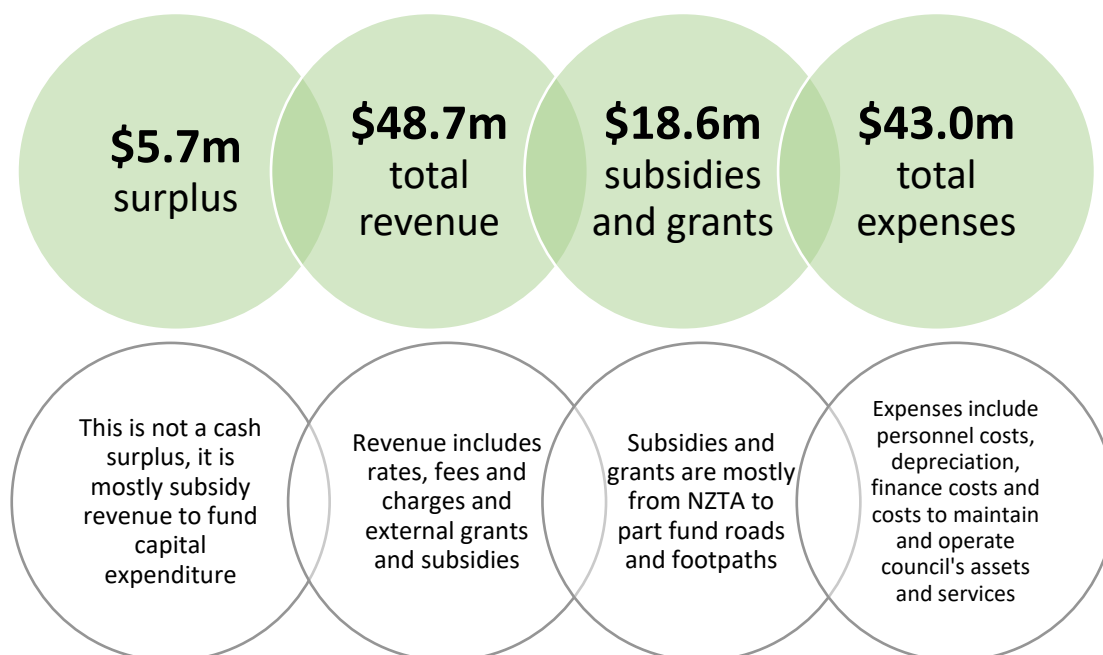
OUR FINANCIAL PERFORMANCE

This overview provides a summary of the key highlights of our financial performance for the 12 months ended 30 June 2025.

A snapshot of Council's financial performance for the year

Council's operating surplus for the year was **\$5.7 million**.

The surplus is an accounting surplus and is not a cash surplus. The surplus is mainly the result of subsidy and grant revenue received for capital expenditure projects, offset in part by not fully rate funding depreciation expense, and is not directly due to increases in rates charged.



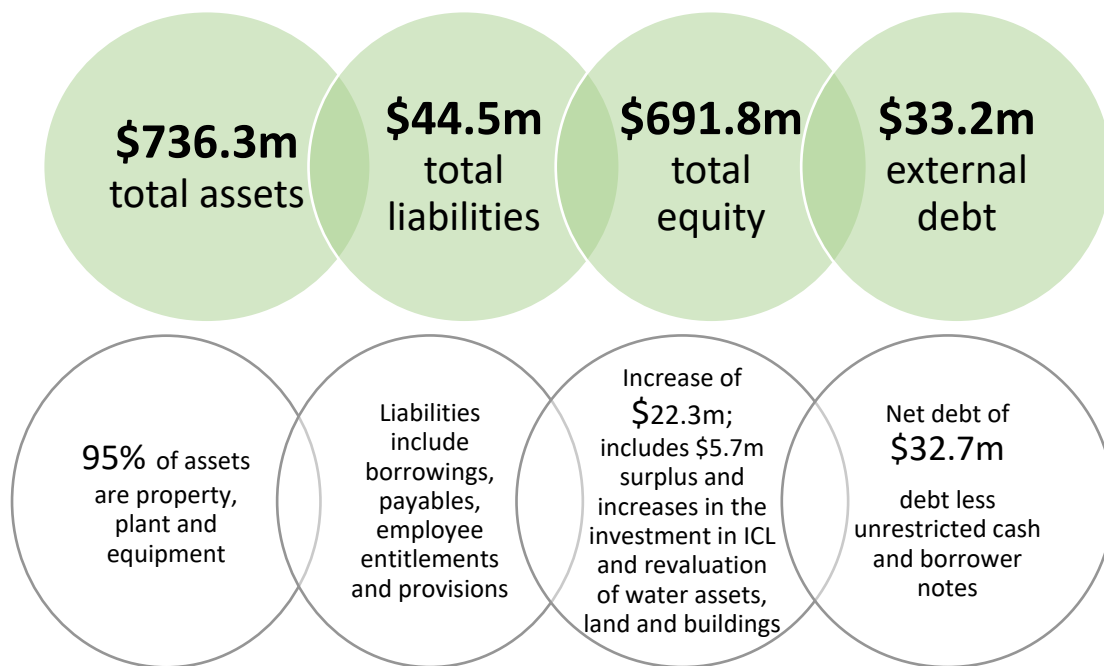
Overall results

Revenue for the year was **\$48.7 million** against a budget of \$46 million. Subsidy revenue was more than forecast due to the timing of road repairs for storm-related damage which were not forecast in the LTP for 2024/25. Some of the of the planned works were still in progress at June 2025 and will continue into 2025/26. Additional revenue was also received for interest and dividend.

Expenses for the year were **\$43.0 million** against a budget of \$43.5 million. Expenditure for maintaining and operating council's assets and services were less than forecast for waste minimisation levy and emissions trading costs due to lower landfill waste volumes, the timing of the district plan development costs against budget, and unspent regulatory budgets for legal expenses and earthquake prone buildings. Staff costs were also less than budget due to a number of vacant positions.

Financial Position

Council's total equity increased to **\$691.8 million**, this was less than the forecast equity of \$703.8 million. The revaluation of water, wastewater, stormwater, land and buildings assets were less than forecast in the LTP. The valuation of the investment in Inframax Construction Ltd was also more than forecast.



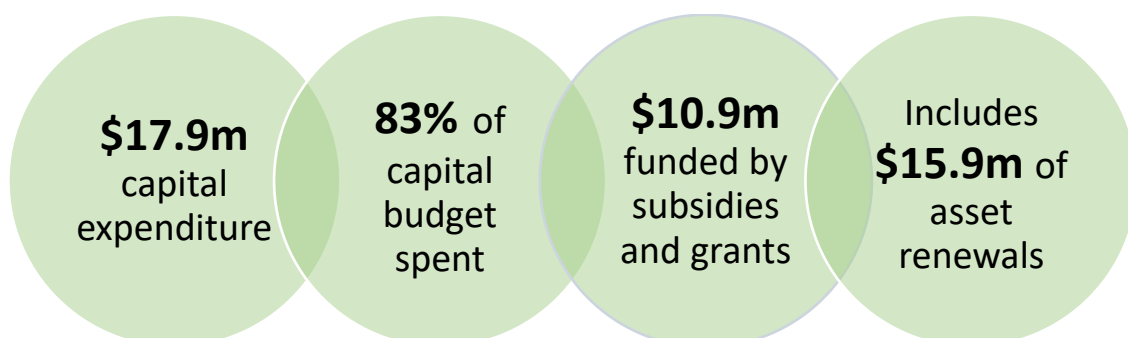
Council borrows externally to fund assets and services that will provide benefit well into the future. Our net debt to total revenue was **64%** which was well within the 165% borrowing limit set in the Financial Strategy.

Council maintained a similar level of borrowing at 30 June 2025 of **\$33.2 million** compared to prior year (2024: \$33.3 million). Borrowings were lower than the LTP forecast for 2024/25 of \$42.5 million.

We were able to maintain a much lower level of debt than forecast as some significant capital projects were delayed. The Te Kūiti water supply resilience project and the Te Kūiti stormwater attenuation ponds project have been re-sequenced as part of the 2025/26 Annual Plan. Council also decided in June 2025 not to proceed with the landfill cell development and gas flaring project. In addition to this several residential properties were sold and dividend revenue was also recognised during the year.

Capital expenditure projects

This year we invested in **\$17.9 million** of capital improvements and renewal of existing infrastructure and other assets across the district. This included additional expenditure on water supply, stormwater and wastewater, sludge removal, Centennial Park grandstand ablutions and changing room upgrades and continued repairs to our roading network from storm damage.



CAPITAL EXPENDITURE

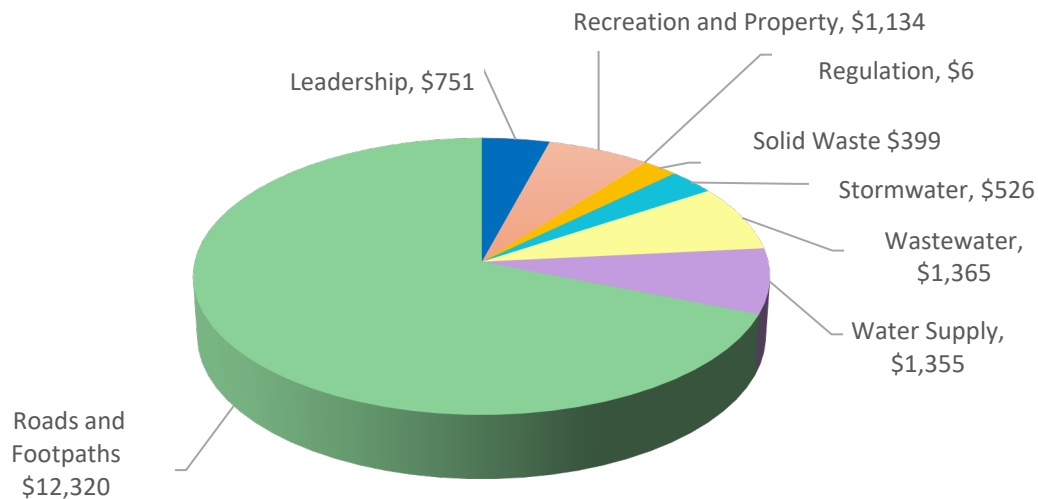
The 2024/25 approved capital budget was \$21.5 million; the actual spend for the capital portfolio was **\$17.9 million**.

Some capital expenditure projects that were not completed during the year will be deferred to the 2025/26 year. Delays occurred due to internal resourcing, severe weather events and reprioritisation of projects.

Some key projects undertaken were:

- Improvement works completed on Te Kūiti Stormwater, Wastewater and Water Supply networks as part of the Carroll Street SH3 upgrades
- Capital works at the Te Kūiti wastewater treatment plant for sludge removal.
- The Centennial Park grandstand ablutions and changing rooms upgrades were undertaken during the year along with improvements to the cricket pitch and equipment.
- Air conditioning renewal work was undertaken at the Les Munro Centre.
- The Te Kūiti water resilience project has been approved and is underway.
- Pavement rehabilitation projects were tendered and completed within the financial year. This included Mangaotaki Road and Walker Road sites.
- The surface sealing programme has been completed for the year and was undertaken as part of the Maintenance Contract.
- Weather event reinstatements have been a major part of this year's projects with work ongoing on some areas

TOTAL CAPITAL EXPENDITURE BY ACTIVITY 2024/25 (\$000's)



FINANCIAL REPORTING AND PRUDENCE BENCHMARKS

ANNUAL REPORT DISCLOSURE STATEMENT FOR THE YEAR ENDING 30 JUNE 2025

The purpose of this statement is to disclose the Council's 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 report 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. The regulations can be found on the New Zealand legislation website [legislation.govt.nz](https://www.legislation.govt.nz).

RATES AFFORDABILITY BENCHMARK

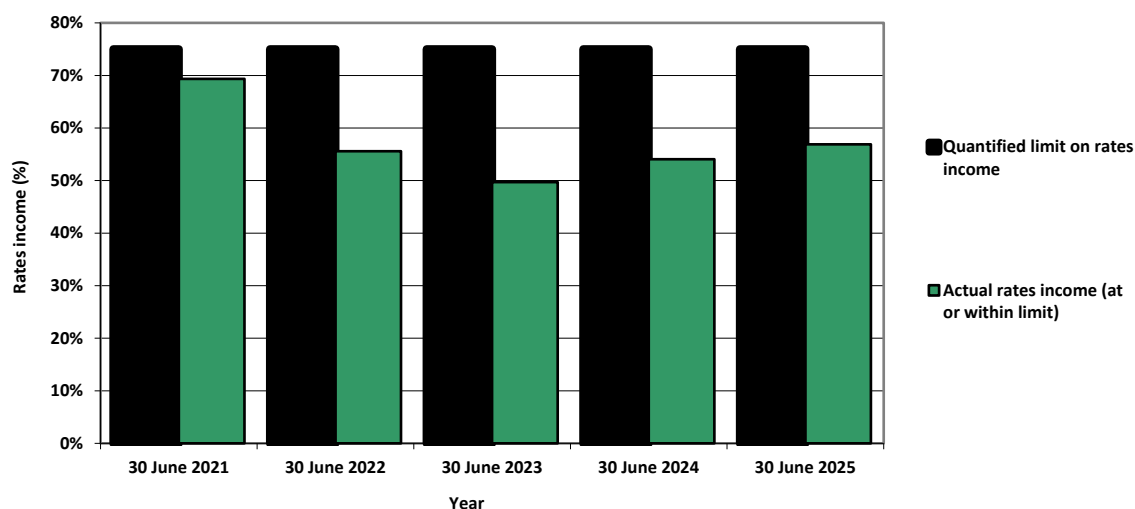
The Council meets the rates affordability benchmark if:

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

RATES (INCOME) AFFORDABILITY

The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan.

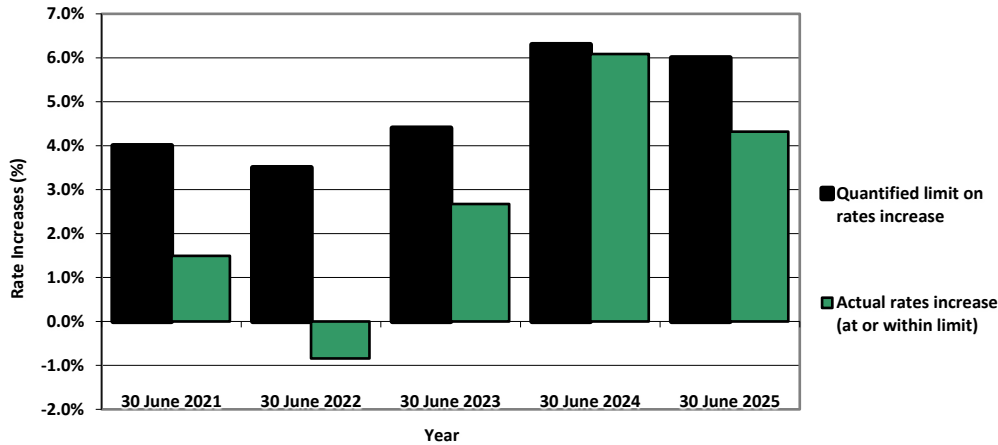
The quantified limit on rates income is that total rates revenue will be limited to 75% of total operating expenditure. Total rates revenue includes penalties for 2024/25. Rates income was 57% of operating expenditure in 2024/25.



RATES (INCREASES) AFFORDABILITY

The following graph compares the Council's actual rates increases with a quantified limit on rates increases in the financial strategy included in the Council's 2024-34 Long Term Plan (LTP). The quantified limit for rates increases is limited to an average rates increase of 6% over the ten years of the LTP. The annual rates increase per year may exceed 6% as the limit is based on the average increase over 10 years. The increase taken into account with the forecast rate revenue in the Annual Plan 2025/26 and future increases in the LTP resulting in an average rates increase over the 10 years of 4.33%. The actual rates increase from 2023/24 to 2024/25 was 10.97%.

For June 2021 the rates limit was 4% as set out in the 2018-28 Long Term Plan. For the years 2022-2024 the rates increases were limited to a cap of the forecast Local Government Cost Index for that year plus 2% as set out in the LTP 2021-31.



DEBT AFFORDABILITY BENCHMARK

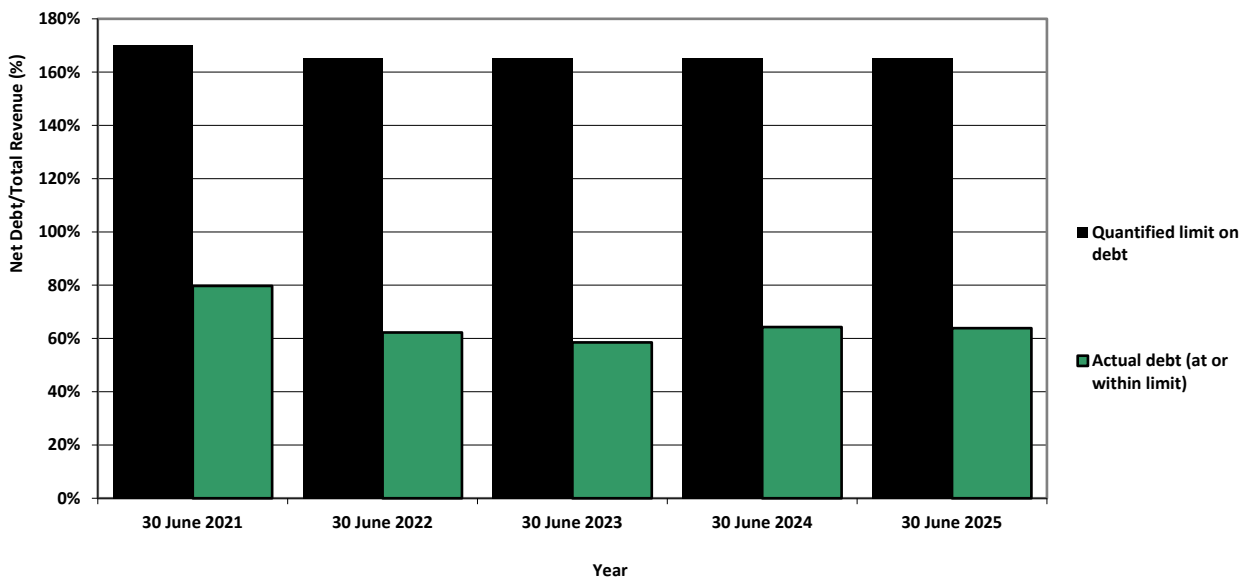
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. There are two quantified limits described in the long-term plan.

Total interest expense includes interest on borrowings and finance leases.

Total revenue includes rates revenue and penalties, government grants and subsidies for operating and capital expenditure, interest revenue, gains on sale of assets, and other revenue. Total revenue excludes gains or losses from change in value of investment property and available for sale non-current assets, gains on derivatives, gains on forestry and revenue on acquisition of property plant and equipment at nominal value.

Net debt will not exceed 165% of total revenue

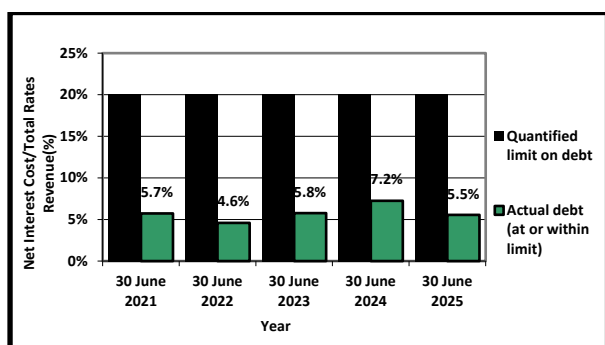
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is net debt will not exceed 165% of total revenue. A value of less than 165% indicates compliance with the prudential limit.



DEBT AFFORDABILITY BENCHMARK (CONT.)

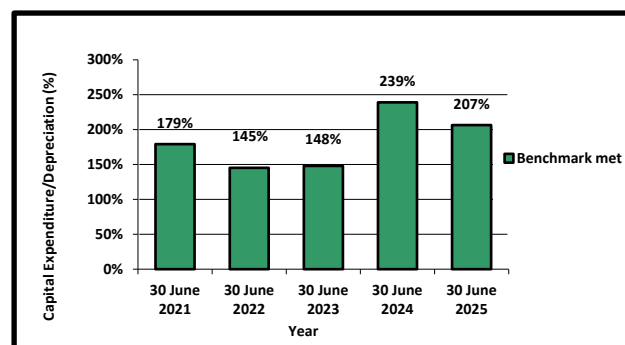
Net interest will not exceed 20% of annual rates

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is net interest will not exceed 20% of annual rates. A value of less than 20% indicates compliance with the prudential limit.



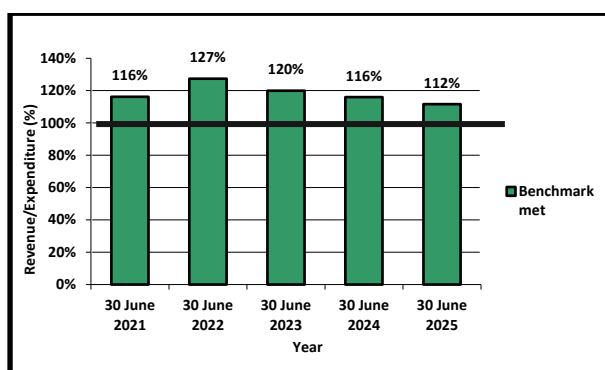
ESSENTIAL SERVICES BENCHMARK

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



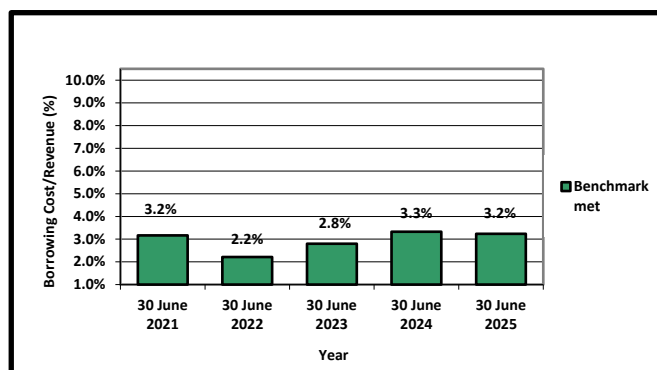
BALANCED BUDGET BENCHMARK

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The Council meets this benchmark if its revenue equals or is greater than its operating expenses. Revenue expenditure excludes rates received or paid on Council properties.



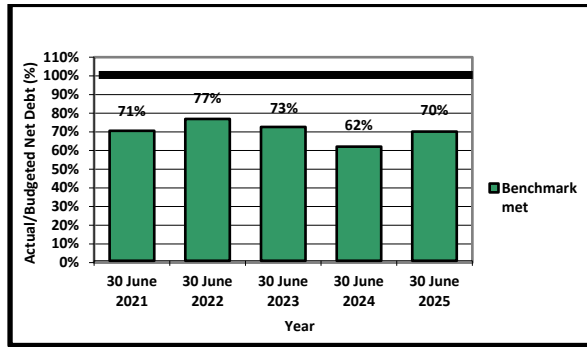
DEBT SERVICING BENCHMARK

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects the Council's population will grow more slowly than, the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



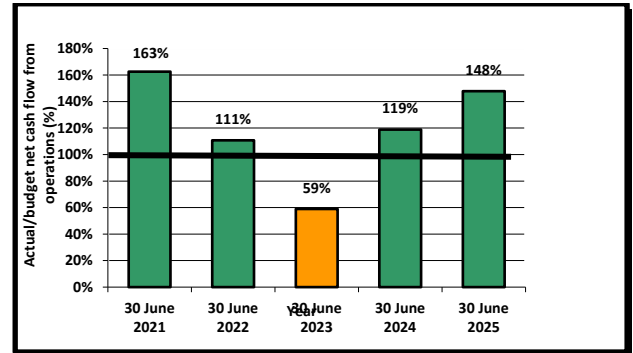
DEBT CONTROL BENCHMARK

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities (excluding employee entitlements and provisions) less financial assets (excluding trade and other receivables). The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



OPERATIONS CONTROL BENCHMARK

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



GROUP PERFORMANCE

The Group consists of the Council and its 100% owned subsidiary, Inframax Construction Ltd.

The Group's overall performance for the year was an after tax surplus of \$5.6 million.

At 30 June 2025 total equity of the Group was \$690.7 million, an increase of \$21.5 million from the prior year. This increase in equity reflects the following net asset increases:

- The Group's after tax surplus of \$5.6 million.
- Current liabilities decreased by \$10.3 million due mainly to the reclassification of Council borrowings to non current liabilities and decrease in payables at year end.
- Non current assets increased by \$22.8 million arising mostly from the revaluation of water, wastewater and stormwater assets at 30 June 2025 and property, plant and equipment additions.
- Non current liabilities increased by \$10.6 million due mainly to the reclassification of some Council borrowings to non current liabilities.

Inframax Construction Ltd

Inframax Construction Ltd have reported another positive year end result, with the reported net profit after tax for the company was \$0.55 million for the year ended 30 June 2025 (2024: \$0.68m).

The equity position of the company increased to \$13.5 million, with an equity ratio of 55%.

Both revenue and expenditure were lower than the prior year, reflecting the challenging economic and market conditions for the road maintenance and construction sector particularly with the downturn in construction work and increased level of competition.

The company also paid a dividend of \$200,000 during the year to Waitomo District Council.

Further information on the company's performance results against the targets set out in the Statement of Intent can be found on page 118.

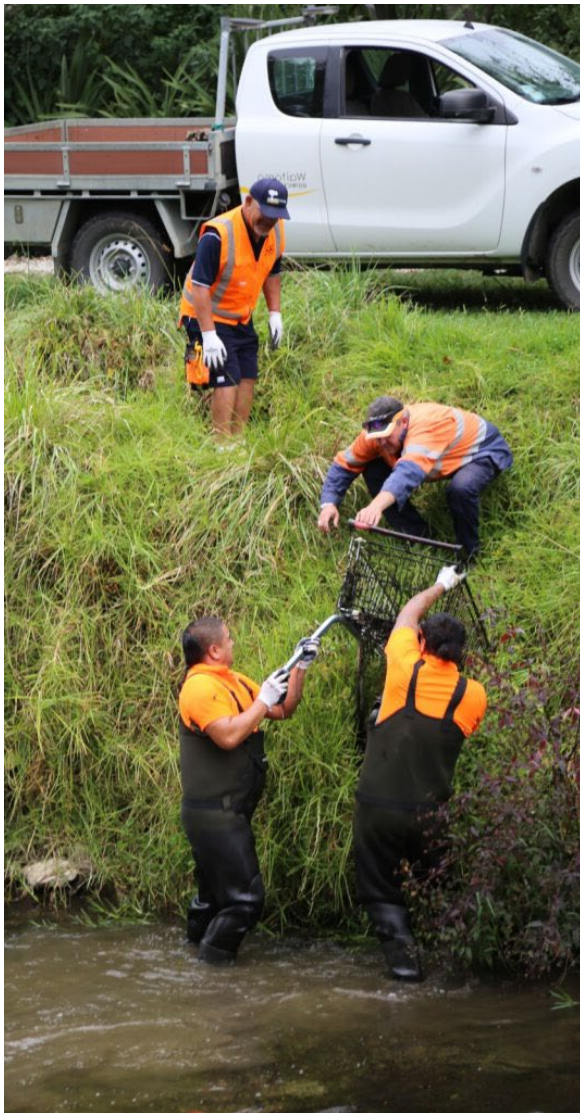


OUR COMMUNITY OUTCOMES

Our Community Outcomes and Priority Areas describe what we aim to achieve for our community and what the community can expect us to work towards.

