South Taranaki

Pūrongorongo ā tau | ***Annual Report***

2024/25

Te Kaunihera ō Taranaki ki Te Tonga
South Taranaki
District Council



TARANAKI KI TE TONGA – KA PUTA, KA ORA!

SOUTH TARANAKI – GREAT PEOPLE, CONNECTED COMMUNITIES, WHERE WE BELONG!

Mihi
Introduction

Ko Taranaki kei runga.
Ko Aotea, ko kurahaupo e urunga mai ki uta.
Ko Turi, ko Ruatea ngā tūpuna,
Tihei mauri tū ki runga!

Mai i Ōkurukuru ki Rāwa o Turi,
Rāwa o Turi ki Waingōngoro
Waingōngoro ki Whenuakura,
Whenuakura ki Waitōtara.

Ko wai tērā, ko Taranaki ki te Tonga.

E ngā tini wairua, kua whetūrangihia, koutou e Korowaitia ana te tauheke rā, ko Pukehaupapa, ko Pukeonaki, e moe. Haere i raro i te kahu kōrako ki Tua whakarere. Ki te kāinga o tāua te tangata.

Hoki atu rā koutou ki Hawaiki nui, Hawaiki roa, Hawaiki pāmamao.

Ki a tātou ngā uri o Tiki, ki ngā kanohi kitea. Tātou mā e kawea nei ngā kete matauranga o te ao tūroa, o te ao hurihuri.
Tihei mouri ora.

Ko te kaupapa e anga atu nei, ko te Hōtaka o te wā, hei tirohanga ki mua mā tātou ki te Tonga. Kia whai nei i ngā wawata kia pākari ai te rohe.

Kāti rā, ki a koutou, ki a tātou, rire, rire Hau Pai marire!

So stands Taranaki above
Aotea and Kurahaupo are anchored ashore,
Turi and Ruatea are our ancestors.
So, we share the breath of life!

From Ōkurukuru to Rāwa o Turi,
From Rāwa o Turi to Waingōngoro River,
From the Waingōngoro to the Whenuakura River,
From the Whenuakura to the Waitōtara River.

Who are we, South Taranaki.

To those spirits, who have passed beyond, you who cloak our mountain, Pukehaupapa, Pukeonake, rest in peace. Go beyond the veil with the protection of peace. To the ancestral home of us, the people.

Return to Hawaiki nui, Hawaiki roa and Hawaiki pāmamao.

To those of us who remain, the descendants of Tiki, the living. We, the bearers of the baskets of knowledge from the past and present.
So, the breath of life.

So, the focus for this is the Long Term Plan, to Look forward for us the people of South Taranaki.
To achieve the hopes and dreams to enhance our region.
In conclusion, to you and us all, Peace flow across us!

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Te reo maioha ā te Koromatua me te Tumu Whakahaere
Mayor and Chief Executive's Message

Taranaki ki te Tonga - Ka Puta, Ka Ora!

South Taranaki - Great people, connected communities, where we belong!

Welcome to the South Taranaki District Council's Annual Report for 2024/25. This report provides an overview of our performance over the past financial year (1 July 2024 to 30 June 2025), reflecting on the progress we have made towards the objectives set out in Year 1 of our 2024–2034 Long Term Plan.

The 2024/25 year was marked by ongoing global instability, economic volatility, and a sluggish domestic economy. While inflation has begun to ease, cost of living pressures continued to affect our residents and ratepayers. Local government inflation (driven by factors such as fuel, construction, and insurance) remained high, although we anticipate some relief in the coming year.

The pace of legislative reform has also been significant, requiring councils to adapt quickly while continuing to deliver essential services. The most notable change was the Government's 'Local Water Done Well' programme, which required us to consult with our community on the future delivery of water services. Thorough public consultation was held in May 2025 with two options presented: a regional (Taranaki) water services entity or a South Taranaki District Council inhouse business unit. Over 90% of submitters supported an in-house delivery model, which Council approved in July 2025.

Another significant change in central government policy was the removal of Waka Kotahi NZTA subsidy funding for low cost–low risk (LC-LR) roading projects, such as walking and cycling infrastructure and minor road improvements. In an effort to increase Council's focus on our local roading network Council applied for a record $77.2 million in funding over the three years from 2024/25 to 2026/27. We were successful in having $54.6 million approved, leaving a shortfall of $22.6 million. An additional $3 million in funding was obtained through Waka Kotahi's funding pool for resilience projects. However, the overall funding shortfall meant that some renewal works had to be reduced.