These outcomes and focus areas shaped the development of the 2024-2034 Long Term 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*



Our outcomes are:



A prosperous district

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



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 cares for its environment

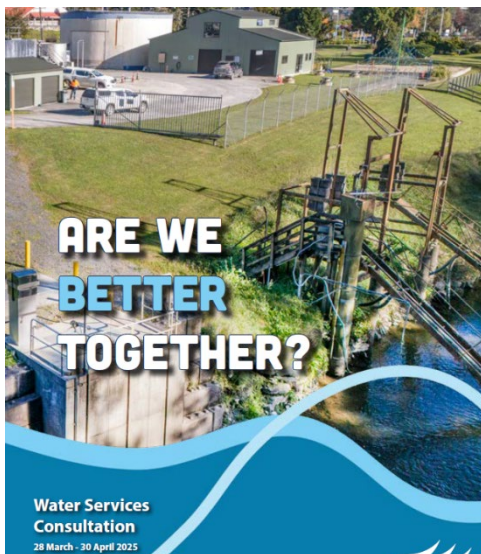
We ensure the wise use and management of all land and resources, now and for future generations.



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 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.

We have had nine public consultations with the community this year over 90 submissions received, community views for and against proposals were appreciated by Elected Members as valued contribution to the decision-making process. Te Raungai Whakakaupapa Koorero committee had a successful year supporting iwi, whare, marae, hapu and individuals bring issues to or on a pathway to a resolution.

Development of Centennial Park has been a focus this year from bring together the various clubs and users, obtaining funding for the grandstand refurbishment and cricket nets to careful maintenance of the playing fields increasing the use and enjoyment for all.

The Mangokewa walkway has been completed in conjunction with Ngāti Rōrā and now provides a historical walk through Te Kūiti for all to enjoy and learn from.

Our Community and Partnerships Fund has continued to help over 20 local groups and clubs to provide a range of community activities and facilities such as sports, recreation, museums and arts that make our district a great place to live.

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 are working closely with our neighbouring Councils with combined services including Animal Control, Building Services, Regulation and Compliance and Emergency management.

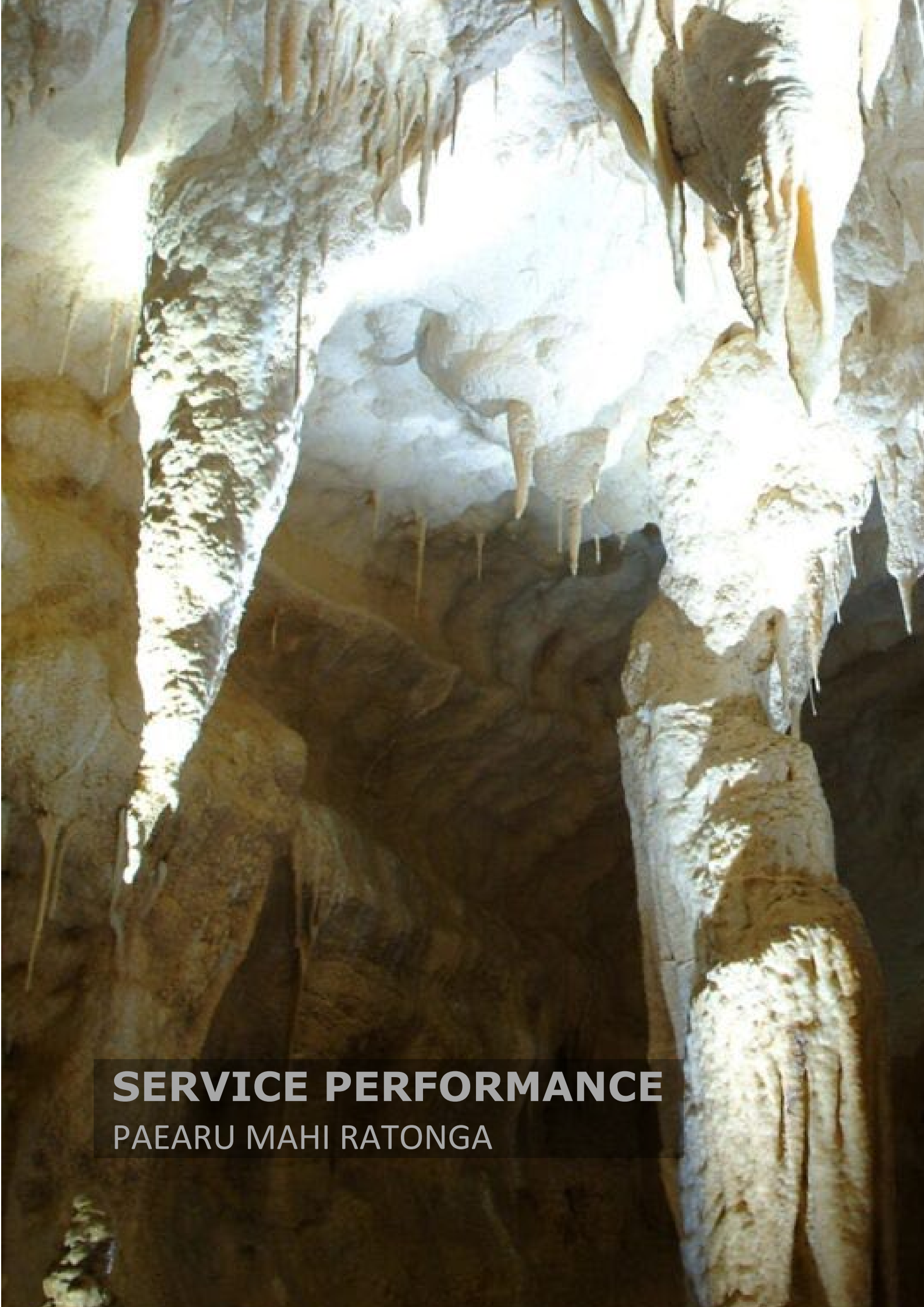
Critical decisions were made by Council this year, the most significant was to form a regional entity to deliver water and wastewater services Waikato Waters Ltd, activities will transition in July 2026.

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 completed essential renewals for stormwater network improvements for Te Kūiti of \$209,162, also removal of sludge from the wastewater treatment ponds and progressed the Te Kūiti water resilience project.

Council made the decision not to spend \$6.5 million to develop the next stage of the Waitomo District Landfill, instead we will look at more cost-effective approaches to managing our solid waste.



SERVICE PERFORMANCE

PAEARU MAHI RATONGA

SUMMARY

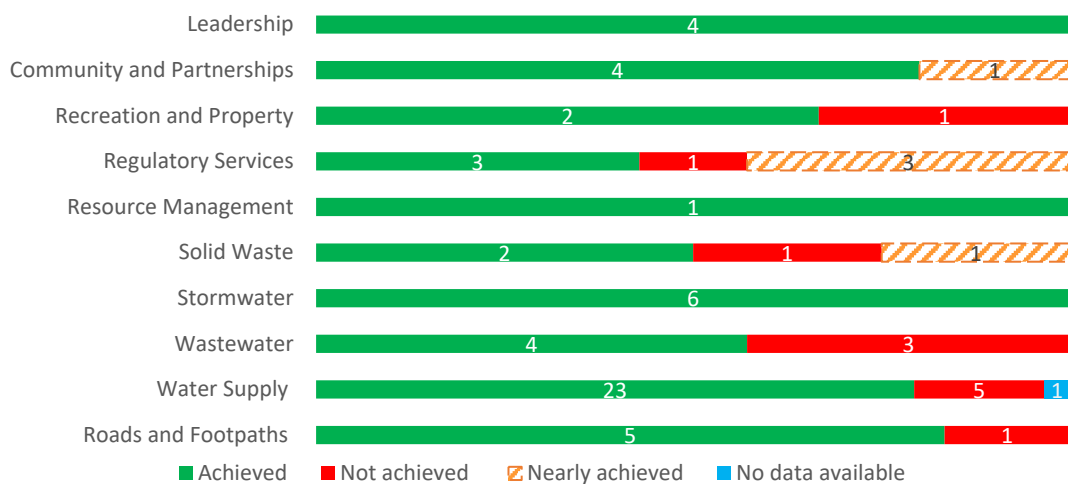
This part of the Annual Report covers the services we provide and how we performed against our service commitments for 2024/25.

Our 2024-2034 Long Term Plan divided the business into 10 activity groups that contribute to the delivery of our community outcomes.

Of the 72 measures that we use to track performance, the summary graph below shows that we have met the target for 54 measures, nearly achieved 5 measures, one measure has no data and have not met the targets for 12 measures.

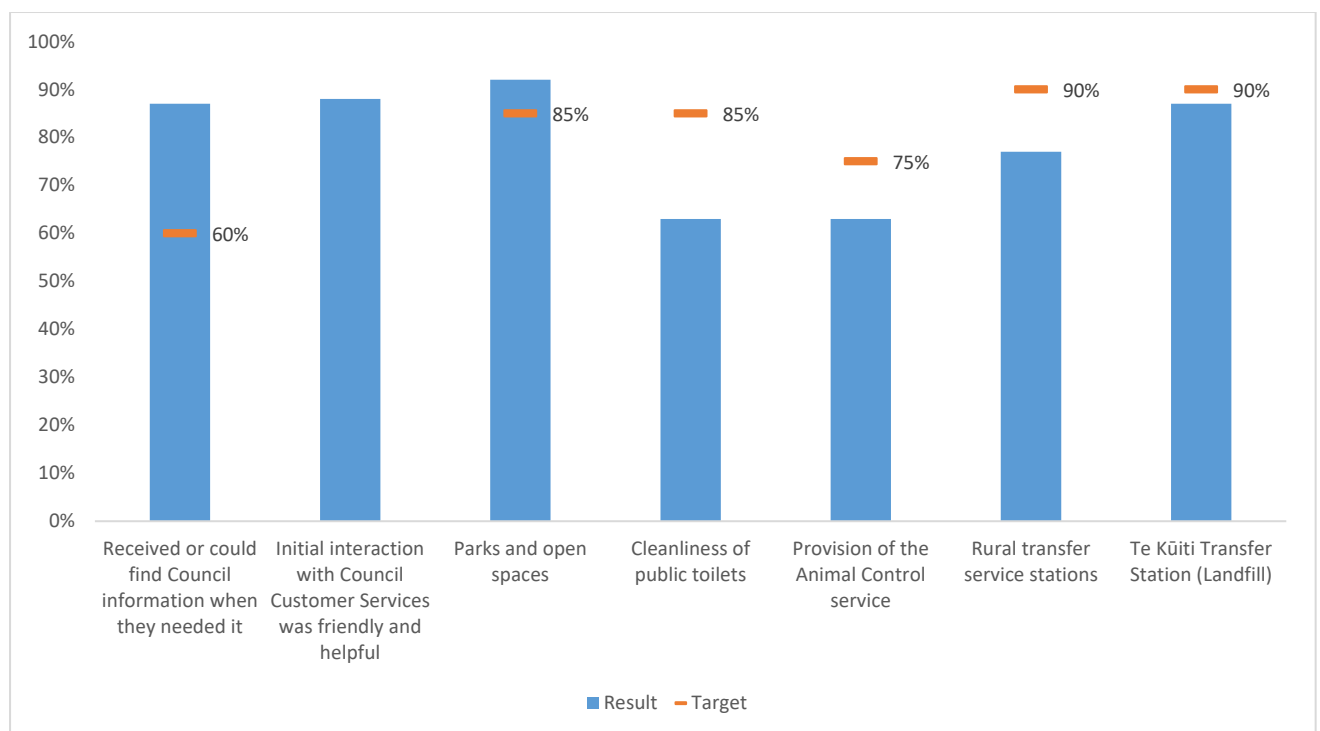
A nearly achieved result is shown when a measure has not been achieved but was close to achieving. This occurs when a result is within 5% of the target, this being within the margin of error for Resident Survey results.

PERFORMANCE RESULTS SUMMARY BY GROUPS OF ACTIVITIES



Our Resident's survey was undertaken in May/June 2025. Below is a summary of these results.

PERFORMANCE AGAINST RESIDENT SURVEY



COMMUNITY OUTCOMES

In the following section of the Annual Report, we present the identified effects of our activities on our community outcomes. Some of our activities contribute to all community outcomes, while others may only touch on one.

Our Community Outcomes What we want for our community



A prosperous district



A district for all
people



A district that cares
for its environment



A district that values
culture



LEADERSHIP

WHAT WE DO

This group comprises Representation, Strategy and Engagement, and Investments. Treasury management and organisational overhead activities and service groups are also included in this group.

- **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 investment in Co-Lab, Inframax Construction Ltd (ICL), Civic Financial Services Ltd, and Council owned quarries.

COMMUNITY OUTCOMES

PRIMARY



A district for all people

SECONDARY

**A prosperous district
A district that values culture
A district that cares for its environment**

DELIVERING ON OUR LONG TERM PLAN

Local government reforms have had a significant impact on the work undertaken within the leadership activity.

Staff and elected members worked extensively on consideration for the future delivery of the water services activities. A proposal a standalone approach or a water entity model was presented the community. Feedback was mixed though 59% supported the preferred water entity model. Elected members deliberated on the issues and made the decision that on balance moving water and wastewater activities to a joint entity was the best option for our district.

The Annual Plan for 2025/26 was adopted following public consultation with two significant decisions made. Firstly, that the Waitomo District Landfill will not be developed further and solid waste will be disposed of outside the district once the current landfill cell is full. Secondly, a decision was made not to rebuild the seawall at the end of Point Road in Mōkau as the public benefit did not justify the cost to ratepayers. These topics generated a good level of engagement from the community raising points for and against which elected members considered carefully in deciding the final outcomes.

We have reviewed and updated some of our policies and bylaws this year including Dog Control and Land Transport Bylaws and adopted a new Road Naming Policy and Alcohol Fees Bylaw.

Waitomo Council as an active member of the Western Waikato Emergency Group participated in the emergency operating centre (EOC) exercise held in May. This year 16 new staff were involved alongside the more experienced team. The

independently assessment was positive with a score of 58% at the higher end of 'Late Developing'.

Some long awaited improvements to our internal systems have been completed with our GIS mapping becoming cloud based, installation of a new document management platform and accounts payable systems creating better access and automated processes.

The Resident survey was completed in May 2025 with positive results overall. Most areas maintained a good level of satisfaction, and very positive for public facilities such as Les Munro and Library. Areas for improvement were noted for stormwater infrastructure and road and footpath maintenance.



SERVICE PERFORMANCE MEASURES

Key:



Achieved

All components of the performance measure have been met.



Not achieved

Some or all components were not achieved as per schedule or target.



Nearly achieved

A nearly achieved result occurs when a result is within 5% of the target.

YOU CAN EXPECT	MEASURE	TARGET/RESULT	HOW WE PERFORMED
Provide and promote governance processes that are robust and transparent for our community.	The percentage of Council agendas that are publicly available before a Council meeting.	Target: ≥ 60% available 4 working days prior and 100% available 2 working days prior Result: Achieved Previous result: 100%	Achieved.
Effective communication with our community.	Percentage of residents satisfied that they received or could find Council information when they needed it.	Target: Between 60 - 100% Result: 87% Previous result: 87%	Result of the June 2025 Resident Survey for the effectiveness and usefulness of Council communications is 87%.
Communicate regularly with our community about what matters.	The number of posts on our Facebook page per week.	Target: ≥ 5 week for at least 45 weeks Result: Achieved New Measure	Achieved.
We get back to our customers to let them know the outcome of their service requests.	The percentage of service requests where an officer has contacted the customer to inform them of the outcome of the request.	Target: Set baseline Result: 100% New Measure	All customers that required feedback had been contacted for this quarter.



FUNDING IMPACT STATEMENT

Waitomo District Council: Funding impact statement for Leadership (\$000's)	Adjusted LTP 2021-31 2024	LTP 2024-34 2025	ACTUAL 2024/25
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	3,712	3,341	3,312
Targeted rates	0	0	0
Subsidies and grants for operating purposes	20	270	59
Fees and charges	80	105	24
Internal charges and overheads recovered	20,642	7,857	8,363
Local authorities fuel tax, fines, infringement fees and other receipts	9	66	395
Total operating funding (A)	24,463	11,639	12,153
Applications of operating funding			
Payments to staff and suppliers	10,759	9,290	9,135
Finance costs	89	365	298
Internal charges and overheads applied	12,922	2,086	2,207
Other operating funding applications	0	0	0
Total applications of operating funding (B)	23,770	11,741	11,640
Surplus (deficit) of operating funding (A-B)	693	(102)	513
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	127	(32)
Gross proceeds from sale of assets	0	0	204
Lump sum contributions	42	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	42	127	172
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	5	41	2
Capital expenditure - to replace existing assets	847	667	749
Increase (decrease) in reserves	(117)	(683)	(66)
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	735	25	685
Surplus (deficit) of capital funding (C-D)	(693)	102	(513)
Funding Balance ((A-B)+(C-D))	0	0	0

WHAT'S BEHIND THE VARIATIONS

VARIANCE FROM YEAR 1 OF THE 2024-34 LTP

Total operating funding

- 1 Subsidy revenue was lower than forecast as the LTP included Better Off funding to fund the Local Water Done Well investigation expenditure. This funding was not required during the year.
- 2 Fees and charges revenue was lower for royalties on council owned quarries due to reduced use of the quarries by the lessee.
- 3 Internal charges and overhead recovered was more than forecast due to increases in operational expenditure including asset valuations, software licencing, insurance, debt collection and project management costs. Costs associated with the administration building earthquake seismic assessment incurred in the prior years and held as work in progress were also expensed.
- 4 Interest revenue was more than forecast, with favourable bank rates for cash held in the operating account and contracts retentions funds account. Dividend revenue was also received from Council's investment in Inframax Construction Limited.

Applications of operating funding

- 5 Operating expenditure was below forecast for Local Water Done Well investigation costs and cloud migration and IT consultants fees. These were partly offset by additional expenditures for project management, asset valuations, insurance, debt collection and software licencing. Costs associated with the administration building earthquake seismic assessment incurred in the prior years and held as work in progress were also expensed.
- 6 Internal charges and overheads applied were above forecast as additional expenditures for project management, asset valuations, insurance, debt collection and software licencing. Costs associated with the administration building earthquake seismic assessment incurred in the prior years and held as work in progress were also expensed.

Sources of Capital Funding

- 7 There was a decrease in debt due to the lower spend for cloud migration costs and quarry safety improvements.
- 8 Proceeds from the sale of fleet vehicles were recognised however were not forecast in the LTP.

Applications of Capital Funding

- 9 Renewal expenditure was more than forecast for administration building renovations. The budget for this project was included in the prior year.
- 10 The decrease in reserves was lower than forecast due mostly to additional revenue received.

COMMUNITY AND PARTNERSHIPS

WHAT WE DO

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.

- **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.
- **District Development** is delivered through working in collaboration with a range of community partners.
- **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.

COMMUNITY OUTCOMES

PRIMARY



A district for all people

SECONDARY

**A prosperous district
A district that values culture
A district that cares for its environment**

DELIVERING ON OUR LONG TERM PLAN

The Vibrant Waitomo Action Plan progressed throughout the year, contributing to positive outcomes across the district. A key achievement was the activation of Centennial Park, which welcomed new sporting codes establishing their seasons at the venue while also strengthening connections between local clubs.

The library introduced a new range of regular interest groups, including a Scrabble Club, a Robotic LEGO Group, an Adult Craft Circle, a Writers Support Group, and meet-ups for homeschooling families. Several well attended community events were held in partnership with Otorohanga District Library, Sport Waikato, and The Re-Creators. A second book, The Magic Bubble, was created by local tamariki and added to the library's collection.

Waitomo District Council, through its Community and Partnership Fund Policy, has continued to support organisations and funding partners in delivering activities and services that benefit our community.

The Great NZ Muster, held in March, was a notable success, attracting strong attendance including a

significant number of out-of-district visitors. The Waitomo Christmas Parade was among the largest in recent years, featuring over 20 floats, and was complemented by the Christmas Markets, which drew stallholders and added value to the event.

Building on earlier engagement with local high schools, Council developed the Rangatahi Engagement Plan, informed by the voices and perspectives of rangatahi.

The Waitomo Housing Taskforce continue to meet quarterly to discuss updates and potential opportunities for development and housing improvements.

The Kāinga Ora Lawrence Street development was completed with 11 new homes made available for residential tenants.

With funding from the Auckland Regional Chamber of Commerce and support from Number Twelve, Aotahi and Te Nehenehenui, the Te Kūiti TechStep Event was held in June. The event provided students with a day of immersive tech experiences and career exploration.

SERVICE PERFORMANCE MEASURES

Key:



Achieved

All components of the performance measure have been met.



Not achieved

Some or all components were not achieved as per schedule or target.



Nearly achieved

A nearly achieved result occurs when a result is within 5% of the target.

YOU CAN EXPECT	MEASURE	TARGET/ RESULT	HOW WE PERFORMED
Contestable grant * funding is disseminated through a robust process.	All contestable grant funding is disseminated fairly and equitable in accordance with our Policy.	Target: Achieved Result: Achieved Previous year Result: Achieved	 All grants allocated in accordance with the Community and Partnerships Fund Policy.
We will work in partnership with others on projects or events that enhance the culture and wellbeing of residents.	The number of projects or events that promote culture or wellbeing delivered in partnership with other organisations.	Target: ≥ 2 Result: 3 New Measure	 The Waitomo District Christmas Parade was held on Friday 13 December 2024. The Great NZ Muster was held on Saturday 29 March 2025. The Tech Step Event was held on 29 May 2025.
We provide a comprehensive and well used Library service for our community.	The number of active library members.	Target: ≥ 2% on the year previous (937 active members in 2023/24) Result: Nearly Achieved New Measure	 We had 909 active library members.
We deliver a range of well attended activities and programmes at the Waitomo District Library.	The number of participants in Library programmes and activities.	Target: ≥ 5% on the year previous (1091 participants in 2023/24) Result: Achieved New Measure	 Achieved.
Our customer service team are friendly and helpful.	The percentage or residents satisfied their initial interaction with council customer services was friendly and helpful.	Target: set baseline Result: 88% Previous result: 95%	 Result of the June 2025 Resident Survey is 88%.

* Contestable grant funding is the Multi-Year Community Partnership Grant.

FUNDING IMPACT STATEMENT

Waitomo District Council: Funding impact statement for Community and Partnerships (\$'000's)	Adjusted LTP 2021-31 2024	LTP 2024-34 2025	ACTUAL 2024/25
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,455	1,570	1,560
Targeted rates	326	13	13
Subsidies and grants for operating purposes	0	735	546
Fees and charges	4	4	11
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	1,785	2,322	2,130
Applications of operating funding			
Payments to staff and suppliers	976	1,907	1,309
Finance costs	24	0	0
Internal charges and overheads applied	735	556	593
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,735	2,463	1,902
Surplus (deficit) of operating funding (A-B)	50	(141)	228
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(50)	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	(50)	0	0
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	0	3	0
Capital expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	0	(144)	228
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	0	(141)	228
Surplus (deficit) of capital funding (C-D)	(50)	141	(228)
Funding Balance ((A-B)+(C-D))	0	0	0

WHAT'S BEHIND THE VARIATIONS

VARIANCE FROM YEAR 1 OF THE 2024-34 LTP

Total operating funding

- 1 Subsidies and grants revenue was lower than forecast due to the lower spend for the Better Off sports development initiative and the Les Munro Centre revitalisation. Subsidy revenue was also recognised for the Mayors Taskforce for Jobs programme.

Applications of operating funding

- 2 Operational expenditure was below forecast for Better Off projects including the sports development initiative and Les Munro Centre revitalisation. Budgets for the development of surplus land for residential sections, district promotion and district development were also not fully spent.

Applications of Capital Funding

- 3 There was an increase in reserves for the year as reserve funding for the development of surplus land for residential sections was lower than forecast and district promotion and district development budgets were not fully spent for the year.



RECREATION AND PROPERTY

WHAT WE DO

This group comprises of parks and recreation, housing and property, community and public facilities.

- **Parks and Recreation** involves the provision of parks and reserves for recreation, green spaces and landscapes that are restful and enhance the visual amenity of our communities.
- **Housing and Property** involves the provision of housing community facilities such as halls and housing.
- **Recreation and Culture** 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.

COMMUNITY OUTCOMES

PRIMARY



A district for all people

SECONDARY

**A prosperous district
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environment**

DELIVERING ON OUR LONG TERM PLAN

In March 2025, the heating, ventilation and air conditioning unit at The Les Munro Centre was successfully installed. This upgrade is expected to provide reliable service for approximately 15 years.

The Marokopa School House was demolished due to significant deterioration, and the site has been fenced to protect the reserve land from vehicle and animal access.

The Centennial Park Grandstand revitalisation project was completed in June 2025. The works included the installation of four new toilets, upgraded changing room facilities, a full building repaint, new downpipes and stormwater connection and new hand railing.

The Centennial Park grounds were also upgraded with the installation of a new cricket pitch and practice batting nets, new rugby goal posts for the Oval, additional removable soccer goals and a line-marking machine available for club use.

Te Kūiti Holiday Park has been closed following a Council decision, due to years of underperformance and the resulting financial burden on ratepayers.

Additional CCTV has been installed as part of the three-year CCTV renewal project. Year 1, completed in June 2025, included new cameras at The Les Munro and Gallagher Centre, Mōkau, The Lines, the Pound and the Te Kūiti Transfer Station gate.



SERVICE PERFORMANCE MEASURES

Key:


Achieved

All components of the performance measure have been met.


Not achieved

Some or all components were not achieved as per schedule or target.


Nearly achieved

A nearly achieved result occurs when a result is within 5% of the target.

YOU CAN EXPECT	MEASURE	TARGET	HOW WE PERFORMED	
We provide parks and open spaces across our district.	Percentage of residents satisfied with our parks and open spaces.	Target: ≥ 85% Result: 92% Previous year Result: 87%		Result of the June 2025 Resident Survey is 92%.
We provide community facilities that are compliant with legislative standards.	Ensure facilities with compliance schedules have current Building Warrant of Fitness (BWOFF).	Target: Achieve Result: Achieved Previous year Result: Achieved		All facilities have current Building Warrant of Fitness (BWOFF).
We provide clean public toilets for our community and visitors.	Percentage of residents satisfied with the cleanliness of public toilets.	Target: ≥ 85% Result: 63% Previous year Result: 90%		Result of the June 2025 Resident Survey is 63%.



FUNDING IMPACT STATEMENT

Waitomo District Council: Funding impact statement for Recreation and Property (\$000's)	Adjusted LTP 2021-31 2024	LTP 2024-34 2025	ACTUAL 2024/25
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	3,187	4,486	4,458
Targeted rates	273	0	0
Subsidies and grants for operating purposes	1	101	80
Fees and charges	566	667	609
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	3	0	7
Total operating funding (A)	4,030	5,254	5,154
Applications of operating funding			
Payments to staff and suppliers	1,269	2,793	2,861
Finance costs	85	132	147
Internal charges and overheads applied	1,808	1,207	1,264
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,162	4,132	4,272
Surplus (deficit) of operating funding (A-B)	868	1,122	882
Sources of capital funding			
Subsidies and grants for capital expenditure	0	446	370
Development and financial contributions	0	0	0
Increase (decrease) in debt	(123)	68	(137)
Gross proceeds from sale of assets	0	0	711
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	(123)	514	944
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	115	825	348
Capital expenditure - to replace existing assets	276	268	786
Increase (decrease) in reserves	354	543	692
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	745	1,636	1,826
Surplus (deficit) of capital funding (C-D)	(868)	(1,122)	(882)
Funding Balance ((A-B)+(C-D))	0	0	0

WHAT'S BEHIND THE VARIATIONS

VARIANCE FROM YEAR 1 OF THE 2024-34 LTP

Total operating funding

- 1 Subsidy revenue was lower than forecast as the budget included subsidy revenue for the Centennial Park concept development however this expenditure was completed in 2023/24 and the associated subsidy were recognised in the previous year. Subsidy revenue recognised included Better Off programme funding for the demolition of the old schoolhouse at Marokopa.
- 2 Fees and charges revenue was less for housing rentals due in part to the sale of three rental properties during the year. Revenue was also below forecast for aerodrome revenue and camp ground revenue due to lower use of these facilities than forecast.

Applications of operating funding

- 3 Operational expenditure was more than forecast for consultants' fees incurred for the development of the aerodrome sustainability report and costs for the investigation and design of options for Mōkau seawall. Additional tree maintenance, water billing charges and increased electricity and gas charges across the activity were also recognised. These expenditures were mostly offset by unspent budgets for property asset management, contractor costs for the aquatic centre and the Better Off programme budget for the concept development which was completed in the prior year.

Sources of Capital Funding

- 4 Subsidy revenue recognised for Better Off programme for development of walkways in Te Kūiti . Additional grant revenue was also recognised for the Centennial Park upgrade of the grandstand ablutions and cricket facilities.
- 5 Proceeds were recognised for the sale of 59 Esplanade and 4 and 8 Jennings Street in Te Kūiti , these proceeds were not forecast in the LTP.

Applications of Capital Funding

- 6 Capital expenditure included the walkways project that was fully funded by Better Off subsidy revenue and Centennial Park cricket pitch and equipment which was fully funded by grant revenue.
- 7 Renewal expenditure was recognised for the Centennial Park grandstand ablutions upgrade, Les Munro Centre air conditioning unit replacement, security camera renewals and playground renewals.



REGULATORY SERVICES

WHAT WE DO

This group undertakes many activities that contribute to keeping our community and district a safe place to be. These activities are governed and directed by legislation, national, regional and local policies, and bylaws.

- **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.

COMMUNITY OUTCOMES

PRIMARY



A district for all people

SECONDARY

**A prosperous district
A district that values culture
A district that cares for its
environment**

DELIVERING ON OUR LONG TERM PLAN

Consents are closely monitored to ensure statutory timeframes are adhered to. Building Processes are monitored biannually with an audit undertaken by IANZ (International Accreditation New Zealand). The IANZ audit was completed in June 2024, and accreditation was achieved. The next audit is in June 2026.

The Earthquake Prone Building (EPB) work has continued for all other buildings with priority buildings processing completed. Letters sent in 2023 for all other buildings identified based on the methodology of earthquake prone buildings. The letters gave owners 12 months to provide either; reason that the methodology applied does not apply to their building or an engineering assessment. Reminder letters for these building have been sent. Engineering assessments have been received, reviewed and appropriate steps taken, which includes applying EPB notices and entering them on to the national EPB register. Should engineering

assessments for earthquake prone buildings not be received nor a valid reason for why the building does not meet the methodology, Council is required to continue without these and complete the appropriate steps which applying EPB notices (not determined) has been nominated and entering them on to the national EPB register. This process will be complete and applied to all buildings identified as EPB, within the required timeframe of 2027.

Pool inspections have been completed throughout the district for the financial year.

Animal Control team have had a busy year with increased enforcement and infringements of dog owners. Community expectations have exceeded our legislated ability to address issues in some situations, these complex cases take time and resource to work through. The team have had particular focus in the eastern area of Te Kūiti this year.

SERVICE PERFORMANCE MEASURES

Key:



All components of the performance measure have been met.



Not achieved

Some or all components were not achieved as per schedule or target.



Nearly achieved

A nearly achieved result occurs when a result is within 5% of the target.

YOU CAN EXPECT	MEASURE	TARGET/ RESULT	HOW WE PERFORMED
We ensure the public sale and supply of alcohol is undertaken safely and responsibly.	All premises that sell alcohol are licensed.	Target: 100% Compliance Result: 100% Previous year Result: Achieved	 All premises that sell alcohol are licensed.
Building consents are processed in a timely fashion.	Building consents are processed within 20 working days.	Target: 100% Result: 99% Nearly Achieved Previous year Result: Nearly Achieved	 Year end 99% compliance. Two consents out of 145 not processed within the 20 working day target.
We provide regulatory services for food licences.	All premises that sell food are licensed and registered.	Target: 100% Compliance Result: 100% New measure	 All premises that sell food are licensed.
Council will process, inspect, and certify building work in the Waitomo District.	WDC maintains building control systems and process to meet IANZ Audit requirements.	Target: BCA accreditation maintained Result: BCA accreditation maintained Previous year Result: Achieved	 BCA accreditation maintained, next assessment is due in 2026.
We provide land information Services (LIMs) efficiently.	LIM applications are processed within 10 working days.	Target: 100% Result: 99% Nearly Achieved Previous year Result: Nearly Achieved	 Year end 99% compliance. One LIM out of 136 not processed within the 10 working days target.
We provide an effective Animal Control Service.	Percentage of residents satisfied with the provision of the Animal Control Service.	Target: ≥ 75% Result: 63% Previous year Result: Achieved	 Result of the June 2025 Resident Survey is 63%.
WDC is resourced and staff trained to effectively support operations of Civil Defence Headquarters during an emergency.	The evaluation of the annual exercise as a measure of effectiveness of training.	Target: ≥ 61% (comprehensive score) Result: 58% Nearly Achieved Previous Result: Achieved 68 %	 The 2025 Annual Exercise was held in Te Awamutu on 22 May 2025. KPI is nearly achieved as it is within 5% of the target.

FUNDING IMPACT STATEMENT

Waitomo District Council: Funding impact statement for Regulatory Services (\$000's)	Adjusted LTP 2021-31 2024	LTP 2024-34 2025	ACTUAL 2024/25
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	966	1,420	1,411
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	457	705	781
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	24	25	19
Total operating funding (A)	1,447	2,150	2,211
Applications of operating funding			
Payments to staff and suppliers	370	1,200	951
Finance costs	0	0	0
Internal charges and overheads applied	1,112	995	1,035
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,482	2,195	1,986
Surplus (deficit) of operating funding (A-B)	(35)	(45)	225
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(1)	9	(1)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	(1)	9	(1)
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	0	0	0
Capital expenditure - to replace existing assets	10	10	6
Increase (decrease) in reserves	(46)	(46)	218
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	(36)	(36)	224
Surplus (deficit) of capital funding (C-D)	35	45	(225)
Funding Balance ((A-B)+(C-D))	0	0	0

WHAT'S BEHIND THE VARIATIONS

VARIANCE FROM YEAR 1 OF THE 2024-34 LTP

Total operating funding

- 1 Additional fees and charges revenue were recognised to fund the shared service with Otorohanga District Council for animal control. Health Act licence fees revenue was also more than forecast. Building services revenue was less than forecast as Waitomo district has followed the national trend of a reduction in building consent applications and activity.

Applications of operating funding

- 2 Operating expenditure mainly for legal costs, noise control, building accreditation and earthquake prone building costs were not fully spent.
- 3 Internal charges and overheads applied were above forecast due to additional expenditure for asset valuations, insurance, debt collection and project management costs. Costs associated with the administration building earthquake seismic assessment incurred in the prior years and held as work in progress were also expensed.

Applications of Capital Funding

- 4 Reserve funding was forecast in the LTP to fund legal costs and earthquake prone buildings however these budgets were not fully spent and the reserve funding was not required. The reserve also increased more than forecast due to additional revenue received for animal control and health licence fees and unspent rates funding for building services.



RESOURCE MANAGEMENT

WHAT WE DO

This group involves the administration, application and enforcement of the Operative Waitomo District Plan and District Planning.

- 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 and proposed Waitomo District Plans.
- 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.

COMMUNITY OUTCOMES

PRIMARY



A district that cares for its environment

SECONDARY

A prosperous district
A district that values culture
A district for all people

DELIVERING ON OUR LONG TERM PLAN

The Proposed District Plan was notified on 20 October 2022 with the submission period closing on 23 December 2022, a total of 58 submissions were received.

The summary of submissions was publicly notified on 6 July 2023 with the further submission period closing on 28 July 2023, a total of 29 further submissions were received.

Hearings were held in July and November 2024 with the decisions version of the Proposed District Plan being notified on 19 June 2025. Five appeals have been received on the Proposed District Plan. Council staff are now preparing the appeals version of the Proposed District Plan and will then be working through the process to resolve the appeals.

SERVICE PERFORMANCE MEASURES

Key:



Achieved

All components of the performance measure have been met.



Not achieved

Some or all components were not achieved as per schedule or target.



Nearly achieved

A nearly achieved result occurs when a result is within 5% of the target.

YOU CAN EXPECT	MEASURE	TARGET/ RESULT	HOW WE PERFORMED	
Resource consents are processed in accordance with legislation.	All non-notified resource consents are processed within statutory timeframes.	Target: Achieve Result: 100 % Previous year Result: Achieved		All resource consents are processed within statutory timeframes of 20 days.

FUNDING IMPACT STATEMENT

Waitomo District Council: Funding impact statement for Resource Management (\$000's)	Adjusted LTP 2021-31 2024	LTP 2024-34 2025	ACTUAL 2024/25
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	615	445	442
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	189	216	210
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	804	661	652
Applications of operating funding			
Payments to staff and suppliers	217	562	342
Finance costs	61	67	65
Internal charges and overheads applied	376	408	424
Other operating funding applications	0	0	0
Total applications of operating funding (B)	654	1,037	831
Surplus (deficit) of operating funding (A-B)	150	(376)	(179)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(150)	376	163
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	(150)	376	163
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	0	0	0
Capital expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	0	0	(16)
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	0	0	(16)
Surplus (deficit) of capital funding (C-D)	(150)	376	179
Funding Balance ((A-B)+(C-D))	0	0	0

WHAT'S BEHIND THE VARIATIONS

VARIANCE FROM YEAR 1 OF THE 2024-34 LTP

Applications of operating funding

- 1 Operating expenditure for consultant fees and legal fees was below forecast for the development of the district plan. Due to the involved and complex nature of this project, it was difficult to accurately predict the timing of when the expenditure would be incurred when developing the LTP budget.
- 2 Internal charges and overheads applied were above forecast due to additional expenditure for asset valuations, insurance, debt collection and project management costs. Costs associated with the administration building earthquake seismic assessment incurred in the prior years and held as work in progress were also expensed.

Sources of Capital Funding

- 3 Debt funding was lower than forecast due to the reduced district plan development expenditure.

Applications of Capital Funding

- 4 Reserve funding was utilised to fund district plan administration due to lower resource consent revenue and the additional internal charges applied during the year.



SOLID WASTE

WHAT WE DO

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

- **Waste minimisation** aims to reduce and divert solid waste through education programmes that promote reduction, reuse, recycling, and recovery practices.
- **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, transfer Station and recycling facility at Te Kūiti and waste transfer stations are provided to the communities of Maniaiti/Benneydale, Piopio, Marokopa, Kinohaku, and Mōkau/Awakino.

COMMUNITY OUTCOMES

PRIMARY



A district that cares for its environment

SECONDARY

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A district for all people**

DELIVERING ON OUR LONG TERM PLAN

The Waitomo District landfill has experienced dropping waste volumes this year therefore the current waste cell is reaching capacity more slowly, we will continue to take refuse until the current cell is filled.

Council worked through a consultation with the community this year on whether or not to develop the next waste cell at the landfill. After considering all the feedback and current waste and costing data the decision was made to transport waste outside the district once filled to capacity.

The project to improve the configuration of the transfer area is underway to accommodate this change and improve the traffic flow and layout for operators and the public.

The Waste Management and Minimisation Plan 2024 has been completed and adopted by Council on 25 June 2024.

Kerbside audits are being undertaken to educate residents on proper waste separation and encourage more sustainable disposal practices.



SERVICE PERFORMANCE MEASURES

Key:



Achieved

All components of the performance measure have been met.



Not achieved

Some or all components were not achieved as per schedule or target.



Nearly achieved

A nearly achieved result occurs when a result is within 5% of the target.

YOU CAN EXPECT	MEASURE	TARGET / RESULT	HOW WE PERFORMED	
We provide effective and fit for purpose solid waste facilities.	Percentage of users that are satisfied with the rural transfer service stations.	Target: ≥90% Result: 77% Previous year Result: 94%		Result of the June 2025 Resident Survey is 77%.
	Percentage of users that are satisfied with the Waitomo District Landfill.	Target: ≥ 90% Result: 87% Nearly Achieved Previous Result: 93%		Result of the June 2025 Resident Survey is 87%.
We will provide a reliable kerbside rubbish collection to stop rubbish becoming a health risk*.	The number of justifiable complaints per week about uncollected rubbish.	Target: < 7 per week Result: Achieved Previous year Result: Achieved		No week exceeded 7 complaints
We encourage waste minimisation by providing recycling services to reduce waste sent to landfill.	Diversion rate** of the District's waste to landfill.	Target: Increasing trend of diversion rate to ≥ 50% (2022/23 diversion rate 43%) Result: 52% Achieved New measure		Achieved.

* Services offered in Te Kūiti, Waitomo Village, Piopio and Mōkau.

** (Diversion rate means not sending unwanted materials to disposal facilities. Instead, materials are repurposed through the process of **reuse**, **recycling**, or **recovery**. The diversion rate is found by dividing the weight of diverted waste only by the weight of all waste and multiplying this by 100 to get a percentage).



FUNDING IMPACT STATEMENT

Waitomo District Council: Funding impact statement for Solid Waste (\$000's)	Adjusted LTP 2021-31 2024	LTP 2024-34 2025	ACTUAL 2024/25
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	32	66	66
Targeted rates	898	1,567	1,585
Subsidies and grants for operating purposes	0	0	3
Fees and charges	2,297	2,237	1,863
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	37	125	186
Total operating funding (A)	3,264	3,995	3,703
Applications of operating funding			
Payments to staff and suppliers	2,563	3,210	3,032
Finance costs	114	124	124
Internal charges and overheads applied	536	497	521
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,213	3,831	3,677
Surplus (deficit) of operating funding (A-B)	51	164	26
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	175	2,792	(242)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	175	2,792	(242)
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	0	10	387
Capital expenditure - to replace existing assets	1,146	3,131	12
Increase (decrease) in reserves	(920)	(185)	(615)
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	226	2,956	(216)
Surplus (deficit) of capital funding (C-D)	(51)	(164)	(26)
Funding Balance ((A-B)+(C-D))	0	0	0

WHAT'S BEHIND THE VARIATIONS

VARIANCE FROM YEAR 1 OF THE 2024-34 LTP

Total operating funding

- 1 Fees and charges were less than forecast due to lower waste volumes being received than forecast in the LTP.
- 2 More waste levy revenue was received from central government national waste levy programme for initiatives to reduce waste and encourage resource recovery.

Applications of Operating Funding

- 3 Operational expenditure was below budget for waste minimisation levy and emission trading scheme costs due to lower waste volumes. This was offset in part by increased landfill operations contract costs, removal of recycling costs and landfill bin movement charges were more than forecast. Consultants' costs for advice on the landfill options to inform the future operations of the landfill were also incurred during the year.

Sources of Capital Funding

- 4 Debt funding was lower than forecast due to the decision to not proceed with further cell development at this time and to transport waste out of the district once the current cell is full.

Applications of Capital Funding

- 5 Capital expenditure included the recognition of the landfill aftercare asset and the necessary work undertaken on the landfill highwall overburden, catchpits and culverts.
- 6 The cell development and gas flaring equipment did not proceed as forecast. Following a review of the project, Council resolved to not develop the landfill cell at this time and transport waste out of the district once the current cell is full.
- 7 Reserve funding was utilised for fund the shortfall in fees and charges for the landfill.



STORMWATER

WHAT WE DO

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.

The main activities of this group is providing, monitoring, maintaining and upgrading Council's stormwater network comprising of open drains, wingwalls, scruffy domes, pipes and manholes.

COMMUNITY OUTCOMES

PRIMARY



A district for all people

SECONDARY

**A prosperous district
A district that values culture
A district that cares for its environment**

DELIVERING ON OUR LONG TERM PLAN

Consent renewal application has been submitted to Waikato Regional Council to renew all seven stormwater discharge consents which expired on 1 July 2024. A comprehensive stormwater management plan was completed and lodged together with the application as a requirement with Waikato Regional Council.

The Stormwater Catchment plan will be completed in 2024/25. The stormwater modelling has been reviewed and in progress of being completed.

Improvement works completed on Te Kūiti Stormwater network included installation of concrete wingwalls with grates/screens, two scruffy domes at Duke Street, and increasing the sizes of roadside catchpits on a number of roads in Te Kūiti.

We have enhanced our stormwater monitoring with four open channel level sensors installed in critical monitoring sites on Butler and Ngatai Streets, behind George Street and Te Kumi Road properties. These level sensors will provide real time monitoring of stormwater flow through these critical open channels during times of heavy rainfall. High level warnings will alert on-site checks and removal of any blockages during rain events.

We cleaned out critical open channels located on Hill, Ward, Ngatai, and Butler Streets, Te Kumi and Hospital Roads, and behind George Street properties and Te Kūiti Holiday Park.

Installation of new stormwater pipeline along Carrol Street (SH3) from corner of George Street to redirect stormwater from unrepairable pipeline under railway line which has been sealed and blocked off.

Renewal of stormwater main on Edward and Waitete Road was completed.



SERVICE PERFORMANCE MEASURES

Key:

	All components of the performance measure have been met.		Not achieved		Some or all components were not achieved as per schedule or target.		Nearly achieved		A nearly achieved result occurs when a result is within 5% of the target.
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YOU CAN EXPECT	MEASURE	TARGET/ RESULT	HOW WE PERFORMED	
We maintain and operate the stormwater network in a way that minimises the likelihood of stormwater entering habitable buildings.	The number of flooding events* that occur in the district in a financial year.	Target: ≤ 2 Result: 0 Previous year Result: Not Achieved		No flooding events.
	For each flooding event the number of habitable floors** affected in a financial year.	Target: ≤ 5 per 1000 properties (1,851 properties) Result: 0 Previous year Result: Not Achieved		No flooding events.
We comply with our resource consent conditions and minimise the impact of stormwater on the environment	Compliance with resource consents for discharge from its Stormwater system, measured by the number of the following (received by Council with a financial year):			
	The number of infringement notices related to the management of the stormwater system.	Target: ≤ 2 Result: 0 Previous year Result: Achieved		There have been no notices received.
	The number of abatement, enforcement or conviction actions related to the management of the stormwater system.	Target: 0 Result: 0 Previous year Result: Achieved		There have been no notices received.
We will respond within a reasonable timeframe to flooding.	The median response^ time to attend a flooding event, (measured from the time that the notification is received to the time that service personnel reach the site).	Target: ≤ 180 minutes (3hrs) Result: 0 Previous year Result: Not Achieved^^		No flooding events.
The Council provides a reliable stormwater collection service.	The number of complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected.	Target: ≤ 5 complaints per 1000 properties (1,851 properties) Result: 2 complaints per 1,000 properties Previous year Result: Not Achieved		Total 4 complaints received, which translates to 2 complaints per 1000 properties.
* A flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor. ** Habitable floor refers to the floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages. ^ The median response times for resolution, in a year, measured from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault. ^^ Due to inaccurate recording the first response was not recorded, the follow up site visit is the time reported.				

FUNDING IMPACT STATEMENT

Waitomo District Council: Funding impact statement for Stormwater (\$000's)	Adjusted LTP 2021-31 2024	LTP 2024-34 2025	ACTUAL 2024/25
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	483	918	929
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	26
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	483	918	955
Applications of operating funding			
Payments to staff and suppliers	144	466	508
Finance costs	6	40	22
Internal charges and overheads applied	93	185	192
Other operating funding applications	0	0	0
Total applications of operating funding (B)	243	691	722
Surplus (deficit) of operating funding (A-B)	240	227	233
Sources of capital funding			
Subsidies and grants for capital expenditure	0	719	3
Development and financial contributions	0	0	0
Increase (decrease) in debt	(16)	608	321
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	(16)	1,327	324
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	0	1,240	284
Capital expenditure - to replace existing assets	170	548	242
Increase (decrease) in reserves	54	(234)	31
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	224	1,554	557
Surplus (deficit) of capital funding (C-D)	(240)	(227)	(233)
Funding Balance ((A-B)+(C-D))	0	0	0

WHAT'S BEHIND THE VARIATIONS

VARIANCE FROM YEAR 1 OF THE 2024-34 LTP

Total Operating Funding

- 1 Connection fees revenue was recognised for Te Kūiti .

Applications of Operating Funding

- 2 Additional operating expenditure was incurred for consultants' fees for the stormwater water modelling programme and some initial investigation costs for the planned attenuation ponds in Te Kūiti .

Sources of Capital Funding

- 3 Subsidy revenue was forecast to part fund the construction of the attenuation ponds, however this project was deferred as part of the 2025/26 Annual Plan and construction is now expected to commence in the next financial year.
- 4 The increase in debt funded the stormwater improvements in Te Kūiti and rural areas. The increase in debt was lower due to the deferral of the construction of the attenuation ponds.

Applications of Capital Funding

- 5 Stormwater improvements were completed on the Te Kūiti network and in Piopio and Mōkau. The planned construction of the attenuation ponds was deferred to the next financial year as part of the 2025/26 Annual Plan.
- 6 Renewal expenditure included pipe replacement in Carroll Street, Te Kūiti which as partly funded by NZTA. Renewal expenditure was also recognised for stormwater asset replacement at Hospital and Awakino Roads in Te Kūiti .
- 7 As the Te Kūiti stormwater renewal expenditure budget was not fully spent, a lower level of reserve funding was utilised for the year.



WASTEWATER

WHAT WE DO

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

There are three key aspects to this activity, namely:

- Maintenance.
- Renewals and replacements.
- Improvements.

COMMUNITY OUTCOMES

PRIMARY



A district for all people

SECONDARY

A prosperous district
A district that values culture
A district that cares for its environment

DELIVERING ON OUR LONG TERM PLAN

Council made a decision in November 2024 to use geobags for removal and dewatering of sludge from the Te Kūiti wastewater treatment plant. They are a synthetic permeable bag that allows water to drain from the sludge over time, typically 12 months.

The proposed geobags are 30m long, 13.5m wide and when initially filled 2.6m high. They require a level gravel-based area to sit above water level with provision for drainage of leachate back to the wastewater treatment pond.

Sludge removal and dewatering project to fill 7 geobags was completed by June 2025. The first stage required a platform to be constructed on the edge of the wastewater treatment pond to correctly

position and hold the geobags for 12 months to allow the dewatering to take place.

The next stage was to supply and install the geobags and fill each one with sludge. This requires a specialist contractor to ensure the geobags are safely and completely filled.

The geobags will now sit on the platform and the sludge will dewater to a point where it can be disposed of at an appropriate facility.

Minor plant and reticulation renewals continued from last financial year have been completed during the year throughout the district.



SERVICE PERFORMANCE MEASURES

Key:

	All components of the performance measure have been met.		Not achieved		Some or all components were not achieved as per schedule or target.		Nearly achieved	A nearly achieved result occurs when a result is within 5% of the target.
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YOU CAN EXPECT	MEASURE	TARGET/ RESULT	HOW WE PERFORMED	
We will attend and resolve issues with the wastewater system within a reasonable timeframe*.	The median attendance time for call-outs, from the time that we received notification to the time that our service personnel reach the site.	Target: ≤180 minutes (3hrs) Result: 1.5 hrs Previous year Result: Achieved		This is the median attendance time by our contractors for callouts to service requests.
	The median resolution time of call-outs, from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved.	Target: Piopio ≤540 minutes (9hrs) Result: 4.36 hrs Previous year Result: Achieved		This is the median resolution time by our contractors for completing service requests callouts in Piopio.
		Target: Rest of District ≤540 minutes (9hrs) Result: 3.06 hrs Previous year Result: Achieved		This is the median resolution time by our contractors for completing service requests callouts.
We comply with our resource consent conditions and minimise the impact of wastewater on the environment.	*The median response times for resolution, in a year, measured from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.			
	0 abatement notices, infringement notices, enforcement orders or convictions issued.	Target: 0 Result: 1 Previous year Result: Achieved		One abatement notice issued in May and June 2025 following a high rainfall event related to three incidents.
Our wastewater system is operated and maintained to minimise odour and blockages.	The number of complaints about wastewater odour, system faults or blockages and complaints about our response to issues with its wastewater system.	Target: Piopio ≤200 complaints per 1,000 connections (202) Result: 232 per 1000 connections Previous year Result: Not Achieved		Total 47 complaints, which is 232 complaints per 1000 connections, largely related to system faults with septic tanks.
		Target: Rest of District ≤35 complaints per 1,000 connections (2067) Result: 23 per 1000 connections Previous year Result: Achieved		A total of 47 complaints, which equates to 23 complaints per 1000 connections.
Our wastewater system is optimised to reduce the risk of harm to the community and environment.	Number of dry weather overflows in a financial year	Target: ≤5 complaints per 1,000 connections (2269) Result: 10 per 1,000 connections Previous year Result: Achieved		A total of 23 complaints which equates to 10 complaints per 1000 connections.

FUNDING IMPACT STATEMENT

Waitomo District Council: Funding impact statement for Wastewater (\$000's)	Adjusted LTP 2021-31 2024	LTP 2024-34 2025	ACTUAL 2024/25
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	2,378	2,713	2,729
Subsidies and grants for operating purposes	0	0	0
Fees and charges	872	796	1,103
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	3,250	3,509	3,832
Applications of operating funding			
Payments to staff and suppliers	1,561	2,625	2,725
Finance costs	185	217	249
Internal charges and overheads applied	620	588	583
Other operating funding applications	0	0	0
Total applications of operating funding (B)	2,366	3,430	3,557
Surplus (deficit) of operating funding (A-B)	884	79	275
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	25
Development and financial contributions	0	0	0
Increase (decrease) in debt	(217)	(133)	53
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	(217)	(133)	78
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	0	75	614
Capital expenditure - to replace existing assets	417	418	751
Increase (decrease) in reserves	250	(547)	(1,012)
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	667	(54)	353
Surplus (deficit) of capital funding (C-D)	(884)	(79)	(275)
Funding Balance ((A-B)+(C-D))	0	0	0

WHAT'S BEHIND THE VARIATIONS

VARIANCE FROM YEAR 1 OF THE 2024-34 LTP

Total Operating Funding

- 1 Additional trade waste revenue was recognised for Te Kūiti for the large commercial operators based on volume discharged and nutrient loading.

Applications of Operating Funding

- 2 Wastewater reticulation maintenance costs due to increased contract costs and additional sampling costs were incurred during the year. These were partly offset by reduced sludge disposal costs.

Sources of Capital Funding

- 3 Subsidy revenue from NZTA was recognised to part fund the replacement and relocation of pipes on Carroll Street, Te Kūiti .
- 4 Debt funding was more than forecast to part fund the unplanned replacement of pipes on Carroll Street, Te Kūiti and the major mains renewal project which was originally forecast in the prior year.