As at 30 June 2025, Council recorded an overall deficit of $4.5 million, compared to a budgeted surplus of $2.7 million and a revised budgeted deficit of $0.5 million. This variance was mainly due to lower income, a $3.5 million loss on derivatives, a $0.7 million loss from asset disposals, and a $0.8 million gain from vested assets.

The loss on derivatives is a non-cash accounting adjustment required by standards, reflecting the mark-to-market valuation of interest rate swaps. This has no impact on rates.

Total expenses were slightly over budget by $0.35 million. This was a combination of lower spending on roading, due to fewer weather-related events, offset by unbudgeted losses on derivatives ($3.5 million) and losses on fixed asset disposals ($2.3 million).

Total income for the year was $6.8 million below budget. User fees and charges were down by $1.2 million, mainly within Solid Waste and Regulatory Services. The decline in Solid Waste revenue was due to lower volumes of waste being sent to landfill. This was partially offset by corresponding reductions in expenditure. Development and financial contributions were $2.5 million below budget, given the slower than expected pace of developments at the South Taranaki Business Park. Subsidies and Grants were $4.9 million below budget due to Waka Kotahi not approving the full amount requested. This shortfall was offset by corresponding reductions in roading expenditure.

Total capital expenditure was $37.4 million (51%) against a revised budget of $73.2 million. In comparison, the previous year's total capital expenditure was $42 million.

A comprehensive three-yearly revaluation of assets increased Council's total asset value by $146 million, with the most significant increase in roading assets. While this strengthens our balance sheet, it also brings increased costs for asset management in the years ahead.

Tīmatanga kōrero
Introduction

Key features/highlights of 2024/25:

Construction of Te Ramanui o Ruapūtahanga, the District's new library, art gallery and isite information centre, was completed and officially opened on 25 November 2024. Public reaction has been overwhelmingly positive, and the centre has become a vibrant focal point for Hāwera and the wider District. The project was a winner in the 2025 Western Architecture Awards in the Public Architecture category.

Good progress continues to be made on the development of the South Taranaki Business Park, with the installation of three waters infrastructure, electricity undergrounding and gas main nearing completion by the end of the financial year. Roading upgrades and extensions on Fitzgerald Road, Houston Road, Kerry Road progressed well and programmed for completion in October 2025.

Design and construction of the Waverley, Eltham, Ōpunakē, Pātea and Manaia town centre revitalisation projects continued during the year. Final 'road maps' were shared with the local communities during open days in June. The site of Ōpunakē's proposed green space was formally declared to be a pedestrian mall and the town's bus stops were relocated to Tasman Street, to enable the green space development to proceed. Planning and design is well advanced for Stark Park in Eltham and work commenced on the restoration of part of the old 'Wool Wharf' in Pātea to create a fishing and viewing jetty.

The rollout of the new waste collection service, including fortnightly general waste and recycling alongside weekly food scrap collection, marked a significant step in reducing landfill volumes and supporting Council's waste minimisation goals.

In April 2025 the Council and Te Korowai o Ngāruahine agreed to stop further work on the development of a shared community facility in Manaia and start planning for a standalone Council facility.

Our annual independent residents' survey showed that satisfaction with Council services remains high:

- 83% of residents are happy with the overall service provided.
- 98% satisfaction with libraries, 96% with wastewater, and 94% with the Hāwera Aquatic Centre.
- Areas for improvement include roading (69% satisfaction), animal management (69%), and solid waste collection (79%).

We acknowledge that some difficult decisions, such as rate increases and changes to kerbside collection, have been challenging for the community. However, our satisfaction rates remain strong particularly when compared to other councils.

The adoption of this Annual Report is a statutory requirement, and we are committed to transparency and accountability. Audit New Zealand has issued a unmodified opinion.

Although we faced some challenges during the year, we are pleased to report that the Council is financially sound, maintains good levels of community satisfaction and has a clear plan for the District's future.

It is our privilege to present the Council's 2024/25 Annual Report.