Applications of Capital Funding

- 5 Improvement expenditure was recognised for the construction of the sludge disposal platform at Te Kūiti wastewater ponds and pump station improvements.
- 6 Renewal expenditure included the replacement and relocation of pipes on Carroll Street and the major wastewater mains renewal at Hospital Road and King Street West in Te Kūiti . The Carroll Street pipe relocation project was not included in the LTP and the major mains renewal was forecast in the prior year. Additional costs were incurred for the renewal of the resource consent for Maniaiti/Benneydale.
- 7 Reserve funding was utilised to fund the sludge disposal costs and the construction of the sludge disposal platform as well as the renewal of the resource consent for Maniaiti/Benneydale.



WATER SUPPLY

WHAT WE DO

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.

The main activities are providing, maintaining and upgrading council's water supply schemes comprising of water treatment plants and intake systems, reservoirs, pump stations and pipe reticulation network.

COMMUNITY OUTCOMES

PRIMARY



A district for all people

SECONDARY

A prosperous district

A district that values culture

A district that cares for its environment

DELIVERING ON OUR LONG TERM PLAN

The Te Kūiti Water Resilience Project went through an extended tender process in the year 2024/25. The process was a two-stage evaluation with an open tender being completed for this first stage the top two candidates were then selected for the next stage. The second stage evaluation was completed by mid-February, which involved multiple teams assessing differing criteria. An alternative proposal was submitted by one of the contractors with an alternative reservoir location, which provided council with operation savings and an indicative lower capital cost for the construction.

The confirmed proposal is now to demolish and replace the existing Hospital Road reservoir and upgrade this to a larger tank, approximately 2800m³, with a rising main from the treatment plant to the Hospital reservoir and then from the Hospital reservoir to the Hetet reservoir. Construction will begin early January 2026.

Delivery of reticulation renewal programme continued for this financial year with renewals completed on Carroll Street (SH3) in Te Kūiti.

Te Kūiti and Mōkau Water Safety and source Water Risk Management Plans was reviewed and sent to Water Services Authority - Taumata Arowai.

Continuation of replacing old and faulty properties service connection (tobies) with approved backflow prevention devices.



SERVICE PERFORMANCE MEASURES

Key:



All components of the performance measure have been met.



Not achieved

Some or all components were not achieved as per schedule or target.



Nearly achieved

A nearly achieved result occurs when a result is within 5% of the target.

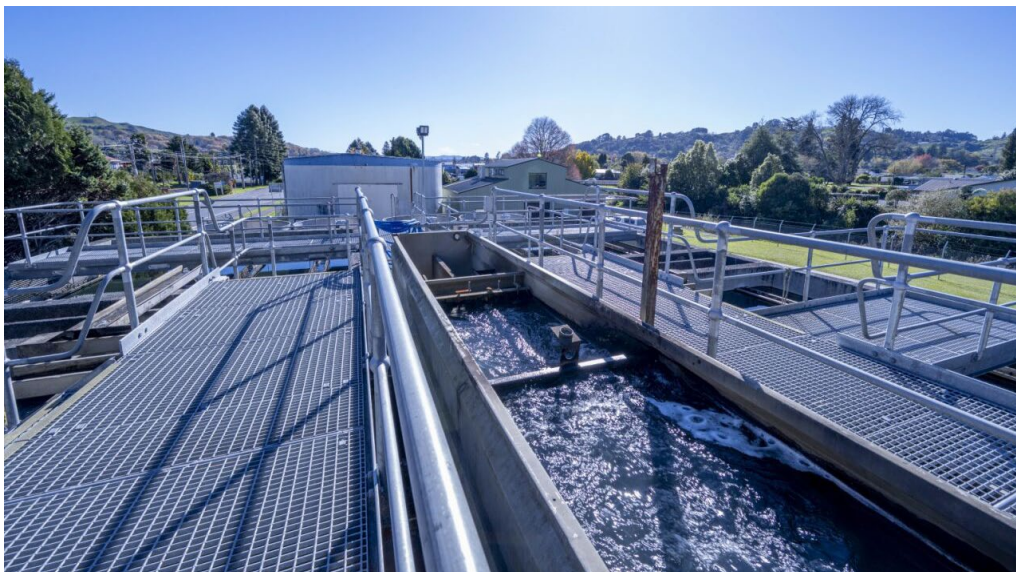
YOU CAN EXPECT	MEASURE	TARGET/ RESULT	HOW WE PERFORMED
We provide water that is safe to drink and hygienic to use which meets the drinking water standards.	Compliance from 1 January 2025 has been measured against the Drinking Water Quality Assurance (Very Small to Medium Drinking Water Supplies) Amendment Rules 2024 which came into effect from 1 January 2025. Previous year Compliance (from 1 July 2024 till 31 December 2024) was measured against the Drinking Water Quality Assurance Rules 2022 (DWQAR).		
	Water quality complies with the drinking water standards for T2 Treatment Monitoring Rules.	Target: Mōkau Achieve Compliance Result: Not Achieved New Measure	Non-compliance was due to number of days in between when samples are taken (Technical non-compliance in April 2025).
		Target: Maniaiti/Benneydale Achieve Compliance Result: Achieved New Measure	Compliance Achieved.
	Water quality complies with the drinking water standards for T2 Filtration Rules.	Target: Mōkau Achieve Compliance Result: Achieved New Measure	Compliance Achieved.
		Target: Maniaiti/Benneydale Achieve Compliance Result: Achieved New Measure	Compliance Achieved.
	Water quality complies with the drinking water standards for T2 Chlorine Rules.	Target: <u>Mōkau</u> Achieve Compliance Result: Achieved New Measure	Compliance Achieved.
		Target: Maniaiti/Benneydale Achieve Compliance Result: Achieved New Measure	Compliance Achieved.
	Water quality complies with the drinking water standards for T3 Bacteria Rules.	Target: Te Kūiti Achieve Compliance Result: Not Achieved Previous Result: Not Achieved	Non-compliant due to technical issues (no. of days between sampling was not complied with for April).
		Target: Piopio Achieve Compliance Result: Achieved Previous Result: Not Achieved	Achieved.

YOU CAN EXPECT	MEASURE	TARGET/ RESULT	HOW WE PERFORMED
	Water quality complies with the drinking water standards for T3 Protozoa Rules.	Target: Te Kūiti Achieve Compliance Result: Not Achieved Previous Result: Not Achieved	 Non-compliant due to technical issues (no. of days between sampling was not complied with for April).
		Target: Piopio Achieve Compliance Result: Achieved Previous Result: Not Achieved	 Not Achieved.
	Water quality complies with the drinking water standards for D2 Distribution System Rule.	Target: <u>Mōkau</u> Achieve Compliance Result: Achieved New Measure	 Compliance Achieved.
		Target: Maniaiti/Benneydale Achieve Compliance Result: Achieved New Measure	 Compliance Achieved.
		Target: Piopio Achieve Compliance Result: Achieved New Measure	 Compliance Achieved.
	Water quality complies with the drinking water standards for D3 Microbiological Monitoring Rule.	Target: Te Kūiti Achieve Compliance Result: Not Achieved New Measure	 Not Achieved.
	Percentage of real water loss from the Council's networked reticulation system in a financial year in: *Water leakage includes real losses through leaks in the network and apparent losses through metering inaccuracies or water theft. This does not include unauthorised consumption.		
	Te Kūiti	Target: ≤ 20% Result: 17.4% Previous year Result: Achieved	
	Mōkau	Target: ≤ 5% Result: 1.98% Previous year Result: Achieved	 Readings for Maniaiti/Benneydale is not captured due to an error in the SCADA system which is currently been investigated by the contractor.
	Piopio	Target: ≤ 5% Result: 2.01% Previous year Result: Achieved	 Percentage calculated using Minimal Night Flow which assumes that there is little consumption overnight, therefore remaining flow is attributed to water loss.
	Maniaiti / Benneydale	Target: ≤ 5% Result: No data Previous year Result: Achieved	

We provide an efficient and effective water supply. We will achieve this by undertaking activities such as water leakage* detection and maintaining the network of water pipes.

YOU CAN EXPECT	MEASURE	TARGET/ RESULT	HOW WE PERFORMED	
We will respond within a reasonable timeframe to issues with the water supply**.	The median attendance time [^] for urgent call-outs, from the time that we received notification to the time that our service personnel reach the site.	Target: ≤ 180 minutes (3hrs) Result: 0.16 hrs Previous year Result: Achieved		Achieved.
	The median resolution time ^{^^} of urgent call-outs, from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved.	Target: ≤ 540 minutes (9 hrs) Result: 1.15 hrs Previous year Result: Achieved		Achieved.
	The median attendance time, in working days, for non-urgent call-outs, from the time that we received notification to the time that our service personnel reach the site.	Target ≤ 24 hrs (1day) Result: 1.23 hrs Previous year Result: Achieved		Achieved.
	The median resolution time, in working days, of non-urgent call-outs, from the time we received notification to the time that our service personnel confirm the fault or interruption has been resolved.	Target: ≤ 96 hours (4 days) Result: 22.56 hrs Previous year Result: Achieved		Achieved.
** Resolution and attendance based on working days are defined as Monday – Friday, excluding public holidays. If notification is received on the weekend or public holiday the timeframes start from the next working day. [^] Measured from the time that the local authority received notification to the time that service personnel confirm resolution of the fault or interruption. ^{^^} Measured from the time that the local authority received notification to the time that service personnel confirm resolution of the fault or interruption.				
We provide water that is wholesome and is reliably supplied. The measure indicates customers and community satisfaction with the quality of the water.	The total number of complaints received by Council in a year for: (Total number of connections (2640))			
	Drinking water clarity	Target: ≤ 5 per 1000 connections (2659 connections) Result: 1.88 Previous year Result: Achieved		Total 5 complaints which is 1.88 complaints per 1000 connections.
	Drinking water taste	Target: ≤ 2 per 1000 connections (2659 connections) Result: 0 Previous year Result: Achieved		Achieved.

YOU CAN EXPECT	MEASURE	TARGET/ RESULT	HOW WE PERFORMED	
	Drinking water odour	Target: ≤ 2 per 1000 connections (2659 connections) Result: 0 Previous year Result: Achieved	●	Achieved.
	Drinking water pressure flow	Target: ≤ 10 per 1000 connections (2659 connections) Result: 1.5 Previous year Result: Achieved	●	Total 4 complaints which equates to 1.5 complaints per 1000 connections).
	Continuity of supply	Target: ≤ 5 per 1000 connections (2659 connections) Result: 3.4 Previous year Result: Achieved	●	Total 9 complaints, this equates to 3.4 complaints per 1000 connections).
	Council's response to any of these issues.	Target: ≤ 7 per 1000 connections (2659 connections) Result: 0 Previous year Result: Achieved	●	Achieved.
We provide efficient management of demand for water for our community.	The average consumption of drinking water per Waitomo District resident, per day.	Target: ≤ 400 litres per person per day Result: 340 litres /day Previous year Result: Not Achieved	●	Achieved.



FUNDING IMPACT STATEMENT

Waitomo District Council: Funding impact statement for Water Supply (\$000's)	Adjusted LTP 2021-31 2024	LTP 2024-34 2025	ACTUAL 2024/25
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	3,101	3,714	3,680
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	29
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	3,101	3,714	3,709
Applications of operating funding			
Payments to staff and suppliers	1,432	2,199	2,575
Finance costs	250	377	324
Internal charges and overheads applied	677	667	693
Other operating funding applications	0	0	0
Total applications of operating funding (B)	2,359	3,243	3,592
Surplus (deficit) of operating funding (A-B)	742	471	117
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	357
Development and financial contributions	0	0	0
Increase (decrease) in debt	464	4,938	752
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	464	4,938	1,109
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	536	4,602	265
Capital expenditure - to replace existing assets	484	797	1,090
Increase (decrease) in reserves	186	10	(129)
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	1,206	5,409	1,226
Surplus (deficit) of capital funding (C-D)	(742)	(471)	(117)
Funding Balance ((A-B)+(C-D))	0	0	0

WHAT'S BEHIND THE VARIATIONS

VARIANCE FROM YEAR 1 OF THE 2024-34 LTP

Total Operating Funding

- 1 Metered water revenue was below budget for Te Kūiti and Mōkau.
- 2 Connection fees revenue was recognised for Te Kūiti and Piopio and revenue for bulk water take charges were also received during the year.

Applications of Operating Funding

- 3 Additional operating expenditure was recognised for the investigation of the future delivery of water services. Consultants' fees were incurred for some of the preliminary costs associated with the Te Kūiti water resilience project. Sampling and reactive reticulation maintenance costs were higher than forecast. Additional expenditure was also recognised for the contribution to the fencing at Mōkau dam, this project was classified as capital expenditure in the LTP.

Sources of Capital Funding

- 4 Subsidy revenue from NZTA was recognised to part fund the relocation and replacement of pipes on Carroll Street, Te Kūiti.
- 5 Debt funding was lower than forecast as the Te Kūiti resilience project construction was deferred to next financial year.

Applications of Capital Funding

- 6 Improvement expenditure was lower than forecast as the Te Kūiti resilience project was deferred to the next financial year. The contract was awarded in August 2025 and construction on a new watermain to connect the main reservoirs to the water treatment plant and replacing the existing reservoir next to Te Kūiti Hospital is scheduled to start in February 2026.
- 7 Renewal expenditure was more than forecast due to the relocation and replacement of pipes on Carroll Street, Te Kūiti. This project was partly funded by NZTA and was not forecast in the LTP.
- 8 Reserve funding was utilised to fund the additional operational expenditure for water supply.



ROADS AND FOOTPATHS

WHAT WE DO

The Roads and Footpaths activity 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.

- **Road Network:** We manage and maintain a network of 459km of sealed roads and 553km 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:** New Zealand 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.

COMMUNITY OUTCOMES

PRIMARY



A district for all people

SECONDARY

**A prosperous district
A district that values culture
A district that cares for its
environment**

DELIVERING ON OUR LONG TERM PLAN

Two pavement rehabilitation sites were delivered, one on Mangaotaki Road and the other on Walker Road. The Walker Road site was brought forward to replace Lawrence Street which was deferred to 2025/26 following a programme clash with an NZTA project on Carroll Street.

Cyclone Dovi reinstatement works have now been completed. The last group of projects includes sites on Mapara Road, Taharoa Road and Te Anga Road. Final completion for these sites will be assessed and issued in 2025/26.

The Winter 2022 storm damage repair works are now complete. Sites for 2024/25 include pavement reconstructions on Te Anga, Te Waitere, Ngapaenga, Walker, and Rangitoto Roads. Final completion of the 2023/24 sites has been issued, with final completion of the 2024/25 sites to be assessed and issued in 2025/26.

The January 2023 storm funding application was submitted and approved in September with a number of minor works sites completed. A mass block wall has been constructed on Te Anga Road as well a road retreat on Te Waitere Road and the scour protection portion of scope on an armco culvert on Ramaroa Road. Sites in progress at the end of 2024/25 include a retaining wall on Kawhia Harbour Road, and a

rock revetment on Te Waitere Road, both of which will be complete in the first quarter of 2025/26.

The 2024/25 resurfacing programme totalled 40.9 centreline kilometres, which returns a percentage of 8.9% of the sealed network. There was one asphalt site on Waitomo Village Road that was completed. An alternative surfacing product has been trialled on Manawaiti Street and Haines Terrace on Cul-de-sac heads, this treatment is aimed to gain further life out of the existing seal before the need for a major treatment. This will be monitored to see how it performs and whether it is a product worth utilising.

The programme of work for unsealed maintenance was completed and 10.5% of the unsealed network was metaled during the 2024/25 season, the unsealed metalling is approximately 58kms. The approved budget is insufficient to be able to complete the required KPI of 15%.

SERVICE PERFORMANCE MEASURES

Key:



All components of the performance measure have been met.



Not achieved

Some or all components were not achieved as per schedule or target.



Nearly achieved

A nearly achieved result occurs when a result is within 5% of the target.

YOU CAN EXPECT	MEASURE	TARGET/ RESULT	HOW WE PERFORMED
We are working towards a safe network with a vision of a decreasing trend of deaths and serious injuries* on Waitomo District roads within ten years. We aim to achieve this by delivering projects that are focused on maintaining, upgrading, or changing the conditions of the roading environment to keep our community safe.	The change from the previous financial year in the number of fatalities and serious injury* crashes on Waitomo District's local road network.	Target: Maintain or reduce from previous year Result: 0 Serious Injury crashes YTD: 0 Fatal crashes YTD: 0 Previous year Result: Achieved	No serious or fatal injuries.
We aim for a smooth road that provides comfort for road users and improves the safety of the roads.	The average smooth travel exposure rating** across the sealed road network.	Target: 80% (of total network) Result: 89% Previous year Result: Achieved	New data was added in 2023. This high speed data is updated every 3 years.
We will maintain the road network by resealing it as needed. Resurfacing is only undertaken as required depending on the condition of the surface in that financial year.	The percentage of Waitomo District's sealed local road network that is resurfaced each year.	Target: 5% (of total network) Result: 8.9% Previous year Result: Not Achieved	Achieved.
We will maintain the overall condition of the unsealed roads to a specified adequate standard.	The percentage of unsealed road metalled each year.	Target: ≥ 15% (of total network) Result: 10.5% Previous year Result: Achieved	Budget constraints, additional funding needed to achieve 15% target.
We will provide footpaths that are well maintained. The measure is the percentage of footpaths that meet the service level.	The percentage of footpath network that falls within a condition rating of 3.	Target: ≥ 85% Result: 93% Previous year Result: Achieved	Achieved. Survey was done in March 2025. Survey shows we need to upgrade 7% of footpath on our network.
We will investigate and respond to the customer about their request for service relating to road and footpath issues.	The percentage of customer service requests relating to roads and foot paths responded to within 10 working days.	Target: ≥ 90% Result: 93% Previous year Result: Achieved	662 out of 712 requests were responded to within 10 days.

* This is using NZTA Crash Analysis System definitions: fatal is defined as a death occurring as the result of injuries sustained in a road crash within 30 days of the crash, serious is defined as injury (fracture, concussion, severe cuts or other injury) requiring medical treatment or removal to and retention in hospital.

** Percentage of measured sealed road lane kilometres not exceeding a NAASRA roughness count rating of 150 to be at least 90%. NAASRA is a generally acceptable measure of road roughness. A NAASRA count of less than 150 indicates an acceptable level of ride comfort.

FUNDING IMPACT STATEMENT

Waitomo District Council: Funding impact statement for Roads and Footpaths (\$000's)	Adjusted LTP 2021-31 2024	LTP 2024-34 2025	ACTUAL 2024/25
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	4,517	5,197	5,226
Subsidies and grants for operating purposes	5,454	6,851	6,962
Fees and charges	132	165	259
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	106	140	134
Total operating funding (A)	10,209	12,353	12,581
Applications of operating funding			
Payments to staff and suppliers	6,288	8,307	8,502
Finance costs	289	299	359
Internal charges and overheads applied	1,347	1,131	1,061
Other operating funding applications	0	0	0
Total applications of operating funding (B)	7,924	9,737	9,922
Surplus (deficit) of operating funding (A-B)	2,285	2,616	2,659
Sources of capital funding			
Subsidies and grants for capital expenditure	4,115	6,578	10,166
Development and financial contributions	0	0	0
Increase (decrease) in debt	(769)	(265)	(855)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	3,346	6,313	9,311
Applications of capital funding			
Capital expenditure - to meet additional demand	0	0	0
Capital expenditure - to improve the level of service	318	386	102
Capital expenditure - to replace existing assets	5,350	8,520	12,218
Increase (decrease) in reserves	(37)	23	(350)
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	5,631	8,929	11,970
Surplus (deficit) of capital funding (C-D)	(2,285)	(2,616)	(2,659)
Funding Balance ((A-B)+(C-D))	0	0	0

WHAT'S BEHIND THE VARIATIONS

VARIANCE FROM YEAR 1 OF THE 2024-34 LTP

Total Operating Funding

- 1 Subsidies and grants for operating purposes was above forecast as additional subsidy was received for emergency reinstatement first response expenditure as a result of severe weather events and maintenance costs for street lighting on state highways.
- 2 Fees and charges revenue was more than forecast for the contribution received for road maintenance costs.

Applications of Operating Funding

- 3 Operating expenditure for emergency reinstatement first response, routine drainage maintenance and network and asset management costs were more than forecast in the LTP.

Sources of Capital Funding

- 4 Subsidies and grants for capital expenditure was more than forecast as the LTP assumed the storm damage repairs from previous severe weather events would be completed by June 2024 and therefore no subsidy revenue would be received during the 2024/25 year. The storm repairs were not complete and continued during the 2024/25 year.
- 5 A lower level of debt funding was required as the LTP included forecasts for Low Cost Low Risk improvements, however this programme was subsequently not funded by NZTA funding.

Applications of Capital Funding

- 6 Renewal expenditure was more than forecast for the storm damage repairs from severe weather events that occurred in previous years. The LTP assumed these storm repairs would be completed by June 2024. The storm repairs were not complete and continued during the 2024/25 year.
- 7 More reserve funding was utilised to fund the local share of roads renewals for storm damage, resulting in a decrease in reserves.



A wide-angle landscape photograph showing a coastal scene. In the foreground, there is a field of tall, green grass. The middle ground features a large, dark sand beach that curves around a bay. The water in the bay is a deep blue, and there are some rocks or debris visible in the shallow water. In the background, there are green hills and a clear blue sky. The overall scene is bright and sunny.

FINANCES

PŪTEA

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2025

These financial statements should be read in conjunction with the notes to the financial statements on pages **67 to 116**.

(\$000's)	COUNCIL			GROUP	
	NOTE	2025 BUDGET	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL
Revenue					
Rates revenue	1	23,807	23,740	21,534	23,723
Metered water rates	2	1,251	1,208	968	1,208
Subsidies and grants	3	15,700	18,571	20,154	18,625
Interest revenue		66	194	148	198
Dividend revenue		0	200	0	0
Fees, charges and income from construction	4	4,902	4,867	4,386	31,361
Other revenue including gains/(losses)	5	282	(112)	728	(110)
Total Revenue and Gains/(Losses)		46,008	48,668	47,918	75,005
Expenses					
Employee benefit expenses	6	7,788	7,368	7,248	20,415
Depreciation and amortisation expense	7	10,018	10,097	9,447	11,949
Finance costs	8	1,622	1,589	1,633	1,903
Other expenses	9	24,068	23,953	22,976	34,882
Total Expenses		43,496	43,007	41,304	69,149
Surplus/(Deficit) Before Tax		2,512	5,661	6,614	5,856
Income tax expense/(revenue)	10	0	0	0	218
Surplus/(Deficit)		2,512	5,661	6,614	5,638
Other Comprehensive Revenue and Expense					
Revaluation of property, plant and equipment and quarry assets	11	2,735	16,790	0	16,652
Gains/(losses) from cash flow hedges		0	(838)	(220)	(838)
Revaluation of financial assets at FVTOCRE	11,13	0	643	2,281	0
Income tax relating to components of other comprehensive revenue and expense	10	0	0	0	74
Total Other Comprehensive Revenue and Expense		2,735	16,595	2,061	15,888
Total Comprehensive Revenue and Expense		5,247	22,256	8,675	21,526

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

These financial statements should be read in conjunction with the notes to the financial statements on pages **67 to 116**.

(\$000's)	COUNCIL		GROUP	
	NOTE	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL
Total Equity				
Balance at 1 July		669,506	660,831	669,206
Total Comprehensive Revenue and Expense for the year		22,256	8,675	21,526
Balance at 30 June		691,762	669,506	690,732

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

These financial statements should be read in conjunction with the notes to the financial statements on pages **67 to 116**.

(\$000's)	COUNCIL				GROUP	
	NOTE	2025 BUDGET	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Equity						
Accumulated Funds	11	252,708	250,711	242,546	255,041	246,899
Other Reserves	11	31,897	33,801	34,581	20,275	21,698
Revaluation Reserve	11	419,191	407,250	392,379	415,416	400,609
Total Equity		703,796	691,762	669,506	690,732	669,206
Current Assets						
Cash and Cash Equivalents	12	1,553	3,014	3,093	5,405	7,129
Other Financial Assets	13	54	86	298	86	298
Inventory	14	134	97	120	2,165	2,223
Capitalised Quarry development Asset	25	0	0	0	280	280
Receivables under Exchange Transactions	15	466	679	543	2,728	3,543
Receivables under Non Exchange Transactions	15	4,758	8,720	6,455	8,720	6,454
Assets held for Sale	24	0	956	0	956	0
Derivative Financial Instruments	16	297	0	264	0	264
Total Current Assets		7,262	13,552	10,773	20,341	20,191
Current Liabilities						
Payables and Deferred Revenue under Exchange Transactions	17	5,620	7,580	5,879	8,217	8,897
Payables and Deferred Revenue under Non Exchange Transactions	17	1,017	1,270	1,009	1,395	1,419
Current Portion of Borrowings	18	14,508	9,207	17,333	10,803	19,608
Provisions	19	4	567	2	608	503
Employee Entitlements	20	884	1,015	972	2,305	2,316
Derivative Financial Instruments	16	0	163	0	163	0
Total Current Liabilities		22,033	19,802	25,195	23,491	33,743
Net Working Capital		(14,771)	(6,250)	(14,422)	(3,150)	(12,552)
Non Current Assets						
Property, Plant and Equipment	21	725,770	701,740	678,634	715,485	691,238
Intangible Assets	22	7,208	5,655	6,296	5,655	6,296
Investment Property	23	2,581	869	2,127	869	2,127
Capitalised Quarry Development Asset	25	0	0	0	1,377	1,023
Receivables under Exchange Transactions	15	0	0	0	0	331
Other Financial Assets	13	664	917	423	917	423
Investment in CCO and Civic Financial Services Ltd	13	10,622	13,546	12,903	20	20
Derivative Financial Instruments	16	260	18	117	18	117
Deferred Tax Asset	10	0	0	0	17	0
Total Non Current Assets		747,105	722,745	700,500	724,358	701,575
Non Current Liabilities						
Borrowings	18	28,000	24,028	16,000	29,254	18,872
Provisions	19	538	348	527	348	527
Derivative Financial Instruments	16	0	357	45	357	45
Deferred Tax Liability	10	0	0	0	516	373
Total Non Current Liabilities		28,538	24,733	16,572	30,475	19,817
Net Assets		703,796	691,762	669,506	690,732	669,206

CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

These financial statements should be read in conjunction with the notes to the financial statements on pages **67 to 116**.

(\$000's)	COUNCIL				GROUP	
	NOTE	2025 BUDGET	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Cash flows from Operating Activities						
Cash was provided from:						
Rates Revenue (including penalties)		25,451	25,600	22,355	25,583	22,340
Subsidies and Grants		15,700	18,901	18,212	18,942	18,252
Property Rentals		604	509	537	530	559
Petroleum Tax		140	137	123	137	123
Interest Revenue		66	195	122	198	126
Dividends Received		0	200	0	0	0
Receipts from Other Revenue and Construction Contracts		4,440	2,021	3,878	29,268	43,455
		46,401	47,563	45,227	74,658	84,855
Cash was applied to:						
Payments to Suppliers and Employees		31,613	26,724	28,168	52,786	63,351
Elected Members		541	474	461	634	611
Interest Paid on Borrowings		1,622	1,700	1,532	1,989	1,860
		33,776	28,898	30,161	55,409	65,822
Net Cash Inflow from Operating Activities	29	12,625	18,665	15,066	19,250	19,033
Cash flows from Investing Activities						
Cash was provided from:						
Proceeds from Sale of Property, Plant and Equipment		0	916	119	1,058	296
Proceeds from Surrender of Financial Assets		0	266	48	266	48
		0	1,182	167	1,324	344
Cash was applied to:						
Purchase and Development of Property, plant and equipment and Quarry Development Costs		21,489	19,288	18,528	23,329	19,961
Purchase of Intangible Assets		50	78	0	78	0
Purchase of Financial Assets		125	550	150	550	150
		21,664	19,916	18,678	23,957	20,111
Net Cash flows from Investing Activities		(21,664)	(18,734)	(18,511)	(22,633)	(19,767)
Cash flows from Financing Activities						
Cash was provided from:						
Cash was provided from Borrowings		24,039	35,000	26,000	38,349	31,112
		24,039	35,000	26,000	38,349	31,112
Cash was applied to:						
Repayment of Borrowings		15,000	35,000	21,000	36,674	26,597
Repayment of Lease Liabilities		0	10	15	15	30
		15,000	34,990	21,015	36,689	26,627
Net Cash Inflow/(outflow) from Financing Activities		9,039	(10)	4,985	1,660	4,485
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		0	(79)	1,540	(1,723)	3,751
Cash, cash equivalents and bank overdrafts at the beginning of the year		1,553	3,093	1,553	7,129	3,378
Cash, cash equivalents and bank overdrafts at the end of the year		1,553	3,014	3,093	5,406	7,129
Balance at end of year represented by:						
Cash at Bank and In Hand		1,553	3,014	3,093	5,406	7,129
		1,553	3,014	3,093	5,406	7,129

Funding Impact Statements

(Local Government (Financial Reporting) Regulations 2011)

The following information is presented in compliance with the Local Government (Financial Reporting) Regulations 2011 and should not be relied on for any other purpose than compliance with those regulations. The purpose of the statements is to present information about sources and applications of funding. This information is derived from accrual accounting records, prepared under GAAP, however transactions with no funding impact, such as depreciation and asset revaluations have been eliminated.

Waitomo District Council: Funding Impact Statement for 2023 to 2025 for Whole of Council (\$000's)	AP 2023/24	Actual 2023/24	LTP 2024-34 2025	Actual 2024/25
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	9,997	10,041	11,328	11,249
Targeted rates	12,523	12,467	14,122	14,162
Subsidies and grants for operating purposes	7,675	7,816	7,957	7,653
Fees and charges	4,507	4,456	4,895	4,915
Interest and Dividends from Investments	15	148	66	395
Local authorities fuel tax, fines, infringement fees and other receipts	249	327	290	346
Total operating funding (A)	34,966	35,255	38,658	38,720
Applications of operating funding				
Payments to staff and suppliers	30,052	29,934	33,022	32,150
Finance costs	1,628	1,633	1,621	1,588
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	31,680	31,567	34,643	33,738
Surplus (deficit) of operating funding (A-B)	3,286	3,688	4,015	4,982
Sources of capital funding				
Subsidies and grants for capital expenditure	8,461	12,338	7,743	10,918
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	8,967	(269)	8,520	22
Gross proceeds from sale of assets	0	66	0	915
Lump sum contribution	41	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding (C)	17,469	12,135	16,263	11,837
Applications of capital funding				
Capital expenditure - to meet additional demand	0	0	0	0
Capital expenditure - to improve the level of service	6,098	2,289	7,182	2,002
Capital expenditure - to replace existing assets	16,418	16,928	14,359	15,854
Increase (decrease) in reserves	(1,761)	(3,394)	(1,263)	(1,019)
Increase (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	(20,755)	(15,823)	20,278	16,827
Surplus (deficit) of capital funding (C-D)	(3,286)	(3,688)	(4,015)	(4,982)
Funding Balance ((A-B)+(C-D))	0	0	0	0

NOTES TO THE FINANCIAL STATEMENTS

Statement of Accounting Policies for the year ended 30 June 2025

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 Group consists of the ultimate parent, Waitomo District Council (the Council), and its subsidiary, Inframax Construction Limited (100% owned). Council's subsidiary is incorporated and domiciled in New Zealand.

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

Council has designated itself and the Group as public benefit entities (PBE's) for financial reporting purposes.

The financial statements of the Council and the Group are for the year ended 30 June 2025. The financial statements were authorised for issue by Council on 9 October 2025.

Basis of Preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

Going Concern

The financial statements of the Group have been prepared on a going concern basis.

Statement of Compliance

The financial statements of the Council and Group have been prepared in accordance with the requirements of the Local Government Act 2002 (LGA), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

These financial statements comply with PBE standards.

Presentation Currency and Rounding

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

Measurement Basis

The measurement basis applied is historical cost, modified by the revaluation of land and buildings, certain infrastructural assets and financial instruments, Council's investment in Inframax Construction Limited, investment property and forestry assets. 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.

Standards issued and not yet effective and not early adopted

At the date of authorisation of the financial report the following standards, amendments or interpretations were on issue and not yet effective.

Standards, Amendments or Interpretations	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Amendments to PBE IFRS 17	1 January 2026	30 June 2027

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The Group's financial statements incorporate the financial statements of the Council and the entities controlled by the Council (its subsidiaries). Control is achieved where the Council has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in surplus or deficit from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used into line with those used by other members of the Group.

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue and expense of the entities within the Group on a line by line basis. All intra-group transactions, balances, revenue and expenses are eliminated in full on consolidation.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or

received is recognised directly in equity and attributed to the Council. Investment in the subsidiary is recorded at fair value in the Council's financial statements.

Revenue

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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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, the 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 as revenue when rates become overdue. Rates revenue is classified as non-exchange revenue.

Waka Kotahi roading subsidies

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. Waka Kotahi 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. Subsidies and other 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 with the exception of on-charging of consultants' fees for resource consents.

Interest Revenue

Revenue is recognised using the effective interest 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.

Property Rental Revenue

Rental revenue arising on property owned by the Group 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.

Rendering of Services and Construction Contracts

Revenue from construction contracting services includes revenue from building and civil contracting services. Revenue and profit are recognised on the basis of value of work completed. Percentage of completion is measured by reference to the value of work performed which is independently certified each month by the customer's engineer to the contract.

Expected losses are recognised in full as soon as they become apparent.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable

to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the Group's construction activities in general.

Rendering of services is classified as exchange revenue.

Expenditure

Expenditure is recognised when the Group 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 Group 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 Group's decision.

Borrowing Costs

Borrowing costs are recognised as an expense 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 or 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 on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank over drafts.

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.

Inventories held by Inframax Construction Limited are valued on the basis of lower of cost, determined on a weighted average cost basis, and net realisable value. Aggregate stocks are valued using a standard cost, this standard cost is based on the average cost of production.

Receivables

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

The Council and group 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, NZLGFA 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 the

Council's financing activities. In accordance with its Treasury Management Policy, the 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 remeasured to 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 on 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 item is less than 12 months.

The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised 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 and group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- hedges of highly probable forecast transactions (cash flow hedge).

The Council and group 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 and group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging 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 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 reclassified 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 affecting fair value movements of hedging instruments and hedged items.

Payables

Payables and other payables are recognised at their face value when the Group 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) 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.

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

- Non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the 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 at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance.

Good and Service Tax (GST)

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

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

Where the Council and Group are not in possession of 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

The Group has a legal obligation under the resource consents for open and closed landfills to provide ongoing maintenance and monitoring services at the sites after closure. A provision for post closure costs is recognised as a liability when the obligation for post closure 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 asset are depreciated over their useful lives.

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 the Group 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 are recognised as assets and liabilities in the 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 Group 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 & Equipment

Property, plant and equipment consists of:

Operational Assets

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

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.

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, sewerage reticulation systems, storm water systems, refuse systems and land under roads.

Land (operational, restricted and infrastructural) is measured at fair value. Buildings (operational and restricted) and all infrastructural assets (except for land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

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 the Council and the Group 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 Group and the cost of the item can be measured reliably.

The costs of day to day servicing 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	Not depreciated

Restricted Assets

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

Restricted Buildings	15 – 100 years
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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
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
Kerb and Channel, Stormwater Channels	K & C 80 years, SWC 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

Wastewater 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 and Driveways	12 - 80 years
Weighbridges and 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.

Revaluation

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 an off-cycle revaluation is carried out for that asset class.

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

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 would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in 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 recognised in the other comprehensive revenue and expense.

Revaluation of Restricted Assets

Land and buildings in restricted assets are 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 Group'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 de-recognised 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 asset (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 one year 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 held for sale (including those that are part of a disposal group) are not depreciated or amortised while they are classified as 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 (trading as Co-Lab). Council has no significant influence over the company's operational or financial policies.

Council has an interest (0.15%) in Civic Financial Services Limited. Council has no significant influence over the company's operational or financial policies.

Council has an 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 consists of miscellaneous housing and residential sections properties. Investment property is 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, the Group measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Capitalised Quarry Development Costs

The costs of stripping activity which provides a benefit in the form of improved access to rock is recognised as a 'stripping activity asset' where it is probable that the future economic benefit associated with the stripping activity will flow to the Group, the Group can identify the component of the rock for which access has been improved and the costs relating to the stripping activity associated with that component can be measured reliably. A stripping activity asset is depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the rock that becomes more accessible as a result of the stripping activity using the units of production method.

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 effective.

Property Revaluation Reserves

Property revaluation reserves relate 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 the remission from 1 January to 31 December 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 Rangitoto 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.

Budget Figures

The budget figures are those approved by the Council for 2024/25 in its LTP 2024-34. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Critical Accounting Estimates and Judgements

In preparing these financial statements the Group has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. 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:

Infrastructural Assets

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

- The physical deterioration and condition of an asset, for example the Group 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 storm water, wastewater and water supply pipes situated underground. This risk is minimised by the Group 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 Group could be over or underestimating the annual depreciation charge recognised as an expense in the surplus or deficit.

To minimise this risk the Group'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, deterioration and condition modelling are also carried out regularly as part of the Group's asset

management planning activities, which gives the Group further assurance over its useful life estimates.

Experienced independent valuers perform the Group's infrastructural asset revaluations. The carrying value of infrastructure assets is disclosed in Note 21. Where revaluations are not carried out in a particular financial year for an asset class, the carrying fair for that asset class will approximate its fair value.

Property, plant and equipment useful lives and residual values

At each balance date the Group 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 Group to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Group, 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 Statement of Financial Position. The Group minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programs;
- review of second-hand market prices for similar assets; and
- analysis of prior asset sales.

The Group has not made significant changes, apart from those noted above, to past assumptions concerning useful lives and residual values. The carrying amounts of property, plant and equipment are disclosed in Note 21.

Water Services Reform Programme

Under the Local Government (Water Services Preliminary Services Arrangements) Act (2024) and subsequent Local Government (Water Services) Act 2025, local authorities must prepare water services delivery plans, disclose foundational information for economic regulation, and comply with a new framework for planning, reporting, and financial management of water services. They can choose how to deliver services, through council-controlled organisations, consumer trusts, or joint local government arrangements, but must manage services cost-effectively and sustainably.

Following public consultation, Waitomo District Council (WDC) will deliver water services, excluding stormwater, through a multi-council owned entity, Waikato Waters Limited (WWL). WWL is a multi water services council-controlled organisation (WSCCO). WWL has seven participating councils. The councils have confirmed their transition dates to WWL as follows:

Council	Agreed to Transfer Date
Waitomo District Council	1 July 2026
South Waikato District Council	1 July 2026
Waipa District Council	1 July 2026
Matamata-Piako District Council	1 October 2026

Otorohanga District Council	1 July 2027
Hauraki District Council	1 July 2027

Note:

Taupō District Council has joined Waikato Waters Limited as a shareholder in a limited capacity. Under the arrangement, it will continue to deliver water services in-house with a review within two years.

WDC submitted their Water Services Delivery Plan (WSDP) on 8 August 2025, to the Department of Internal Affairs (DIA). Approval of the WSDP has been received from the Secretary for Local Government on 17 September 2025.

The establishment board for WWL was announced on 27 August 2025. The entity is determining the final business model, principles and methodology for the transition to ensure consistency across the Councils. Fair value assessments to ensure the value of assets and liabilities are a true reflection of the two waters are expected to be required.

All participating Councils are gathering relative information and providing this to WWL as part of the transition process under a range of workstreams as determined by the entity.

WDC are unable to quantify the final financial effects of the decision to deliver the water and wastewater services differently or what the cost of the transition from an operational perspective is at this time, as there are a range of matters being worked through by the new entity as noted above. There is also the impact of post transition that needs to be understood which may have financial impact in relation to how services are delivered, the revenue required to operate, and the cost of services retained in-house that cannot be quantified.

Estimating Construction Contract Revenue

Assessment of projects on a percentage of completion basis, in particular with regard to accounting for variations, the timing of surplus recognition and the amount of surplus recognised. The amount recognised in revenue is disclosed in Note 4, the receivable in Note 15 and the payable in Note 17.

Valuation of Investment in Inframax Construction Ltd

The investment in Inframax Construction Limited was revalued as at 30 June 2025 and resulted in a valuation range of \$12.5m to \$14.5m with a mid-point of \$13.526m for the investment. After consideration of the subsidiary's financial statements and forecasts, Council adopted the mid-point valuation of \$13.526m to be fair value at 30 June 2025. Adoption of this value resulted in a gain on valuation of \$643,000, which is included in Other Comprehensive Revenue and Expense. Experienced independent valuers performed the valuation of the investment in Inframax Construction Limited at 30 June 2025.

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, the valuers noted the dispute resolution process is still ongoing for the quarry flood event from February 2022, which caused damage to some quarry equipment.

Deferred Tax Asset Recognition and recoverability

Determining whether or not to recognise a deferred tax asset requires estimation of future cash flows. Any significant deviation from the assumptions used in forecasting future cash flows may affect the carrying value of the asset.

The Group has recognised through surplus or deficit a deferred tax asset for the full utilisation of tax losses brought forward by its subsidiary Inframax Construction Ltd. This recognition is based on budgeted taxable profit for 2024/25 and the expectation of continued profitability for future years.

Deferred tax has not been recognised by Council for its tax losses brought forward, due to uncertainty over their utilisation.

Changes in accounting policies

There have been no changes to accounting policies during the year.

Note 1: Rates Revenue (excluding Metered Water Rates)

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
General Rate	9,175	8,062	9,169	8,057
Uniform Annual General Charge	1,715	1,642	1,714	1,641
Targeted Rates - Wastewater	2,563	2,577	2,561	2,576
Targeted Rates - Water	2,472	2,063	2,469	2,061
Targeted Rates - Solid Waste	1,585	1,476	1,584	1,474
Targeted Rates - Roads and Footpaths	5,226	4,532	5,223	4,530
Targeted Rates - Other	1,108	1,218	1,108	1,216
Rates Penalties	359	362	359	362
Sub Total	24,205	21,933	24,187	21,917
Less Rates paid on Council properties	(464)	(398)	(464)	(398)
Total Rates Revenue	23,740	21,534	23,723	21,519
Rates Revenue from non exchange transactions	23,740	21,534	23,723	21,519

Note 2: Metered Water Rates

Targeted Water Supply Rates under section 19 of the Local Government (Rating) Act 2002

The Local Government (Financial Reporting) Regulations 2011 introduced further disclosure requirements for the Financial Statements. One of the changes is to disclose separately, in the Statement of Comprehensive Revenue and Expense, the amount of revenue received from targeted rates for water supply set under section 19 of the Local Government (Rating) Act 2002. The section allows local authorities to charge for water by meter. The revenue related to water by meter has been disclosed under metered water rates in the Statement of Comprehensive Revenue and Expense and has been excluded from the Rates Revenue note.

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Metered Water Rates	1,208	968	1,208	968

Note 3: Subsidies and Grants

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
NZTA Waka Kotahi Rooding Subsidy	17,517	18,369	17,517	18,369
Department of Internal Affairs - Three Water Reforms	0	257	0	257
Mayor's Taskforce for Jobs	280	325	280	325
Better Off Funding	400	1,081	400	1,081
Grassroots Trust	248	0	248	0
Other Grants	126	122	180	162
Total Subsidies and Grants	18,571	20,154	18,625	20,194
Subsidies and grants revenue from non-exchange transactions	18,571	20,154	18,625	20,194

Better Off funding

In December 2022, Council entered into a funding agreement with Department of Internal Affairs and Crown Infrastructure Partners Ltd for the Three Waters Reforms Better Off Package. The total funding approved was \$3,550,000 with the Better Off projects to be completed by 30 June 2026. Council recognised \$1,081,000 of subsidy revenue at 30 June 2024. In June 2023, a variation to the original agreement was signed and the

agreement was extended to 30 June 2027. At 30 June 2025, Council recognised \$400,000 of subsidy revenue under this agreement.

Mayor's Taskforce for Jobs Community Recovery Programme

The Council has an agreement with Local Government New Zealand for the Mayor's Taskforce for Jobs Programme funded by Ministry of Social Development.

The programme provided funding to support initiatives to secure sustainable employment outcomes (SEOs) 30+ hours per week, for young people identified as a NEET (not in employment, education or training), disabled youth, other youth aged 16-24 and those disadvantaged in the labour market who are not able to readily access MSD products and services.

A two-year agreement was entered totalling \$585,000, later increased to \$605,000. For the year ended June 2025 \$280,000 was received. Council successfully met all the conditions of the agreement for the second year with 30 SEOs reported as a result of the programme delivered by 30 June 2025.

Grass Roots Trust

Funding of \$248,000 was received from the Grassroots Trust for the Centennial Park grandstand ablutions and changing room upgrades.

Department of Internal Affairs

In August 2022, Council entered into a funding agreement with the Department of Internal Affairs for the Three Waters Services Reforms transition support package. The total funding approved was \$374,000. Council received \$328,000 of subsidy revenue at 30 June 2023.

In August 2023 a variation to the original funding agreement was signed and the available amount of the transition support package increased to \$599,000. At 30 June 2024, Council recognised \$257,000 of subsidy revenue under this agreement. No funding recognised as at 30 June 2025, a balance of \$14,000 remains.

Note 4: Fees, Charges and Income from Construction

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Revenue from exchange transactions				
Income from Construction Contracts	0	0	26,494	38,137
Resource Consent Revenue	158	139	158	138
Property Rentals	0	0	0	22
Sale of Goods	0	163	0	411
Total	158	302	26,652	38,708
Revenue from non-exchange transactions				
Regulatory Services Revenue	788	468	788	468
Property Rentals	472	589	472	589
Rental Revenue from Investment Property	29	28	29	28
Trade Waste Charges	1,103	1,045	1,103	1,045
Solid Waste Disposal Charges	1,864	1,533	1,864	1,533
Resource Consent Revenue	13	82	13	83
Quarry Royalties	4	5	4	5
Other Fees and Charges	436	334	436	315
Total	4,709	4,084	4,709	4,066
Total Fees, Charges, and Income from Construction	4,867	4,386	31,361	42,774

Note 5: Other Revenue Including Gains and Losses

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Revenue on Vested Assets	0	359	0	359
Other Revenue	262	271	264	291
Donations Received	1	0	1	0
Petrol Tax Proceeds	134	127	134	127
Total Other Revenue from non-exchange transactions	397	757	399	777
Gain/(Loss) in Change in Fair Value of Investment Property	(38)	(95)	(38)	(95)
Gain/(Loss) Change in Fair Value of Assets held for Sale	(673)	0	(673)	0
Gain/(Loss) on Sale of Property, Plant and Equipment	202	66	202	66
Total Other Gains/(Losses)	(509)	(29)	(509)	(29)
Total Other Revenue including Gains/(Losses)	(112)	728	(110)	748

Note 6: Employee Benefit Expenses

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Salaries and Wages	7,230	7,034	20,277	20,859
Defined Contribution Plan Employer Contributions	155	171	155	496
Increase/(Decrease) in Employee Benefit Liabilities	(17)	43	(17)	(56)
Total Employee Benefit Expenses	7,368	7,248	20,415	21,299

Note 7: Depreciation and Amortisation Expense

(\$000's)	COUNCIL			GROUP	
	2025 BUDGET	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Leadership	777	719	679	719	679
Recreation and Property	1,584	1,535	1,524	1,535	1,524
Community and Partnerships	10	9	9	9	9
Regulatory Services	15	17	14	17	14
Solid Waste	122	281	115	281	115
Stormwater	259	258	257	258	257
Wastewater	1,088	1,040	1,043	1,040	1,043
Water Supply	954	947	935	947	935
Roads and Footpaths	5,209	5,291	4,871	5,291	4,871
Other Activities	0	0	0	1,852	1,754
Total Depreciation and Amortisation Expense	10,018	10,097	9,447	11,949	11,201

Note 8: Finance Costs

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Interest on Bank Borrowings	1,576	1,618	1,890	1,946
Interest on Finance Leases	1	1	1	1
Discount Unwinding on Provision (refer note 19)	12	14	12	14
Total Derivative Financial Instrument Assets	1,589	1,633	1,903	1,961

Note 9: Other Expenses

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Bad Debts Written Off	218	214	218	221
Directors Fees	0	0	160	150
Grants Expenditure	235	251	235	251
Insurance Premiums	544	508	544	915
Inventory Consumption	0	0	2,966	0
Impairment of Property, Plant and Equipment	0	0	0	458
Loss on Disposal of Property, Plant and Equipment	334	353	334	382
Operating Lease Expenses	15	15	15	1,240
Impairment of Receivables	185	(100)	185	(100)
Remuneration of Elected Members	492	478	492	478
Subscriptions	126	129	126	129
Road Maintenance Expenditure	9,419	7,911	9,419	7,911
Direct Contract Expenses	0	3	3,969	15,203
Other Expenditure	3,998	4,392	5,697	5,755
Rates and Penalties Remissions	197	168	197	168
Other Maintenance Expenditure	7,279	7,624	9,213	9,973
Audit Fees for Long Term Plan and Consultation Document	0	118	0	118
Investment Property Expenditure	5	5	0	5
Audit Fees for Financial Statements Audit	233	224	374	360
Audit Fees for Assurance Related Services	9	8	9	8
Electricity and Gas Expenditure	664	675	729	736
Total Other Expenditure	23,953	22,976	34,882	44,361

Council

The Operating lease expense relates to various items of office equipment. The lease can be renewed at the Council and Group's option, with rents set by reference to current market rates for items of equivalent age and condition. The Council does have the option to purchase the assets at the end of the lease term. The Group does not have option to purchase the asset at the end of the lease term for leases held by the subsidiary. There are no restrictions placed on Council or Group by any of the finance leasing arrangements.

Note 10: Tax

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Income tax recognised in Profit or Loss				
Deferred tax on temporary differences	0	0	218	902
	0	0	218	902
Reconciliation of Accounting Profit/(Loss) before tax and income tax expense				
Surplus before Taxation	5,662	6,614	5,856	7,533
Prima facie taxation at 28% (2024: 28%)	1,585	1,852	1,640	2,110
Taxation effect of non deductible expenditure	(1,666)	(1,949)	(1,501)	(1,755)
Non-Recognition of Benefit of Tax Losses	81	97	81	97
Re-recognition of temporary differences	0	0	0	453
Under/(over) provided in prior periods	0	0	(2)	(3)
Taxation Expense	0	0	218	902

(\$000's)	Depreciation and Amortisation	Employee Entitlements	Other Provisions	Tax Losses Carried Forward	Total Deferred Tax Asset/ (Liability)
Deferred tax balances					
Council					
Council has not recognised any deferred tax assets or liabilities.					
Group 2024					
Opening Balance	(1,191)	171	(120)	1,670	530
(Charged)/credited to Profit or Loss	(224)	24	117	(823)	(906)
Under/(over) provided in prior periods	2	0	0	1	3
Closing Balance	(1,413)	195	(3)	848	(373)
Group 2025					
(Charged)/credited to Profit or Loss	1	(16)	(41)	(160)	(216)
(Charged)/Credited to Equity	73	0	0	0	73
Under/(over) provided in prior periods	257	0	0	(257)	0
Closing Balance	(1,082)	179	(44)	431	(516)

Council

Council has accumulated tax losses of \$3,289,000 (2024: \$3,346,000) to 30 June 2025. Accumulated tax losses are available to offset future taxable income, thereby reducing income tax liability. Council has not recognised a deferred tax asset for accumulated tax losses as no taxable income is expected from the subsidiary (or from any other source).

Group

The Group has accumulated tax losses of \$4,823,000 (2024: \$6,374,000) to 30 June 2025. The Group has recognised a deferred tax asset for all remaining accumulated tax losses held by the subsidiary in the 2024/25 financial year.

Imputation Credit Account

(\$000's)	GROUP	
	2025 ACTUAL	2024 ACTUAL
Balance 1 July	3,416	3,416
Closing Balance 30 June	3,416	3,416

Note 11: Equity

(\$'000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Accumulated Funds				
Balance at 1 July	242,546	233,302	246,899	237,638
Surplus/(Deficit) for the year	5,661	6,614	5,638	6,631
Transfer from Revaluation Reserve on Asset Disposal	1,919	216	1,919	216
Transfer from Council Created Reserves	585	2,414	585	2,414
Balance at 30 June	250,711	242,546	255,041	246,899
Other Reserves				
Council Created Reserves				
Balance at 1 July	21,178	23,592	21,178	23,592
Transfers from Retained Earnings	(585)	(2,414)	(585)	(2,414)
Balance at 30 June	20,593	21,178	20,593	21,178
Investment Revaluation Reserves				
Balance at 1 July	12,887	10,606	4	4
Valuation Gains/(Losses)	643	2,281	0	0
Balance at 30 June	13,530	12,887	4	4
Hedging Reserve				
Balance at 1 July	516	736	516	736
Gains/(Losses) from Cash Flow Hedges	(838)	(220)	(838)	(220)
Balance at 30 June	(322)	516	(322)	516
Total Other Reserves at 30 June	33,801	34,581	20,275	21,698
Revaluation Reserves				
Balance at 1 July	392,379	392,595	400,609	400,825
Revaluation Gains/(Losses)	16,790	0	16,652	0
Income tax expense relating to other comprehensive income	0	0	74	0
Transfer from Retained Earnings on Asset Disposal	(1,919)	(216)	(1,919)	(216)
Balance at 30 June	407,250	392,379	415,416	400,609
This is made up of:				
Operational Land	7,255	8,241	8,223	9,119
Operational Buildings	12,512	9,951	13,386	10,979
Library Books	2	2	2	2
Restricted Land	10,681	10,783	10,523	10,783
Restricted Buildings	5,380	3,600	5,380	3,600
Infrastructural Land	1,655	1,719	1,655	1,719
Roading Assets	323,069	323,069	328,865	328,865
Water Reticulation Assets	13,365	9,802	13,365	9,802
Wastewater Reticulation Assets	18,284	13,387	18,284	13,387
Stormwater Reticulation Assets	12,489	9,567	12,489	9,567
Solid Waste Assets	2,258	2,258	2,258	2,258
Quarry Plant Assets	0	0	528	528
Total Revaluation Reserves	407,250	392,379	415,416	400,609
Total Equity	691,762	669,506	690,732	669,206

Information about reserve funds held for a specific purpose is provided below:

(\$000's)	WAITOMO DISTRICT COUNCIL			
	OPENING BALANCE 1 JULY 2024	TOTAL DEPOSITS	TOTAL WITHDRAWALS	CLOSING BALANCE 30 JUNE 2025
Operational Reserves				
Leadership				
Representation, Strategy and Engagement	884	178	(41)	1,021
Investments	1,103	61	(62)	1,102
Emergency Management	508	10	0	518
Natural Disaster	426	0	0	426
	2,921	249	(103)	3,067
Recreation and Property				
Parks and Reserves	1,148	22	(92)	1,078
Housing and Other Property	775	16	(189)	602
Library	48	0	(6)	42
Aquatic Centre	34	0	(39)	(5)
Les Munro Centre	263	0	(18)	245
Aerodrome	60	0	(57)	3
Gallagher Recreation Centre	35	0	(6)	29
Public Facilities	621	0	(62)	559
	2,984	38	(469)	2,553
Community and Partnerships	1,697	225	0	1,922
Regulatory Services	610	212	(7)	815
Solid Waste				
Kerbside Collection	294	0	(19)	275
Waste Disposal	(781)	1	(414)	(1,194)
Waste Minimisation	(30)	0	(1)	(31)
	(517)	1	(434)	(950)
Stormwater				
Te Kūiti Stormwater	14	48	0	62
Rural Stormwater	185	0	(5)	180
	199	48	(5)	242
Resource Management	207	0	(16)	191
Wastewater				
Wastewater (Harmonised)	959	417	(136)	1,240
Pre Harmonisation of Rates Reserves				
Te Kūiti Wastewater	2,580	0	(1,023)	1,557
Te Waitere Wastewater	75	0	(44)	31
Maniati/Benneydale Wastewater	(242)	0	0	(242)
Piopia Wastewater	343	0	(239)	104
	3,715	417	(1,442)	2,690
Water Supply				
Water Supply (Harmonised)	(1,167)	355	(359)	(1,171)
Pre Harmonisation of Rates Reserves				
Te Kūiti Water Supply	(966)	0	(91)	(1,057)
Mōkau Water Supply	(654)	0	0	(654)
Piopia Water Supply	(611)	0	0	(611)
Maniati/Benneydale Water Supply	(50)	0	0	(50)
	(3,448)	355	(450)	(3,543)

(\$000's)	WAITOMO DISTRICT COUNCIL			
	OPENING BALANCE 1 JULY 2024	TOTAL DEPOSITS	TOTAL WITHDRAWALS	CLOSING BALANCE 30 JUNE 2025
Roads and Footpaths				
Subsidised Roads	(334)	203	0	(131)
Unsubsidised Roads	436	0	(14)	422
	102	203	(14)	291
Total Operational Reserves	8,470	1,748	(2,940)	7,278
Depreciation Reserves				
Leadership	4	4	0	8
Recreation and Property				
Parks and Reserves	118	134	(103)	149
Housing	211	24	(22)	213
Community Halls	811	0	0	811
Land and Buildings	285	337	(148)	474
Library	698	130	(68)	760
Aquatic Centre	25	53	(28)	50
Les Munro Centre	856	259	(231)	884
Aerodrome	68	50	(6)	112
Public Facilities	340	199	(154)	385
	3,412	1,186	(760)	3,838
Community and Partnerships	65	4	0	69
Regulatory Services	(34)	15	0	(19)
Solid Waste	(792)	122	(351)	(1,021)
Stormwater				
Te Kūiti Stormwater	723	216	(243)	696
Rural Stormwater	59	11	0	70
	782	227	(243)	766
Wastewater				
Te Kūiti Wastewater	195	546	(546)	195
Te Waitere Wastewater	7	4	(12)	(1)
Maniati/Benneydale Wastewater	401	52	(152)	301
Piopio Wastewater	236	158	(36)	358
	839	760	(746)	853
Water Supply				
Te Kūiti Water Supply	349	379	(359)	369
Mōkau Water Supply	(212)	86	(86)	(212)
Piopio Water Supply	94	53	(45)	102
Maniati/Benneydale Water Supply	226	14	(49)	191
	457	532	(539)	450
Roads and Footpaths				
Subsidised Roads	6,347	0	(574)	5,773
Unsubsidised Roads	194	55	(19)	230
	6,541	55	(593)	6,003

(\$000's)	WAITOMO DISTRICT COUNCIL			
	OPENING BALANCE 1 JULY 2024	TOTAL DEPOSITS	TOTAL WITHDRAWALS	CLOSING BALANCE 30 JUNE 2025
Business Support				
Business Support	610	540	(252)	898
Plant	98	372	(482)	(12)
	708	912	(734)	886
Total Depreciation Reserves	11,982	3,817	(3,966)	11,833
Investment Revaluation Reserves				
Shares in Other Companies	4	0	0	4
Shares in Subsidiary	12,883	643	0	13,526
Total Investment Revaluation Reserves	12,887	643	0	13,530
Special Purpose Reserves				
District Development	16	0	0	16
Cashflow Hedging Reserve	516	0	(838)	(322)
Carbon Credits Reserve	5	750	70	685
Forestry Harvesting and Replanting Reserve	423	0	0	423
Waste Minimisation Levy Reserve	207	186	(97)	296
Gallagher Recreation Centre	75	26	(39)	62
Total Special Purpose Reserves	1,242	962	(1,044)	1,160
Total Other Reserves	34,581	7,170	(7,950)	33,801

The Council maintains reserves as a sub-set of its equity. There are four categories of reserves held.

Operational Reserves

Operational reserves are created to hold short-term 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

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.

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.

Special Purpose Reserves

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

- District Development Reserve - funds were received from Development King Country Trust in April 2012 with the intention to set up a Waitomo District Development Board.
- Cashflow Hedging Reserve - comprises the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges.
- Carbon credits reserve is used to record the funding and expenditures in relation to Council's responsibilities for the Emissions Trading Scheme.
- Forestry replanting reserve is used for funding and expenditures relating to the replanting and harvesting of forestry assets.
- 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.

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

Note 12: Cash and Cash Equivalents

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Cash and Cash Equivalents				
Cash at bank and in Hand	3,014	3,093	5,405	7,129
Total Cash and Cash Equivalents	3,014	3,093	5,405	7,129

The carrying value of cash at bank approximates their fair value. The Council holds unspent funds, included in cash at bank of \$1,486,000 (2024: \$1,356,606) that are subject to restrictions. These unspent funds relate to Waste Minimisation Reserve (refer note 11), subsidy and grant revenue received with restrictions and retention monies held. These restrictions generally specify how the funds are required to be spent. Although cash and cash equivalents at 30 June 2025 are subject to the expected credit loss requirements of PRB IPSAS41, no loss allowance has been recognised because estimated loss is immaterial.

Note 13: Other Financial Assets

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Current				
NZLGFA Borrower Notes	86	298	86	298
Total	86	298	86	298
Non Current				
NZLGFA Borrower Notes	917	423	917	423
Total	917	423	917	423
Total Other Financial Assets	1,003	721	1,003	721

NZLGFA Borrower Notes

NZLGFA Borrower Notes are a debt the NZ Local Government Funding Agency issues to its Council borrowers. The amount borrowed by the agency is at a rate 5.0% (2024:2.5%) for new or 2.5% (2024:1.6%) for existing borrowings of the amount a council borrows in long term (greater than one year) debt from the NZLGFA. The purpose of the arrangement is to provide liquidity to the Agency.

The fair value of the NZLGFA Borrower Notes is \$1,005,000 (2024: \$718,000).

Investment in Council Controlled Organisation (Inframax Construction Ltd)

Council has 100% shareholding in the unlisted shares of Inframax Construction Ltd (2024:100%). The principal activity of the subsidiary is roading, construction and maintenance with its head office in

Te Kūiti. The balance date of the subsidiary is 30 June.

As at 30 June 2025 Council revalued its investment in Inframax Construction Ltd which resulted in a fair value of \$13,526,000 (2024: \$12,883,000). The valuation was undertaken by Nick McVerry from PricewaterhouseCoopers (PWC).

Unlisted Shares in Companies

Council is a shareholder in Waikato Local Authority Shared Services Ltd (trading as Co-Lab). Co-Lab is jointly owned by 12 local authorities and has been set up to develop shared service initiatives, including a valuation database.

Council also holds 16,940 shares in Civic Financial Services Ltd (2024: 16,940). The investment is recorded at cost which approximates their fair value.

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Unlisted Shares in Subsidiary	13,526	12,883	0	0
Unlisted Shares in Companies	20	20	20	20
Total Investments in CCO and Companies	13,546	12,903	20	20

Note 14: Inventory

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Metal Stockpiles and Landfill Stock	0	1	2,06	2,104
Fuels, Spares and Consumables	97	119	97	119
Total Inventory	97	120	2,165	2,223

Note 15: Receivables

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Receivables under Exchange Transactions				
General Debtors	385	235	931	568
Amounts due from Customers for Contract Work	0	0	870	2,191
Retentions Receivable	0	0	245	591
Prepayments	294	364	682	580
Receivables prior to Impairment	679	599	2,728	3,930
Less Expected Credit Losses	0	(56)	0	(56)
Total Receivables under Exchange Transactions	679	543	2,728	3,874
Receivables under Non Exchange Transactions				
Rates Receivables *	2,467	2,821	2,468	2,821
Related Party Receivables	1	1	0	0
General Debtors	6,953	4,463	6,953	4,463
Receivables prior to Impairment	9,421	7,285	9,421	7,284
Less expected credit losses	(701)	(830)	(701)	(830)
Total Receivables Under Non Exchange Transactions	8,720	6,455	8,720	6,454
Total Receivables	9,399	6,998	11,488	10,328

* Included in the Rates Receivable figure is an amount of \$871,861 (2024: \$1,132,681) relating to rate penalties.

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Current				
Receivables under Exchange Transactions	679	543	2,728	3,543
Receivables under Non Exchange Transactions	8,720	6,455	8,720	6,454
Total Current Receivables	9,399	6,998	11,448	9,997
Non Current				
Receivables under Exchange Transactions	0	0	17	331
Total Non Current Receivables	0	0	17	331

Aging and Impairment of Receivables (\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Gross Receivables				
Not past due	7,597	5,372	9,065	8,444
Past due 1-30 days	617	22	617	22
Past due 31-60 days	9	8	15	11
Past due 61-90 days	126	131	308	131
Past due > 90 days	1,457	1,987	1,462	2,026
Total Gross Receivables	9,807	7,520	11,467	10,634
Impairment of Receivables				
Not past due	0	(123)	0	(123)
Past due 1-30 days	0	(3)	0	(3)
Past due 31-60 days	0	(5)	0	(5)
Past due 61-90 days	0	(52)	0	(52)
Past due > 90 days	(701)	(703)	(701)	(703)
Total Impairment of Receivables	(701)	(886)	(701)	(886)
Net Receivables				
Current	7,597	5,249	9,065	8,321
Past due 1-30 days	617	19	617	19
Past due 31-60 days	9	3	15	6
Past due 61-90 days	126	79	308	79
Past due > 90 days	756	1,284	761	1,323
Total Net Receivables	9,105	6,634	10,766	9,748
Plus Prepayments	294	364	382	580
Total Receivables	9,399	6,998	11,448	10,328
Individual Impairment	701	886	701	886
Collective Impairment		0	0	0
Total Provision for Impairment	701	886	701	886
Current	0	123	0	123
Past due 1-30 days	0	3	0	3
Past due 31-60 days	0	5	0	5
Past due 61-90 days	0	52	0	52
Past due > 90 days	701	703	701	703
Total Individual Impairment	701	886	701	886
Balance at 1 July	(886)	(786)	(886)	(786)
Additional expected credit loss provisions made during the year	(26)	(313)	(26)	(313)
Receivables written off during the period	211	213	211	213
Balance at 30 June	(701)	(886)	(701)	(886)

The Chief Executive approved the write off rates receivable during the year under the Local Government (Rating) Act 2002 as follows:

- Section 90A \$182,462 (2024: \$47,395)
- Section 90B \$nil (2024: \$nil)

Note 16: Derivative Financial Instruments

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Current Asset Portion				
Interest rate swaps - cash flow hedges	0	264	0	297
Non Current Asset Portion				
Interest rate swaps - cash flow hedges	18	117	18	260
Total Derivative Financial Instrument Assets	18	381	18	557
Current Liability Portion				

Interest rate swaps - cash flow hedges	163	0	163	0
Non Current Liability Portion				
Interest rate swaps - cash flow hedges	357	45	357	45
Total Derivative Financial Instrument Liability	520	45	520	45

Interest Rate Swaps

The fair value of interest rate swaps held by Council has been determined by calculating the expected cashflows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

The notional principal amounts of the outstanding interest rate swap contracts for Council and Group were \$20,000,000 (2024: \$20,000,000) of which all were effective at balance date and \$16,000,000 (2024: nil) swaps that have a future start date. At 30 June 2025 the fixed interest rates applicable to the swap contracts ranged from 2.89% to 4.65% (2024: 2.89% to 4.65%).

The Council and Group have no fair value hedges.

Note 17: Payables and Deferred Revenue

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Payables and Deferred Revenue under Exchange Transactions				
Trade Payables and Accrued Expenses	4,830	3,691	6,823	7,527
Related Party Payables	1,644	1,068	0	0
Retention Monies	1,106	1,120	1,106	1,120
Amounts due to Customers for Contract Work	0	0	0	0
Elected Members and Directors Fees Payable	0	0	0	0
Deferred Revenue	0	0	288	250
Total	7,579	5,879	8,217	8,897
Payables and Deferred Revenue under Non Exchange Transactions				
GST Payable	0	0	124	410
Deposits and Bonds	54	54	54	54
Deferred Revenue	1,217	955	1,217	955
Total	1,270	1,009	1,394	1,419
Total Payables and Deferred Revenue	8,850	6,888	9,611	10,316

Payables are generally non-interest bearing and are normally settled on 30 day terms. Therefore, the carrying value of payables approximates their fair value.

Note 18: Borrowings

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Current				
Secured Loans	9,201	17,324	10,797	8,519
Lease Liabilities	6	9	6	30
Total Current	9,207	17,333	10,803	8,549
Non Current				
Secured Loans	24,000	16,000	29,226	25,348
Lease Liabilities	28	0	28	9
Total Non Current	24,028	16,000	29,254	25,357
Total Borrowings	33,235	33,333	40,057	33,906

Council

Councils borrowings consisted of \$27,000,000 (2024: \$26,000,000). Floating Rate Notes with a range of applicable interest rates of 3.89% to 4.31% (2024: 6.140% to 6.500%), no Fixed Rate Bonds (2024: \$1,000,000 fixed rate bond with applicable interest rate of 3.53%), Commercial Paper of \$6,000,000 (2024: \$6,000,000) with applicable interest rate of 3.53% (2024: 5.832% to 5.945%). The Westpac Call Advance was not drawn at 30 June 2025 (2024: Nil) with applicable interest rate of 4.80% (2024: 6.75%) when drawn.

All interest rates quoted above, except for the fixed rate bond are based floating rates with 90 day resets and include the interbank market interest rate (BKBM) or the Westpac prime interest rate plus credit margin. Interest rate exposure is hedged through executing Receive-Floating-Pay-Fixed interest rate swaps which effectively converts floating rate debt into a fixed rate. The effective weighted average interest rate for all floating rate notes, interest rates, commercial paper, fixed rate bonds and credit facility fees is 4.49% (2024: 5.23%).

The maturity date for the Westpac Call Advance facility is 1 July 2026 (2024: 1 July 2025) and a range of maturity dates apply for the Floating Rate Notes of August 2025 to July 2027 (2024: September 2024 to April 2028). The Commercial Paper (CP) has maturity date of August 2025 (2024: August 2024). It is anticipated the maturing CP in August 2025 will be funded through the issue of new CP.

Council has a Wholesale Advance credit facility from Westpac Banking Corporation Limited with a limit of \$6,000,000 (2024: \$6,000,000) of which \$6,000,000 (2024: \$6,000,000) was available as at 30 June 2025.

Group

In addition to the facility held by Council, as noted above, Inframax Construction Limited has a bank overdraft of \$1,000,000 (2024: \$1,000,000) of which \$1,000,000 (2024: \$1,000,000) was undrawn. Asset Finance Facility of \$6,600,000 (2024: \$6,600,000) of which \$933,571 (2024: \$3,078,000) was undrawn. Term Loan of \$1,125,000 (2024: \$1,625,000) of which nil (2024: \$0) was undrawn. It also has Performance Guarantees of \$2,273,000 (2024: \$1,742,000).

Inframax undertook to achieve specified gearing, debt servicing and equity ratios each quarter. All gearing, debt servicing and equity ratios were met for each quarter.

At balance date the loan which had a maturity date of 28 February 2027 had a fixed rate of 5.87% (2023: 8.18%) repricing 29 August 2025. Interest is payable between one and three months after the funds are drawn.

Stock Issued under Debenture Trust Deed

At 30 June 2025 the total amount of Stock issued and outstanding under the Debenture Trust Deed was:

(\$000's)	COUNCIL	
	2025 ACTUAL	2024 ACTUAL
Debenture Stock	33,053	33,160
Security Stock	45,000	45,000
Total Stock Issued	78,053	78,160

Security Stock issued is a general security instrument issued to Westpac Banking Corporation Limited for security of the Call Advance facility and Interest Rate Swap contracts. No principal money was owing under the Security Stock (2024: Nil).

Security Stock (Floating Nominal Amount)

Security Stock for a floating nominal amount has been issued to TEL Security Trustee (LGFA) Limited for the guarantee and indemnity of the New Zealand Local Government Funding Agency Limited of which Council is one of 72 (2024: 72) local authority guarantors of thereof. Additional disclosure of this guarantee and indemnity is provided in Note 27: Contingencies.

Security Stock for a floating nominal amount has been issued to the New Zealand Local Government Funding Agency Limited for accession to the Multi-Issuer Deed, the Equity Commitment Deed and in respect to debt securities issued to the LGFA since 19 June 2017.

Security

Council

Council borrowings are secured over annual rates on every rateable property within the Waitomo District. On the 6 August 2010 a Debenture Trust Deed was executed, whereby security in the form of a charge over rates revenue is held by a trustee for the benefit of Council's lenders.

The Debenture Trust Deed was amended on the 10 April 2017 and additional deeds were acceded to join as guarantor and borrower from the LGFA.

Group

In addition to security issued by Council, security in the form of a General Security Deed over all present and after acquired property of Inframax Construction Ltd dated 27 February 2022 and a Senior Facility Agreement is held by the ASB Bank Limited was amended and restated 2 March 2023.

Finance Leases

Finance lease liabilities are effectively secured as the right to the leased asset reverts to the lessor in the event of default.

Analysis of Finance Lease Liabilities (\$'000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Total Minimum Lease Payments Payable				
Not later than one year	6	9	6	30
Later than one year and not later than five years	28	0	28	9
Present Value of Minimum Lease Payments	34	9	34	39

The finance leases are for various items of office equipment. The net carrying amount of the leased items is shown as a separate class of property, plant, and equipment as disclosed in note 21. The finance lease can be renewed at the Group's option. There is an option to purchase the assets at the end of the lease term and there are no restrictions placed on Group by any of the finance leasing arrangements.

Internal Loans

Internal borrowings are eliminated on consolidation of activities of Council's financial statements. The following table summarises the internal loans held for each group of activities.

(\$'000's)	OPENING BALANCE 1 JULY 2024	LOAN REPAYMENTS	LOANS RAISED	CLOSING BALANCE 30 JUNE 2025	INTERNAL INTEREST PAID
Activity Loans					
Leadership	228	(49)	16	195	5
Recreation and Property	6,519	(301)	164	6,382	147
Regulatory Services	5	(1)	0	4	0
Solid Waste	4,940	(346)	105	4,699	112
Stormwater	964	(29)	350	1,285	22
Resource Management	2,884	(202)	365	3,047	65
Wastewater	11,033	(583)	635	11,085	249
Water Supply	14,324	(504)	1,255	15,075	324
Roads and Footpaths	15,876	(922)	67	15,021	359
Total	56,773	(2,937)	2,957	56,793	1,283

Note 19: Provisions

Provision for Landfill Aftercare

Council owns the Waitomo District Landfill and is responsible for a number of closed landfill sites located in Te Kūiti, Mōkau, Piopio, Aria and Maniaiti/Benneydale. Council has closure and post closure responsibilities for these landfills imposed under the resource consents issued and non-compliance may lead to prosecution under the Resource Management Act.

Closed Landfills

For the closed landfills at Mōkau, Piopio, Aria and Maniaiti/Benneydale it became apparent that leachates discharging into the ground water and surface water had become insert and Council was to be released from ongoing leachate monitoring of these sites. The provision for the prior year was reduced accordingly in recognition of these reduced future costs. However, it has now become apparent that future ongoing monitoring will be required including additional costs for access fees to these sites and the provision in respect of the closed landfills has been increased as a result.

Waitomo District Landfill

For the operational landfill, located at William Street, Te Kūiti, closure responsibilities include final cover application and vegetation, completing facilities for leachate collection, ground water quality and gas monitoring, ongoing site maintenance, including weed and pest control and remedial measures if required.

Council gained a resource consent for additional capacity of 467,000m³ for the Waitomo District Landfill, whereas the old, consented capacity was for 268,000m³. Council at its option has opted to close the landfill under the existing old consent and keep the new consent in place but unexercised. The impact of this decision is to bring forward both the final capping costs and post closure monitoring costs. Capping costs are forecast to be \$550,000 and will be undertaken during 2026 and monitoring costs to \$11,000 for the following 30 years, with costs expressed on a non-inflated or discounted basis. There is an ongoing obligation of maintenance of the site, however due to the cost of this amount is unknown it has not been included in the provision calculation.

(2024: Council gained a resource consent for additional capacity for the Waitomo District Landfill and this forms the basis for the provision assumptions. The new consent provides consented capacity of 467,000 m³, whereas the old consent was for 268,000 m³ and a revised estimated remaining life of 25 years based on current fill volumes. The increase in estimated remaining life is due to an estimated reduced fill rate. Final capping costs are assumed to be carried out in 2050 for an estimated \$637,000, followed by 50 years of monitoring costs of \$11,000 per year (both costs expressed on non-inflated or discounted basis).

Discount and Inflation Rates

The discount rates used range from 3.14% to 5.99% (2024: 4.25% to 5.43%) and inflation rates range from 1.98% to 2.10% (2024: 3.36% to 2.00%). These are the key assumptions around the calculation of the provision, however due to the long-term nature of the liability, there are inherent uncertainties in estimating costs that will be incurred.

Provision for Long Term Maintenance for Gallagher Recreation Centre

Council has an obligation to the Ministry of Education and Te Kūiti High School Board of Trustees to maintain the Gallagher Recreation Centre that Council uses to provide recreation services to the community. The obligation is established under the Property Sharing Agreement for the facility.

A Long-Term Maintenance Provision is established to recognise this obligation and is based on a 30 year maintenance plan for the facility. The provision is based on forecast expected maintenance that is significant, with minor expenditure being expensed when incurred. The major maintenance items includes amount other items, replacement lighting, replacement perforated corrugate ceiling lining, replacement fire alarm system, metal structure repainting and exterior Colorsteel replacement.

The provision calculation is based on expected expenditure of the first ten years of the 30 year maintenance plan, with inflation rates of between 1.8% to 2.2% being applied. These are the key assumptions around the calculation of the provision, however due to the long term nature of the liability and timing and costings of the significant maintenance items, there are inherent uncertainties in estimating what the provision should be.

Group

In addition to Council's provision the following provision is applicable to the Group.

Defect liabilities in respect of Construction Contracts

The company has a provision of \$41,000 in relation to the defect liability period of construction contracts. The defect liability period is 12 months from practical completion being issued.

Provision for Enforceable Undertaking

(2024: As at 13 October 2021 Worksafe executed an Enforceable Undertaking for \$1,108,000. At 30 June 2024 there is a provision remaining of \$251,000).

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Provision for Landfill Aftercare				
Balance at 1 July	478	498	478	498
Amounts provided in the period	324	0	324	0
Unused Provision Reversed	0	(30)	0	(30)
Amounts used during the year	(2)	(4)	(2)	(4)
Discount unwinding	12	14	12	14
Balance at 30 June	812	478	812	478
Gallagher Recreation Centre Long Term Maintenance Provision				
Balance at 1 July	51	0	51	0
Additions to the Provision for the Year	52	51	51	51
Balance at 30 June	103	51	102	51
Provision for Enforceable Undertaking				
Balance at 1 July	0	0	251	245
Amounts provided in the period	0	0	0	50
Amounts used during the year	0	0	(251)	(44)
Balance at 30 June	0	0	41	251
Provision for Legal Fees				
Balance at 1 July	0	0	250	0
Additions to the Provision for the Year	0	0	0	250
Unused Provision Reversed			(251)	0
Balance at 30 June	0	0	0	250
Defects Liabilities in Respect of Construction Contracts				
Balance at 1 July	0	0	0	0
Amounts provided in the period	0	0	41	0
Amounts used during the year	0	0	0	0
Balance at 30 June	0	0	41	0
Total Provisions	914	529	956	1,030
This is made up of:				
Current	567	2	608	249
Non Current	347	527	348	781
Total Provisions	915	529	956	1,030

Note 20: Employee Entitlements

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Accrued Pay	344	298	811	814
Annual, Long Service and Sick Leave	671	674	1,495	1,502
Total Employee Entitlements	1,015	972	2,305	2,316
This is made up of:				
Current entitlements	1,015	972	2,305	2,316
Total Employee Entitlements	1,015	972	2,305	2,316

Note 21: Property, Plant and Equipment

Council 2025 \$000's	Cost/ Revaluation 30.06.24	Acc Depn & Impairment Charges 30.06.24	Carrying Value 30.06.24	Current Year Additions	Current Year Disposals	Reclassification	Current Year Depreciation	Revaluation Gain/(Loss) & Impairment Charges	Cost/ Revaluation 30.06.25	Acc Depn & Impairment Charges 30.06.25	Carrying Value 30.06.25
Operational Assets											
Land	9,368	0	9,368	0	322	(299)	0	(626)	8,121	0	8,121
Buildings	13,617	1,900	11,717	307	441	(84)	983	3,543	14,059	0	14,059
Plant and equipment	1,040	593	447	146	0	0	79	0	1,186	672	514
Motor Vehicles	3,394	2,562	832	482	64	0	226	0	3,812	2,788	1,024
Furniture and fittings	1,978	1,452	526	19	0	0	51	0	1,997	1,503	494
Computers	3,119	2,433	686	84	0	0	218	0	3,203	2,651	552
Library Books	1,415	1,259	156	45	1	0	45	0	1,459	1,304	155
Finance leases – office equipment	66	58	8	36	0	0	13	0	102	71	31
Total Operational Assets	33,997	10,257	23,740	1,119	828	(383)	1,615	2,917	33,939	8,989	24,950
Restricted Assets											
Land	11,870	0	11,870	0	0	3	0	(102)	11,771	0	11,771
Buildings	8,054	872	7,182	917	72	(29)	464	2,885	10,419	0	10,419
Total Restricted Assets	19,924	872	19,052	917	72	(26)	464	2,783	22,190	0	22,190
Infrastructural Assets											
Land	2,995	0	2,995	0	0	0	0	(694)	2,301	0	2,301
Roads	543,157	4,871	538,286	14,330	0	0	5,289	0	557,487	10,160	547,327
Water Reticulation	31,244	1,847	29,397	887	147	0	947	3,950	33,140	0	33,140
Sewerage Reticulation	35,492	2,153	33,339	661	17	0	1,038	4,908	37,853	0	37,853
Stormwater Systems	13,289	509	12,780	554	5	0	258	2,927	15,998	0	15,998
Refuse Systems	5,749	113	5,636	361	0	0	279	0	6,110	392	5,718
Land under Roads	9,956	0	9,956	0	0	0	0	0	9,956	0	9,956
Total Infrastructural Assets	641,882	9,493	632,389	16,793	169	0	7,811	11,091	662,845	10,552	652,293
Contract Work in Progress	3,453	0	3,453	3,432	4,578	0	0	0	2,307	0	2,307
Total Council Assets	699,256	20,622	678,634	22,261	5,647	(409)	9,890	16,791	721,281	19,541	701,740

Council 2024 \$000's	Cost/ Revaluation 30.06.23	Acc Depn & Impairment Charges 30.06.23	Carrying Value 30.06.23	Current Year Additions	Current Year Disposals	Reclassification	Current Year Depreciation	Revaluation Gain/(Loss) & Impairment Charges	Cost/ Revaluation 30.06.24	Acc Depn & Impairment Charges 30.06.24	Carrying Value 30.06.24
Operational Assets											
Land	9,368	0	9,368	0	0	0	0	0	9,368	0	9,368
Buildings	12,608	928	11,680	1,009	0	0	972	0	13,617	1,900	11,717
Plant and equipment	741	496	245	351	52	0	97	0	1,040	593	447
Motor Vehicles	3,205	2,364	841	241	52	0	198	0	3,394	2,562	832
Furniture and fittings	1,818	1,401	417	160	0	0	51	0	1,978	1,452	526
Computers	2,826	2,250	576	293	0	0	183	0	3,119	2,433	686
Library Books	1,369	1,215	154	47	1	0	44	0	1,415	1,259	156
Finance leases – office equipment	66	45	21	0	0	0	13	0	66	58	8
Total Operational Assets	32,001	8,699	23,302	2,101	105	0	1,558	0	33,997	10,257	23,740
Restricted Assets											
Land	11,870	0	11,870	0	0	0	0	0	11,870	0	11,870
Buildings	7,928	433	7,495	126	0	0	439	0	8,054	872	7,182
Total Restricted Assets	19,798	433	19,365	126	0	0	439	0	19,924	872	19,052
Infrastructural Assets											
Land	2,995	0	2,995	0	0	0	0	0	2,995	0	2,995
Roads	528,873	0	528,873	14,284	0	0	4,871	0	543,157	4,871	538,286
Water Reticulation	30,446	912	29,534	1,002	204	0	935	0	31,244	1,847	29,397
Sewerage Reticulation	34,548	1,110	33,438	1,001	57	0	1,043	0	35,492	2,153	33,339
Stormwater Systems	12,561	252	12,309	770	42	0	257	0	13,289	509	12,780
Refuse Systems	5,753	0	5,753	25	29	0	113	0	5,749	113	5,636
Land under Roads	9,956	0	9,956	0	0	0	0	0	9,956	0	9,956
Total Infrastructural Assets	625,132	2,274	622,858	17,082	332	0	7,219	0	641,882	9,493	632,389
Contract Work in Progress	3,591	0	3,591	4,123	4,261	0	0	0	3,453	0	3,453
Total Council Assets	680,522	11,406	669,116	23,432	4,698	0	9,216	0	699,256	20,622	678,634

Group 2025 \$000's	Cost/ Revaluation 30.06.24	Acc Depn & Impairment Charges 30.06.24	Carrying Value 30.06.24	Current Year Additions	Current Year Disposals	Reclassification	Current Year Depreciation	Revaluation Gain/(Loss) & Impairment Charges	Cost/ Revaluation 30.06.25	Acc Depn & Impairment Charges 30.06.25	Carrying Value 30.06.25
Operational Assets											
Land	10,363	0	10,363	0	322	(299)	0	(503)	9,239	0	9,239
Buildings	17,250	2,729	14,521	401	441	(84)	1,078	3,280	17,523	924	16,599
Plant and equipment	1,040	593	447	146	0	0	79	0	1,186	672	514
Motor Vehicles	22,977	13,262	9,715	3,981	180	0	1,851	0	25,664	13,999	11,665
Quarry Production Equipment	652	390	262	0	0	0	47	0	652	437	215
Furniture and fittings	2,902	2,185	717	92	1	0	136	0	2,993	2,321	672
Computers	3,119	2,433	686	84	0	0	218	0	3,203	2,651	552
Library Books	1,415	1,259	156	45	1	0	45	0	1,459	1,304	155
Finance leases – office equipment	137	129	8	36	0	0	13	0	173	142	31
Total Operational Assets	59,855	22,980	36,875	4,785	945	(383)	3,467	2,777	62,092	22,450	39,642
Restricted Assets											
Land	11,870	0	11,870	0	0	3	0	(102)	11,771	0	11,771
Buildings	8,054	872	7,182	917	72	(29)	464	2,885	10,419	0	10,419
Total Restricted Assets	19,924	872	19,052	917	72	(26)	464	2,783	22,190	0	22,190
Infrastructural Assets											
Land	2,995	0	2,995	0	0	0	0	(694)	2,301	0	2,301
Roads	542,507	4,871	537,636	13,965	0	0	5,289	0	556,472	10,160	546,312
Water Reticulation	31,244	1,847	29,397	887	147	0	947	3,950	33,140	0	33,140
Sewerage Reticulation	35,492	2,153	33,339	661	17	0	1,038	4,908	37,853	0	37,853
Stormwater Systems	13,289	509	12,780	554	5	0	258	2,927	15,998	0	15,998
Refuse Systems	5,749	113	5,636	361	0	0	279	0	6,110	392	5,718
Land under Roads	9,956	0	9,956	0	0	0	0	0	9,956	0	9,956
Total Infrastructural Assets	641,232	9,493	631,739	16,428	169	0	7,811	11,091	661,830	10,552	651,272
Contract Work in Progress	3,572	0	3,572	3,381	4,578	0	0	0	2,375	0	2,375
Total Council Assets	724,583	33,345	691,238	25,511	5,764	(409)	11,742	16,651	748,487	33,002	715,485

Group 2024 \$000's	Cost/ Revaluation 30.06.23	Acc Depn & Impairment Charges 30.06.23	Carrying Value 30.06.23	Current Year Additions	Current Year Disposals	Reclassification	Current Year Depreciation	Revaluation Gain/(Loss) & Impairment Charges	Cost/ Revaluation 30.06.24	Acc Depn & Impairment Charges 30.06.24	Carrying Value 30.06.24
Operational Assets											
Land	10,363	0	10,363	0	0	0	0	0	10,363	0	10,363
Buildings	16,234	1,666	14,568	1,016	0	0	1,063	0	17,250	2,729	14,521
Plant and equipment	741	496	245	351	52	0	97	0	1,040	593	447
Motor Vehicles	22,668	12,306	10,362	1,731	258	0	1,662	(458)	22,977	13,262	9,715
Quarry Production Equipment	652	343	309	0	0	0	47	0	652	390	262
Furniture and fittings	2,608	2,074	534	302	0	0	119	0	2,902	2,185	717
Computers	2,826	2,250	576	293	0	0	183	0	3,119	2,433	686
Library Books	1,369	1,215	154	47	1	0	44	0	1,415	1,259	156
Finance leases – office equipment	137	88	49	0	0	0	41	0	137	129	8
Total Operational Assets	57,598	20,438	37,160	3,740	311	0	3,256	(458)	59,855	22,980	36,875
Restricted Assets											
Land	11,870	0	11,870	0	0	0	0	0	11,870	0	11,870
Buildings	7,928	433	7,495	126	0	0	439	0	8,054	872	7,182
Total Restricted Assets	19,798	433	19,365	126	0	0	439	0	19,924	872	19,052
Infrastructural Assets											
Land	2,995	0	2,995	0	0	0	0	0	2,995	0	2,995
Roads	528,873	0	528,873	13,634	0	0	4,871	0	542,507	4,871	537,636
Water Reticulation	30,446	912	29,534	1,002	204	0	935	0	31,244	1,847	29,397
Sewerage Reticulation	34,548	1,110	33,438	1,001	57	0	1,043	0	35,492	2,153	33,339
Stormwater Systems	12,561	252	12,309	770	42	0	257	0	13,289	509	12,780
Refuse Systems	5,753	0	5,753	25	29	0	113	0	5,749	113	5,636
Land under Roads	9,956	0	9,956	0	0	0	0	0	9,956	0	9,956
Total Infrastructural Assets	625,132	2,274	622,858	16,432	332	0	7,219	0	641,232	9,493	631,739
Contract Work in Progress	3,635	0	3,635	4,198	4,261	0	0	0	3,572	0	3,572
Total Council Assets	706,163	23,145	683,018	24,496	4,904	0	10,914	(458)	724,583	33,345	691,238

Valuation

Land (operational, restricted, and infrastructural)

The valuations for both land and buildings were performed by an independent registered valuers Ashley Pont, Mairi MacDonald and Maria McHugh from Quotable Value Limited performed Council's valuation and an independent valuer performed Inframax Construction Limited valuation. The valuation is effective as at 30 June 2025.

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the "unencumbered" land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

Asset Class	Valuation Date	Total Value
Council: Operational, Restricted and Infrastructural Land	30 June 2025	\$23,311,000
Inframax Construction Limited: Operational Land	30 June 2025	\$1,120,000

Buildings (operational and restricted)

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value. These valuations include adjustments for estimated building strengthening costs for earthquake prone buildings and the associated lost rental during the time to undertake the strengthening work.

Asset Class	Valuation Date	Total Value
Council: Operational and Restricted Buildings	30 June 2025	\$27,018,000
Inframax Construction Limited: Operational Buildings	30 June 2025	\$2,536,000

Infrastructural asset classes: water utilities infrastructure, refuse systems and roads.

The valuation of utilities infrastructure; sewerage reticulation, water reticulation, and storm water systems refuse systems and roads was performed by an independent registered valuer, Miles Wyatt, Mark Gordon (for roading) an independent valuer from AECOM New Zealand Limited. The valuation for sewage reticulation, water reticulation and storm water systems is effective as at 30 June 2025 and for Refuse Systems and Roads as at 30 June 2023.

The valuation method use for all these asset classes was the depreciated replacement cost method. There are a number of estimates and assumptions used in this valuation method. These include:

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue or expense. To minimise this risk, 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, deterioration, and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

Set out below is the summary of current valuations for infrastructural asset classes.

Asset Class	Valuation Date	Total Value (Optimised Depreciated Replacement Cost)
Roads	30 June 2023	\$528,873,000
Refuse Systems	30 June 2023	\$5,753,000
Storm water systems	30 June 2025	\$15,997,000
Wastewater Reticulation	30 June 2025	\$37,854,000
Water Supply Reticulation	30 June 2025	\$33,140,000

Land under roads

Land under roads was valued based on fair value of adjacent land determined by Adrian Doyle of Doyle Valuations Limited, effective 1 July 2001. On transition to NZ IFRS, the Council elected to use the fair value of land under roads as at 1 July 2001 as deemed cost and land under roads is no longer revalued.

Quarry Production Equipment

The valuation of heavy quarry production equipment held by Inframax Construction Limited was performed by an independent registered valuer. The valuation is effective as at 14 August 2024. All quarry production equipment is used or held for operational requirements and as such is valued under the requirements of NZ IAS 16 using a market comparison approach taking into consideration recent sales of similar assets. An impairment test is performed each year to ensure that the valuations do not materially differ from that which would be determined using fair value at the end of the reporting period.

Asset Class	Valuation Date	Total Value
Inframax Construction Limited: Quarry Production Equipment	14 August 2024	\$367,000

Library collections

The library collection was valued by North Langley & Associates as at 1 July 2004. The value of the collection at that date was \$493,000. Subsequent carrying values have been determined through subsequent additions, less accumulated depreciation and disposals. On transition to NZ IFRS the Council elected to use the fair value of library books as at 1 July 2004 as deemed cost and library books are no longer revalued.

Disposals

During the year a number of motor vehicles, library books and parts of operational property assets were disposed through being sold or replaced including Jennings St. Te Kūiti , flats and building and a dwelling on Esplanade, Te Kūiti . A number of water reticulation and plant projects were undertaken during the year as such replaced asset components were disposed of.

Transfers

A house and section and a bare land section, both located in Te Kūiti , are actively being offered to the market and consequently have been transferred to Assets Held for Sale asset class.

Work in progress

The total amount of property, plant, and equipment in the course of construction is \$2,307,000 (2024: \$3,453,000).

Leasing

The net carrying amount of plant and equipment held by Council under finance leases is \$31,000 (2024: \$8,000) and \$31,000 (2024: \$8,000) for the Group.

Reconciliation of Additions to Property, plant and equipment and Intangible Assets to Capital Expenditure in Note 28

The following assets were added to Property, plant and equipment and Intangible Assets which were included in the capital expenditure from Council significant activities.

Asset Class	Total Value
Capital Expenditure for the year included as Property, plant and equipment (Note 30)	\$17,856,000
Total Additions to Property, Plant and Equipment (Note 21)	\$22,261,000
Less Prior Years Work in Progress added (Note 21)	(\$4,405,000)
Total Asset Additions	\$17,856,000

Note 22: Intangible Assets

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Software				
Cost				
Balance at 1 July	1,431	1,431	2,021	2,104
Additions	0	0	0	14
Disposals	0	0	0	(97)
Balance at 30 June	1,431	1,431	2,021	2,021
Accumulated Amortisation				
Balance at 1 July	1,325	1,265	1,843	1,678
Amortisation expense for the year	36	60	108	203
Impairment	0	0	0	0
Disposals	0	0	0	(98)
Balance at 30 June	1,361	1,325	1,951	1,783
Net Book Value at 30 June	70	106	70	238
Emission Trading Units				
Balance at 1 July	442	1,005	442	1,005
Additions	8	0	8	0
Amounts surrendered during the year	(442)	(563)	(442)	(563)
Balance at 30 June	8	442	8	442
Service Concession Asset				
Balance at 1 July	5,990	5,990	5,990	5,990
Additions	0	0	0	0
Balance at 30 June	5,990	5,990	5,990	5,990
Accumulated Amortisation				
Balance at 1 July	242	71	242	0
Amortisation expense for the year	171	171	171	71
Balance at 30 June	413	242	413	71
Net Book Value at 30 June	5,577	5,748	5,577	5,919
Balance at 30 June	5,655	6,296	5,655	6,599

Note 23: Investment Property

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Balance at 1 July	2,127	2,222	2,127	2,222
Transfer to Assets Held for Sale	(1,220)	0	(1,220)	0
Gains/(Losses) due to change in Fair Value	(38)	(95)	(38)	(95)
Balance at 30 June	869	2,127	869	2,127

The Riverview Heights Sections, Te Kūiti land assets were transferred to Assets Held for Sale, in light of a conditional sales contract entered into with an entity who is planning an extensive housing development for the land.

The valuation of investment property was performed by Mairi MacDonald, Maria McHugh and James Jennings, independent valuers from Quotable Value Limited. They are experienced valuers with extensive market knowledge in the types and location of the investment properties owned by Council.

The fair value of investment property has been determined using either the Direct Sales Approach or the Income Approach. The Direct Sales Approach was used as an estimate of value based on a comparison of the asset to similar assets that have recently sold, with adjustments made for the assets physical features and condition. Where the Income Approach was used, it reflects what a prudent investor would pay for an asset given an expected return with

consideration of the risks involved in the investment and two approaches were used; capitalisation of income and discounted cash flow.

The valuation was effective as at 30 June 2025.

Note 24: Assets Held for Sale

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Balance at 1 July	0	0	0	0
Transfer from Property, plant and equipment	409	0	409	0
Transfer from Investment Properties	1,220	0	1,220	0
Gains/(Losses) due to changes in Fair Value	(673)	0	(673)	0
Balance at 30 June	956	0	956	0
This is made up of:				
Current	956	0	956	0
	956	0	956	0

Assets Held for Sale consist of three asset groups; The River View Heights sections, located in Te Kūiti which are subject to a conditional sales contract to an entity for the purposes of residential housing development. In addition to this a house and section and bare section, both located in Te Kūiti is being actively marketed on the open market.

The carrying value of assets is at the lesser of market value less sales costs or carrying value.

Note 25: Capitalised Quarry Development Costs

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Balance at 1 July	0	0	1,303	830
Stripping costs capitalised during the year	0	0	559	622
Building reclassified	0	0	0	0
Stripping & building costs amortised (with raw materials cost)	0	0	(205)	(149)
Balance at 30 June	0	0	1,657	1,303
This is made up of:				
Current	0	0	280	280
Non Current	0	0	1,377	1,023
Total Capitalised Quarry Development Costs	0	0	1,657	1,303

Note 26: Capital Commitments and Operating Leases

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Commitments for capital contracted but not provided for:				
Water supply assets	512	0	512	0
Wastewater assets	0	0	0	0
Road assets	1,766	3,248	1,850	3,248
Plant and Equipment	0	0	0	0
Restricted buildings	0	0	0	0
Operational buildings	37	60	37	60
Computers	0	0	0	0
Total Capital Commitments	2,315	3,308	2,399	3,308
Operational Commitments				
Not later than one year	6,846	4,945	6,846	4,945
Later than one year but not later than five years	1,067	2,246	1,067	2,246
Later than five years	0	0	0	0
Total Operational Commitments	7,913	7,191	7,913	7,191

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Total Commitments	10,228	10,503	10,312	10,503

The operating lease is for various items of office equipment. The net carrying amount of the leased items is shown as a separate class of property, plant and equipment is disclosed in note 21. The finance lease can be renewed at the Council's option, with rents set by reference to current market rates for items of equivalent age and condition. The Council does have the option to purchase the assets at the end of the lease term. There are no restrictions placed on Council by any of the finance leasing arrangements.

Note 27: Contingencies

Council

Mining Licence

In respect of the mining licence for McKenzies Quarry, Council has provided the Ministry of Commerce with a land reinstatement bond of \$10,700 (2024: \$10,700), in lieu of a cash deposit.

Co-Lab

Council is a shareholder in Waikato Local Authority Shared Services Ltd (trading as Co-Lab). Co-Lab is jointly owned by 12 local authorities and has been set up to develop shared service initiatives, including a valuation database. There is uncalled capital of \$34,221 (2024: \$34,221) that Council may be required to pay if called. Council considers it unlikely that it will be called upon for the capital and therefore have not provided for this claim.

New Zealand Local Government Funding Agency Limited

Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a local currency rating from S&P Global Ratings of AAA and a foreign currency rating of AA+ and a local currency rating and foreign currency rating of AA+ from Fitch.

Guarantees

Accounting Standards require the Council to initially recognise the guarantee liability by applying the 12-month expected credit loss model (as fair value could not be reliably measured) and subsequently at the higher of the provision for impairment at balance date determined by the expected credit loss model and the amount initially recognised. At the end of financial year, the council have assessed the 12-month expected credit losses of the guarantee liability, based on market information of the underlying assets held by the NZLGFA. The estimated 12-month expected credit losses are immaterial due to the extremely low probability of default by the NZLGFA in the next 12 months, and therefore, the council have not recognised a liability.

Uncalled capital

As at 30 June 2025, there were 30 local authority shareholders and 72e 69 local authority guarantors of the NZLGFA of which Council is a guarantor. [In that regard it has uncalled capital of \$20m. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified]. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2025, NZLGFA had borrowings totalling \$25,038m (2024: \$22,842m).

The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

New Zealand Mutual Liability Riskpool

Waitomo District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down; however, the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call, in respect of historical claims, diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weathertight defects (in a mixed claim involving both weathertight and non-weathertight defects). Riskpool made a call on members with Waitomo District Council of call contribution being \$20,000, payable September 2025 and has advised further calls will be likely to settle future claim liabilities as they arise.

Group

Contingent Liability for Unfulfilled Contractual Obligations and Quarry Rehabilitation and Maintenance Obligations.

In addition to the above, the group has a contingent liability of \$173,000 in relation to rehabilitation and maintenance obligations at the expiry of grant of resource consents for a quarry operation by the company. Post balance date the Group has arranged with the ASB Limited for a bank guarantee of \$29,000 in favour of Waikato Regional Council related to these resource consents.

Performance bonds have been issued in favour of local authorities and government agencies. The Group knows of no reason why these performance related bonds or guarantee would be called upon by external parties and therefore have not recognised them in the balance sheet.

Contingent Asset for Insurance Claim for Flood Damage

The Group has a contingent asset at balance date for an insurance claim for flood damage at a quarry in February 2022. The claim is yet to be settled for damaged assets to be either repaired or replaced.

Note 28: Operating Cashflow Reconciliation

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Net Surplus/(Deficit) After Tax	5,661	6,614	5,992	6,631
Add/(Less) Non Cash Items				
Depreciation and Amortisation	10,097	9,447	11,949	11,201
Surrender of Carbon Credits	512	563	512	563
(Gain)/Loss in change of fair value of Investment Property	38	95	38	95
(Gain)/Loss in change of fair value of Assets Held for Sale	674	0	674	0
Loss/(Gain) on Disposal of Assets or Impairment of Assets	152	286	(30)	537
Non cash acquisition of Assets	0	(359)	0	(359)
Unused Provision Amounts Reversed	(42)	0	(42)	0
Change in Deferred Taxation Asset/Liability	0	0	218	902
Add/(Less) Movements in Working Capital Items				
Increase/(Decrease) in Trade and Other Payables	1,960	550	(704)	997
(Increase)/Decrease in Trade and Other Receivables	(2,403)	(2,098)	(1,135)	(1,141)
(Increase)/Decrease in Inventories	23	14	58	(652)
Increase/(Decrease) in Employee Entitlements	46	89	(11)	(11)
Increase/(Decrease) in Provisions	387	31	(74)	287
Add/(Less) Items Classified as Investing or Financing Activities	1,560	(166)	1,789	(17)
Net Cash Flows from Operating Activities	18,665	15,066	19,234	19,033

Note 29: Capital Expenditure

(\$000's)	COUNCIL			
		2025 BUDGET	2025 ACTUAL	2024 ACTUAL
Capital by Significant Activity				
Leadership		708	751	712
Recreation and Property		1,093	1,134	1,425
Community and Partnerships		3	0	27
Regulatory Services		10	6	19
Solid Waste		3,141	399	25
Stormwater		1,788	526	927
Wastewater		493	1,365	451
Water Supply		5,399	1,355	747
Roads and Footpaths		8,906	12,320	14,880
Total Capital Expenditure		21,541	17,856	19,213
Shown as Additions to				
Property, plant and equipment		21,491	17,856	19,213
Intangible assets		50	0	0
Investment Property		0	0	0
Total Capital Expenditure		21,541	17,856	19,213
Funded by				
Internal Loans		11,557	2,957	2,543
Subsidy Revenue and Contributions to Capital Expenditure		7,743	10,890	12,338
Rates Funding and Other Revenue		1,657	1,438	0
Reserve Funding		584	2,571	4,332
Total Capital Expenditure		21,541	17,856	19,213

Summary of Significant Capital Additions and Replacements

Activity (Total spend in \$000's)	Description	Budget \$000's	Actual Expenditure \$000's		
			Additional demand	Improve performance	Replace existing asset
Leadership (Total spend \$751)	Office furniture and equipment, computer hardware and licences, vehicles and plant equipment required to meet organisational needs.	635	0	2	644
	WDC administration building renovation and miscellaneous building renewals.	32	0	0	105
Recreation and Property (Total spend \$1,134)	Better Off walkway project. This is fully funded by central government.	446	0	78	0
	Playground and park renewals and Centennial Park grandstand ablutions and changing rooms upgrade and cricket pitch and equipment improvements. The Centennial Park improvements were funded by external grants.	305	0	208	343
	Air conditioning renewals at the Les Munro Centre to enhance the facility for users.	12	0	0	231
	Aquatic Centre general renewals.	22	0	0	7
	Library book stock renewal to maintain the standard of books available, library technology and building renewals.	68	0	0	68
	Development of surplus land and Brook Park improvements	60	0	27	0
	Miscellaneous renewals, elderly persons housing, public toilets, cemetery, street furniture and security cameras	179	0	35	137
Regulatory Services (Total spend \$6)	Animal and dog pound renewals	10	0	0	6
Solid Waste (Total spend \$399)	Landfill cell development and gas flaring equipment.	3,010	0	0	0
	Transfer station improvement, carbon credits purchase, highwall overburden, catchpits culverts at landfill.	95	0	107	11
	Landfill aftercare asset	0	0	280	0
Stormwater (Total spend \$526)	Stormwater improvements and rehabilitation and other minor renewals.	1,787	0	284	242
Wastewater (Total spend \$1,365)	Ongoing renewals of Council wastewater infrastructure assets, Sludge Disposal infrastructure, pipes, pump stations and treatment plants.	75	0	614	423
	Te Kūiti Wastewater mains and reticulation renewals.	230	0	0	328
Water Supply (Total spend \$1,354)	Te Kūiti water resilience project including initial scoping and design.	4,250	0	201	0
	Ongoing improvements and renewal of water supply infrastructure assets, covering reticulation, treatment plant, resource consent and other improvements.	1,148	0	64	1,090
Roads (Total spend \$12,320)	Footpaths and road to zero improvements.	330	0	35	0
	Pavement rehabilitation renewals.	1,683	0	0	1,779
	Sealed surfacing renewals.	2,665	0	0	2,435
	Bridge and bridge structure replacement.	270	0	0	97
	Unsealed road metalling renewals.	880	0	0	998
	Storm and wet weather reinstatements.	700	0	0	6,365
	Other road renewals.	2,272	0	0	544
(Total spend \$17,856)		21,541	0	2,002	15,854

Note 30: Financial Instruments

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Financial Instrument Categories				
Amortised Cost				
Cash and Cash Equivalents	3,014	3,093	5,405	7,129
Receivables Under Exchange and Non Exchange Transactions	9,451	7,517	13,058	10,633
Loans and Advances - Current	86	298	86	298
Loans and Advances - Non Current	918	423	917	423
Total Loans and Receivables	13,468	11,331	19,466	18,483
Fair Value through surplus and deficit (FVTSD)				
Derivative Financial Instrument Assets	18	381	18	381
Fair Value through other comprehensive revenue and expense (FVTOCRE)				
Unlisted Shares in Companies	20	20	20	20
Unlisted Shares in Subsidiaries	13,526	12,883	0	0
Total FVTOCRE	13,546	12,903	20	20
Financial Liabilities				
Fair Value through surplus and deficit (FVTSD)				
Derivative Financial Instrument Liabilities	520	45	520	45
Financial Liabilities at Amortised Cost				
Payables and Deferred Revenue under Exchange and Non Exchange Transactions - Current	7,579	5,879	8,052	9,057
Secured Loans - Current	9,201	17,324	10,797	19,599
Secured Loans - Non Current	24,000	16,000	29,226	18,872
Lease Liabilities - Current	6	9	6	9
Lease Liabilities - Non Current	28	0	28	0
Total Financial Liabilities at Amortised Cost	40,814	39,212	48,109	47,537

Credit Risk

Credit risk is the risk that a third party will default on its obligation to the Group, causing the Group to incur a loss. Due to the timing of its cash inflows and outflows, the Group holds surplus cash in interest bearing accounts which gives rise to credit risk.

The Group also minimises credit risk by limiting investments to registered banks, local government stock and other entities with a S&P Global Ratings credit rating no less than AA-.

The Group has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

Guarantor of LGFA's borrowings

The Council is exposed to credit risk as a guarantor of all of LGFA's borrowings. Information about this exposure is explained in note 26. Council considers this risk to be extremely low.

Maximum Exposure to Credit Risk

Council's maximum credit exposure for each class of financial instrument is as follows:

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Cash and Cash Equivalents	3,014	3,093	5,405	7,129
Receivables Under Exchange and Non Exchange Transactions	9,451	7,517	13,051	10,633
Loans and Advances	1,003	721	1,003	721
Total Credit Risk	13,468	11,331	19,466	18,483

Credit Quality of Financial Assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to S&P Global Ratings credit rating (if available) or to historical information about counter-party default rates:

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Counter-parties with Credit Ratings:				
Cash and Cash Equivalents				
AA- Long Term Rating	3,014	3,093	5,405	7,129
Derivative Financial Instrument Assets				
AA- Long Term Rating	18	381	18	381
Other Financial Assets - Loans and Advances				
AAA Domestic Long Term	1,003	721	1,003	721

Debtors and other receivables mainly arise from Group's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings.

The Group has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, and the Council has a range of powers under the Local Government (Rating) Act 2002 to recover outstanding debts from the ratepayers, the property mortgagee and/or through property sales.

Liquidity Risk

Management of Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management

implies maintaining sufficient cash, and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The Group aims to maintain flexibility in funding by keeping committed credit lines available. The Group manages its borrowings in accordance with its funding and financial policies, which include the Treasury Policy (incorporating Council's investment and liability management policies)

Guarantor of LGFA borrowings

The Council is exposed to liquidity risk as a guarantor of all of LGFA's borrowings. This guarantee becomes collectable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 26. Council considers this risk to be extremely low.

Contractual Maturity Analysis of Financial Liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual un-discounted cash flows:

(\$000's)	Effective Interest Rates %	Carrying Amount \$000's	Total Contractual Cashflows \$000's	Less than One Year \$000's	1-2 Years \$000's	2-5 Years \$000's	More than Five Years \$000's
Council 2025							
Payables and Deferred Revenue under Exchange and Non Exchange Transactions - Current	0.00%	7,579	7,579	7,579	0	0	0
Finance Leases	7.25%	34	41	9	9	23	0
Secured Loans - Current	3.65%	9,201	9,201	9,201	0	0	0
Secured Loans - Non-current	4.18%	24,000	25,760	1,002	13,634	11,124	0
Derivative Financial Instruments	0.00%	520	487	165	204	139	(21)
Total		41,334	43,068	17,956	13,847	11,286	(21)

(\$000's)	Effective Interest Rates %	Carrying Amount \$000's	Total Contractual Cashflows \$000's	Less than One Year \$000's	1-2 Years \$000's	2-5 Years \$000's	More than Five Years \$000's
Council 2024							
Payables and Deferred Revenue under Exchange and Non Exchange Transactions - Current	0.00%	5,879	5,879	5,879	0	0	0
Finance Leases	7.50%	9	9	9	0	0	0
Secured Loans - Current	5.96%	17,324	17,324	17,324	0	0	0
Secured Loans - Non-current	6.34%	16,000	18,471	1,014	3,859	13,598	0
Derivative Financial Instruments	0.00%	45	51	0	0	51	0
Total		39,257	41,734	24,226	3,859	13,649	0
Group 2025							
Trade and other payables (Current)	0.00%	8,052	8,052	8,052	0	0	0
Lease Liabilities	7.25%	34	41	9	9	23	0
Secured Loans - Current	4.08%	10,797	10,402	9,754	648	0	0
Secured Loans - Non-current	4.28%	29,226	32,393	2,380	14,936	14,163	914
Derivative Financial Instruments	0.00%	520	487	165	204	139	(21)
Total		48,629	51,375	20,360	15,797	14,325	893
Group 2024							
Payables and Deferred Revenue under Exchange and Non Exchange Transactions - Current	0.00%	9,057	9,057	9,057	0	0	0
Lease Liabilities	7.50%	9	9	9	0	0	0
Secured Loans - Current	6.22%	19,599	19,599	19,599	0	0	0
Secured Loans - Non-current	5.87%	18,872	22,740	1,923	4,715	15,630	472
Derivative Financial Instruments	0.00%	45	51	0	0	51	0
Total		47,582	51,456	30,588	4,715	15,681	472

Sensitivity Analysis

The table below illustrates the potential impact on surplus/ (deficit) for reasonably possible market movements, with all other variables held constant, based on Group's financial instrument exposures at balance date. The impact on Equity is the same as the surplus/ (deficit) impact below except for cashflow hedges which only have an impact on equity. A movement of 50bps (basis points), which is 0.50% and represents managements' assessment of the reasonably possible change in interest rates:

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Interest Rate Risk				
Market Interest Rates increase by 50bps	(65)	(60)	(104)	(90)
Market Interest Rates decrease by 50bps	65	60	104	90

The sensitivity analysis is prepared assuming the amount of liability outstanding at balance date was outstanding for the whole year.

Explanation of Sensitivity Analysis - Council

Council has floating rate debt with a principal amount totalling \$13,000,000 (2024: \$12,000,000). A movement in

interest rates of plus or minus 50bps would result in a movement of \$65,000 (2024: \$60,000). A movement in market interest rates on fixed rate debt does not have any impact because secured loans are accounted for at amortised cost using the effective interest method.

Explanation of Sensitivity Analysis - Group

Group has floating rate debt with a principal amount totalling \$19,822,000 (2024: \$17,982,000). A movement in interest rates of plus or minus 50bps would result in a movement of \$104,000 (2024: \$90,000). A movement in market interest rates on fixed debt does not have any impact because secured loans are accounted for at amortised cost using the effective interest method.

Fair Value

The carrying value of cash and cash equivalents, debtors and other receivables, loans, advances, current borrowings, creditors and other payables approximates their fair value. The fair value of non-current portion of borrowings of Council is \$24,467,000 (2024: \$16,421,000) and for the Group \$29,393,000 (2024: \$19,293,000).

Council holds a small shareholding interest in NZ Local Government Insurance Corporation Limited and Waikato Local Authority Shared Services Limited, of which it has no intention of disposing of. The fair value of these unlisted companies cannot be reliably measured, due to a lack of an active market and lack of appropriate projected cash flow and revenue stream information for these securities.

Fair Value Measurement

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(\$000's)	Level 1	Level 2	Level 3	Total
Council 2025				
Financial assets at FVTOCRE				
Unlisted Shares in Subsidiary	0	0	13,526	13,526
Unlisted Shares in Companies	0	0	20	20
	0	0	13,546	13,546
Financial Assets at FVTSD				
Derivative Financial Instrument Assets	0	18	0	18
	0	18	0	18
Financial Liabilities at FVTSD				
Derivative Financial Instrument Liabilities	0	520	0	520
	0	520	0	520
Council 2024				
Financial assets at FVTOCRE				
Unlisted Shares in Subsidiary	0	0	12,883	12,883
Unlisted Shares in Companies	0	0	20	20
	0	0	12,903	12,903
Financial Assets at FVTSD				
Derivative Financial Instrument Assets	0	381	0	381
	0	381	0	381
Financial Liabilities at FVTSD				
Derivative Financial Instrument Liabilities	0	45	0	45
	0	45	0	45
Group 2025				
Financial Assets at FVTOCRE				
Unlisted Shares in Companies	0	0	20	20
	0	0	20	20
Financial Assets at FVTSD				

(\$000's)	Level 1	Level 2	Level 3	Total
Derivative Financial Instrument Assets	0	18	0	18
	0	18	0	18
Financial Liabilities at FVTPL				
Derivative Financial Instrument Liabilities	0	520	0	520
	0	520	0	520
Group 2024				
Financial Assets at FVTOCRE				
Unlisted Shares in Companies	0	0	20	20
	0	0	20	20
Financial Assets at FVTSD				
Derivative Financial Instrument Assets	0	381	0	381
	0	381	0	381
Financial Liabilities at FVTSD				
Derivative Financial Instrument Liabilities	0	45	0	45
	0	45	0	45

Recognition of Level 3 fair value measurements of financial assets

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Balance at 1 July	12,883	10,622	20	20
Revaluation of financial assets at FVTOCRE	643	2,261	0	0
Balance at 30 June	13,526	12,883	20	20

Note 31: Related Party Transactions

The Council is the ultimate parent of the Group. Related parties include its subsidiary Inframax Construction Ltd, the Council's investment in Waikato Local Authority Shared Services Ltd and Civic Financial Services Ltd.

Council

Council has a 100% shareholding in Inframax Construction Ltd. The following related party transactions are included in Council's financial statements.

(\$000's)	COUNCIL	
	2025 ACTUAL	2024 ACTUAL
Transactions with Inframax Construction Ltd		
Road construction and maintenance expenditure	11,321	10,615
Other expenditure		
Fees and charges and income from construction	36	34
Balances Outstanding with Inframax Construction Ltd		
Payables	1,644	1,068
Receivables	1	1

Inframax Construction Limited

(2024: The subsidiary provided minor work for V Gribben \$241 and E Rattray \$21,335. There was nil owing at the year end. No work was provided for the 2024/2025 year.)

Waikato Local Authority Shared Services

The Council has 1.6% of the issued shares in Waikato Local authority Shared Services Ltd Trading as Co-Lab. The following related party transactions are included in the Council's financial statements.

(\$000's)	COUNCIL	
	2025	2024
Revenue shared services	0	0
Expenses shared services	802	704

Remuneration of the Chief Executive (Council)

In the 2024/25 financial year the total remuneration paid to the Council's Chief Executive was \$299,471 (2024: \$288,070).

Elected Representatives and Directors (\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Mayor Robertson	127	127	127	127
Deputy Mayor Goddard	90	83	90	83
Councillor New	54	52	54	52
Councillor Manawaiti	54	52	54	52
Councillor Osborne	56	57	56	57
Councillor Tasker	54	52	54	52
Councillor Todd	54	55	54	55
Directors Fees	0	0	160	150
Total Elected Members Remuneration and Directors Fees	489	478	649	628

Key Management Personnel (\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Elected Members and Directors				
Remuneration	489	478	1,073	628
Number of elected members and directors	7	7	12	11
Key Management Personnel				
Remuneration excluding contribution to a defined contribution plan	1,269	1,181	1,853	1,702
Contributions to a defined contribution plan	7	29	7	29
Total Remuneration	1,276	1,210	1,860	1,731
Full time equivalent members	7	6	12	11

Council's key management personnel include the Mayor, Councillors, Chief Executive and other senior management personnel. The Group's key management personnel include the Mayor, Councillors, Chief Executive and other senior management personnel and the Directors and executive staff of Inframax Construction Ltd. Due to the difficulty in determining the full time equivalent for elected members and directors, the number of elected members and directors has been reported instead of the full time equivalent.

Council Employees (\$000's)	COUNCIL
	2025 ACTUAL
Total number of employees per remuneration band at 30 June:	
<\$60,000	25
\$60,000 - \$79,999	27
\$80,000 - \$119,999	29
\$120,000 - \$299,999	10
Total Employees	91

Council Employees

(\$000's)

	COUNCIL
	2024 ACTUAL
Total number of employees per remuneration band at 30 June:	
<\$60,000	27
\$60,000 - \$79,999	25
\$80,000 - \$119,999	26
\$120,000 - \$289,999	8
Total Employees	86

The number of full time equivalent employees at 30 June 2025 was 80 (2024: 76).

Note 32: Severance payments

Council

There were no severance payments made during the year (2024: \$10,000).

Group

There were no severance payments made during the year (2024: Nil).

Note 33: Events after balance date

On 6 August 2025 Council entered a contract for the Te Kūiti water resilience project with HEB Construction Ltd valued at \$7.7 million. The contract includes constructing a new watermain to directly connect the main reservoirs to the water treatment plant, replacing the existing reservoir adjacent to Te Kūiti Hospital with a larger modern tank and expanding network storage to better manage demand and emergency situations. Construction is expected to begin in early 2026.

On 17 September 2025 Council's Water Services Delivery Plan (WSDP) was approved by the Secretary of Local Government. Council's transfer date for water supply and wastewater services to Waikato Waters Ltd is 1 July 2026. Stormwater services will continue to be provided by Waitomo District Council.

Note 34: Explanations of Variances to Budget (Council)

Statement of Comprehensive Revenue and Expenditure

Revenue was \$2.7 million more than forecast. The main variances were:

- Subsidy revenue was above forecast for the roads renewals, particularly for storm-related repairs. The LTP forecasts assumed the storm-related repairs would be completed in the prior year.
- Interest revenue was more than forecast, with favourable bank rates for cash held in the operating account and contract retention account.
- Fees and charges were below budget for landfill revenue due to lower volumes of waste deposited at the landfill than forecast, lower quarry revenue due to less use of WDC owned quarries by the lessee and less revenue for building services due to lower building consent applications and activity. These were partly offset by additional revenue received for animal control shared services with Otorohanga District Council and more trade waste revenue.
- Other revenue was below budget mostly due to the loss on the change of the fair value of assets held for sale recognised at 30 June 2025. This was offset by additional waste minimisation revenue and the gain on the sale of vehicles.

Expenditure was \$0.5 million less than forecast.

- Employee benefit expenses were lower than forecast due to a number of vacant positions across the organisation.
- Other expenditure was below forecast for waste minimisation levy and ETS costs due to reduced waste volumes at the landfill, the timing of the district plan development costs against forecast, unspent regulatory budgets for legal expense, noise control and earthquake prone buildings. The budgets for development of surplus land for residential sections, district promotion and district development and the sports development initiative and Les Munro Centre revitalisation were also not fully spent. Partly offsetting these under-expenditures were additional costs incurred in the Roads activity for emergency reinstatement first response, drainage maintenance and network and asset management. Water Supply also incurred additional costs for the preliminary work associated with the Te Kūiti water resilience project, sampling and monitoring and reactive reticulation maintenance.

Statement of Financial Position

Total equity was \$12.0 million less than forecast due to:

- The surplus was \$3.1 million more than forecast.
- Other reserves were \$1.9 million more than forecast due mainly to the increase in the valuation of the investment in Inframax Construction Ltd in the prior year. The LTP budget assumed a lower value of the investment. This has been offset by a decrease in Council Created Reserves and the Hedging reserve.
- The revaluation reserve was \$11.9 million less than forecast as the LTP assumed a higher increase than the water valuation and that the timing of the waters valuation was in the prior year.
- Current assets were \$6.9 million more than forecast. There was an increase in cash and cash equivalents, and receivables for NZTA Waka Kotahi subsidy and Better Off project funding.
- Current liabilities \$2.2 million less than forecast due mainly to the portion of borrowings that were classified as current were less than forecast. This was partly offset by an increase in payables which were more than forecast for water supply, stormwater and roading contracts compared to forecast.
- Non current assets were \$24.4 million less than forecast. This was due to the lower valuation for water assets and the valuation was forecast in the LTP to be completed in the prior year. Several significant capital projects were either on hold or deferred during the year. This included the landfill cell development and gas flaring project which is no longer proceeding as Council decided in June 2025 not to proceed with the development of an additional landfill cell. The Te Kūiti stormwater attenuation ponds and the Te Kūiti water supply resilience project were re-sequenced to commence next year as part of the 2025/26 Annual Plan. Further to this, three residential properties were sold during the year.
- Non current liabilities were \$3.8 million less than forecast as the portion of borrowings classified as non current were less than forecast. Total borrowings for the year were less than forecast. There was also a derivative financial instrument liability recognised as at 30 June 2025.

Note 35: Local Government Act Disclosures

Under the LGA, the Council is required to disclose the following rating base information for the end of the preceding financial year.

Rating base information

	COUNCIL
	2024 ACTUAL
Number of rating units	5,955
Total Capital value of rating units	4,667,079,815
Total Land value of rating units	3,006,903,765

Insurance (\$000's)

	Carrying Value 30 June 2025	Covered by Insurance Contracts	Covered by Financial Risk Sharing Arrangement	Covered by Self Insurance
Stormwater, Wastewater and Water Supply				
Operational and Restricted Buildings and Contents				
Motor Vehicles				
Total				

Network Assets (\$000's)

	Estimate of Replacement Cost 30 June 2024	Estimate of Replacement Cost 30 June 2025	Carrying Value 30 June 2025	Assets Constructed during 2024/2025
Roads	685,938			
Stormwater Drainage	23,652			
Wastewater - Other Assets	27,337			
8Wastewater - Treatment Plants and Facilities	26,823			
Water Supply - Other Assets	23,221			
Water Supply - Treatment Plants and Facilities	23,860			
Total	810,831			

(No network assets were transferred to Council during the 2024/25 year).

Note 36: Capital Management

The Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The LGA requires the Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Councils' assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The LGA requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in

its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The LGA sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the Revenue and Financing policies in the Council's LTP.

Council has the following council created reserves:

- Operational reserves are held for short term funding surpluses (or deficits) that arise from the various activities of Council.
- Depreciation reserves are held from accumulated funds from rates to fund repayments of loans raised for capital expenditure and to maintain the service capacity and integrity of assets throughout their useful lives.
- Investment revaluation reserves are held from the periodical review of the value of its investment in its subsidiary. These valuation movements do not form part of the revaluation reserve shown in the equity section of the Statement of Financial Position.
- Special purpose reserves are held when Council has received funds that are restricted for particular purposes.

Note 37: Exchange and non-exchange revenue

(\$000's)	COUNCIL		GROUP	
	2025 ACTUAL	2024 ACTUAL	2025 ACTUAL	2024 ACTUAL
Revenue from exchange transactions				
Interest revenue	195	148	199	152
Fees and charges and income from construction	158	302	26,654	38,708
Total Revenue from exchange transactions	353	450	26,853	38,860
Revenue from non-exchange transactions				
Rates revenue	23,740	21,534	23,723	21,519
Metered water rates revenue	1,208	968	1,208	968
Subsidies and grants	18,571	20,154	18,625	20,194
Fees and charges and income from construction	4,866	4,084	4,709	4,066
Other revenue from non-exchange transactions	397	757	397	777
Total Revenue from non-exchange transactions	48,783	47,497	48,662	47,524
Other gains/(losses)	(509)	(29)	(509)	(29)
Total Revenue	48,216	47,918	75,006	86,355

COUNCIL CONTROLLED ORGANISATIONS

Council controlled organisations (CCOs) are essentially any company with a majority Council shareholding, or a trust or similar organisation with a majority of Council-controlled votes or Council-appointed trustees.

Council is involved in two CCOs:

- Inframax Construction Limited (a wholly owned subsidiary of the Council); and
- Waikato Local Authority Shared Services (WLASS) Limited.

INFRAMAX CONSTRUCTION LIMITED

Background

Inframax Construction Limited (ICL) is a roading construction and maintenance company with its head office situated in Te Kūiti.

Shareholders

ICL is a wholly owned subsidiary of Waitomo District Council.

Company Objectives

The principle objective of Inframax Construction Limited is to operate as a successful business and to contribute to the well-being of the communities in which it operates.

In pursuing the principle objective the Company and Directors shall:

- Maximise the long term viability and profitability consistent with the Shareholder’s objectives for ownership and value creation.
- Seek and develop profitable business opportunities that make best use of the people, technical and financial resources of the Company.
- Continue to review the available options for the share ownership of the Company, so as to be able to provide informed advice to the Shareholder, as to the most efficient arrangements to enhance both profitability and or Shareholder value.
- Ensure assets and liabilities are prudently managed consistent with the nature of a contracting business.

Performance Results

Statement of Performance Measures: Year ended 30 June 2025

The results achieved compared with the performance criteria contained in the Statement of Corporate Intent as follows:

Financial Performance	Statement of Corporate Intent		Actual Achievement	
	2025	2024	2025	2024
Equity ratio	51%	50%	55%	53%
Current Ratio	Positive	Positive	Positive	Positive
EBITDA (\$000’s)	\$3.5 million	\$3.1 million	\$2.9 million	\$3.7 million
Revenue (\$000’s)	\$45 million	\$44 million	\$38 million	\$49 million
Banking covenants	Met	Met	Met	Met

- Ensure transparent and informed relationships are maintained with the Shareholder within the spirit of ‘no surprises’.
- Act as a good employer by:
 - ◊Providing a work environment that recruits, fosters and maintains safe, competent, motivated, committed and productive employees
 - ◊Recognising and rewarding excellent performance of any staff.
- Act in an environmentally and socially responsible manner and implement sustainable business practices.

Nature and Scope of Operations

The core business of the Company is roading maintenance and construction, quarrying and crushing of aggregates and maintenance and construction of utilities and infrastructure assets.

The Company competes for infrastructure contracts in the central western North Island Districts and in other areas where it is identified that such contracts will yield an appropriate rate of return or where the Company believes that there are sound commercial reasons for doing so.

The Company may expand into other ventures and/or activities that are consistent with the Company’s objectives and the provisions of the Local Government Act 2002.

The Equity ratio is the ratio of average shareholder's funds expressed as a percentage of average total assets.
Average assets and average shareholder's funds are based on 30 June 2025 and 30 June 2024 figures.

Non-Financial Performance

	Statement of Intent 2025		Statement of Intent 2024	
	Achieved	Target	Achieved	Target
LTI Frequency Rate	31	Zero	25	Zero
Notifiable Injuries	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Accident weekly compensation days				100
Prior Injuries	510	100	298	
New Injuries	392	0		
ISO9001 accreditation	Standard achieved	Standard achieved	Standard achieved	Standard achieved
ISO45001 accreditation	Standard achieved	Standard achieved	Standard achieved	Standard achieved
Environmental Consent Compliance				
Non-compliant	0	All	0	All
Partially compliant	2		2	
Highly compliant	0		0	
Fully compliant	6		6	
Not assessed	1		1	
Number of Broader Outcomes Initiatives	40	15	20	15

Note: Accident Compensation days are measured on a 1 April to 31 March year.

Inframax Construction Ltd - Statement of Comprehensive Revenue and Expense: Year ended 30 June 2025

(\$000's)	2025 ACTUAL	2024 ACTUAL
Total Revenue	37,887	49,086
Total Expenditure (including Depreciation and Interest)	37,121	47,501
Net Profit/(Loss) Before Tax	766	1,585
Company Tax/(Credit)	218	902
Net Profit /(Loss) After Tax	548	683

CO-LAB

Background

Waikato local authorities have worked closely together over a number of years on mutually beneficial joint projects. These projects have demonstrated the benefits that can be gained both in terms of outcomes achieved and reduction in costs to the community. The local authorities believe that the company will generate savings through economies of scale and through additional purchasing power and the ability to recover costs.

There are a number of services provided by local authorities, particularly in respect of information collection and management, where improved services at lower aggregate cost can be achieved by having a number of authorities participate in purchase or development of the infrastructure for the service, and ongoing operation of it.

Co-Lab is the current trading name for Waikato Local Authority Shared Services (WLASS) Limited, formally known as LASS (Local Authority Shared Services) up until 4 April 2016.

Shareholders

Co-Lab is a Council Controlled Organisation (CCO) owned equally by 12 local authorities in the Waikato Region, being Waikato Regional Council, Hamilton City Council, Hauraki, Matamata-Piako, Otorohanga, Rotorua, South Waikato, Taupo, Thames- Coromandel, Waikato, Waipa, and Waitomo District Councils. The company was incorporated in December 2005.

Company Objectives

The objective of Co-Lab is to act as an 'umbrella' organisation providing Waikato local authorities with a corporate structure under which they can develop and promote shared services to other local authorities.

The constitution of Co-Lab sets out principles according to which the company will be operated and governed. This includes shareholders' rights and the appointment of directors. The company's Annual Statement of Intent identifies its activities, intentions for the year and the objectives to which those activities will contribute.

Nature and Scope of Activities

The principal nature and scope of the activity for the company is to:

1. Provide shared services to all local authorities within the Waikato Region. The company also intends to sell processes and systems as set up under individual agreements to local authorities outside the Region.
2. Pursue all opportunities to develop shared services that may benefit the community, either through enhanced services or reduced costs.
3. Give consideration to developing shared service products which a majority of local authorities of the region believe are of value. The objective is to provide the most effective access to regional information that may be of value to the community using modern technology and processes.
4. Explore all possible avenues to provide these services itself, or contract them from outside parties, each depending on a rigorous business case.

In terms of the Local Government Act 2002, Council's involvement in Co-Lab is consistent with its Appointment of Directors to CCO's Policy. Council's involvement in Co-Lab was confirmed, following public consultation through its Annual Plan 2005-06. Council at present has no formal objectives other than to maintain its current shareholding.

STRATEGIC GOAL	3-YEAR OBJECTIVE	ANNUAL KPI	
Goal 1: Shareholding Councils understand we provide them value	We know the value we provide shareholders has improved by 15%, by 30 June 2027* (baseline y/e 30 June 24). *Based on the regional benefits of collaboration (not an individual councils' benefits from collaboration).	Year-on-year increase in the value we provide to councils. 80%+ of council survey respondents believe those Co-Lab services they received meet or exceed their expectations (evidenced by an annual survey).	FY24-25: \$1.1m decrease in the value we provide to councils as measured by our benefit analysis. FY24-25: 88%+ of council survey respondents believe those Co-Lab services they received meet or exceed their expectations.
	By 30 June 2027, 80% of shareholders agree they get value from Co-Lab.		
Goal 2: Deliver value by growing the scale of our shared service function	24 new instances of Co-Lab shared services being utilised, by June 2027 (baseline y/e 30 June 24)	Year-on-year increase in the utilisation of services we provide to councils. Year-on-year increase in the number of services available to councils.	FY24-25: Measured as above. FY24-25: Introduced RATA Spaces & Places. Launched Co-Lab Building Services.
	All shareholders take up at least one additional shared service.	Year on Year increase in the utilisation of services we provide to councils.	FY24-25: New onboardings: • RATA Spaces & Places councils • 1 Smart Water – Watercare joined • 1 ECM – Oto DC joined • 1 Sampling & Analysis – Waikato Regional Airport joined • 1 Co-Lab Building Services – WBOP • 1 Professional Services Panel – WBOP
Goal 3: Diverse, talented and motivated people work for us	Maintain staff engagement above 85%.	Maintain staff engagement above 85%.	FY24-25: 86% staff engagement.
	Staff turnover is less than 15%.	Staff turnover is less than 15%.	FY24-25: 10.5% staff turnover.
	Our vacancies are filled by suitable candidates within 3 months. (All baselined y/e 30 June 24)	Vacancies are filled by suitable candidates within 3 months.	FY24-25: The 1 position advertised were vacant for 2 months.



AUDIT
TĀTARI KAUTE

STATEMENT OF COMPLIANCE

COMPLIANCE

The Council of Waitomo District Council confirms that all statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.

RESPONSIBILITY

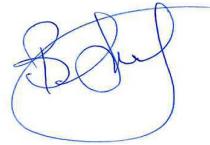
Council and the Management of Waitomo District Council accept the responsibility for the preparation of the annual financial statements and statements and the judgement used in them.

Council and the Management of Waitomo District Council accept the responsibility for establishing and maintaining the internal controls designed to provide reasonable assurance as to the integrity and reliability of Financial Reporting.

In the opinion of Council and the Management of Waitomo District Council, the annual Financial Statements for the year ended 30 June 2025 fairly reflect the financial position and operations of Waitomo District Council.



JOHN ROBERTSON
MAYOR



BEN SMIT
CHIEF EXECUTIVE

AUDIT OPINION

AUDIT OPINION

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Waitomo District Council

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