PHIL NIXON
Koromatua o Taranaki ki te Tonga / South Taranaki Mayor



FIONA AITKEN
Tumu Whakahaere / Chief Executive

Whakaea ō mātou Whainga Kaunihera
Achieving our Council Outcomes

OUTCOMES / ACTIVITIES	*MANA MAURI* **CULTURAL WELL-BEING**	*MANA TANGATA* **SOCIAL WELL-BEING**	*MANA ORANGA* **ECONOMIC WELL-BEING**	*MANA TAIAO* **ENVIRONMENTAL WELL-BEING**
Democracy and Leadership	✓	✓	✓	✓
Water Supply			✓	✓
Stormwater		✓	✓	✓
Wastewater	✓	✓	✓	✓
Roading and Footpaths		✓	✓	
Community Facilities	✓	✓	✓	✓
Arts and Culture	✓	✓		
Community Development		✓	✓	
Environmental Management		✓		✓
Regulatory Services		✓	✓	
Emergency Management		✓		
Solid Waste		✓		✓
Coastal Structures		✓		✓
District Economy		✓		✓
Corporate Services		✓		

The Council's vision in our 2024-2034 Long Term Plan was

Taranaki ki te Tonga - Ka Puta, Ka Ora!

South Taranaki - Great people, connected communities, where we belong

In our Plan we identified a number of key projects and priorities we wanted to implement to support the achievement of our vision. In this section we report on the progress of those key priorities.



He arotakenga o te tau
The Year in Review



Creative, diverse communities that enhance the mauri of our people.

Implement our Iwi-Council Partnership Strategy / He Pou Tikanga Ngā iwi o te Tai Whakarunga.	• Urupā maintenance fund: $20,000 was set aside to help marae and hapū access funding for urupā maintenance. • Road name change: In December 2024, Pilot Station Road was officially renamed back to Lower Kaharoa Road. • Te Kāhui Matauraura: New terms of reference were adopted in June 2025, covering hui chairing, location, and agenda reporting.
Continue work on earthquake strengthening and upgrades to Eltham Town Hall.	No progress was made on this project during the 2024/2025 financial year. However, resourcing adjustments undertaken throughout the year have positioned the organisation to allocate appropriate resources and commence work on this project in 2025/2026.
Replace or strengthen and refurbish the Manaia War Memorial Hall and Manaia Sports Complex – Project Tūkau.	After completing due diligence in the first half of the 2024/25 year, the Council and Te Korowai o Ngā Ruahine jointly announced in April 2025 that they would each proceed with developing separate facilities.
Complete Te Ramanui o Ruapūtahanga, South Taranaki's new Library, Culture and Arts Centre.	This project was completed with the relocation of the Hāwera LibraryPlus, isite, and AA services. The official opening was celebrated in November 2024. Some minor outdoor work and finishing touches continued into the second half of the 2024/25 year.
Budget $654,000 to upgrade Council owned earthquake prone buildings.	The Hāwera Administration Building was strengthened to the standard required to allow it to serve as an emergency management centre, at a cost of $503k up to 30/06/2025.
Continue to hold community events across the District.	The Events team successfully delivered the usual calendar of regular events throughout the year. While the annual Elektra event was cancelled due to adverse weather, a total of 15 events were organised and delivered during the year.



Safe, connected communities where people feel happy and proud of where we live.

Undertake town centre upgrades in Pātea, Waverley, Manaia, Ōpunakē, and Eltham and complete the Hāwera Town centre upgrade.	Town Revitalisation is progressing under the Roadmaps prepared for Pātea, Waverley, Ōpunakē and Eltham. Priority projects are being delivered in each of the towns.
Upgrade Waverley Swimming Pool plant ($154,000).	This project was successfully completed in the first half of 2024/2025 and in time for the opening of the summer season in December.
Build new toilets in Ōhawe ($205,000), Ōpunakē Lake ($20,500 – Y1), and Mana Bay Toilet wastewater ($308,000).	Concept designs and engagement: Initial concept designs were completed, and engagement with stakeholders and landowners took place during 2024/2025. • Ōhawe toilets: Discussions with the landowner are ongoing. • Ōpunakē Lake toilets: Design work is complete, with construction planned for 2025/2026 as per the Long Term Plan. • Mana Bay toilet: The septic system was not built as planned in 2024/2025. However, concept plans have been drawn up to support resource and building consent applications, with progress expected in 2025/2026.
Build a new pump track at Aotea Park in Waverley ($126,000).	The new pump track at Aotea Park in Waverley was completed in December 2024.

He arotakenga o te tau
The Year in Review



MANA ORANGA
ECONOMIC WELL-BEING

Flourishing communities with a diverse economy, innovative people and resilient infrastructure.

Continue to develop the South Taranaki Business Park.	Infrastructure improvements on Houston Road, Kerry Road and the existing part of Fitzgerald Road are nearly completed. Construction of the wastewater pump station and underground services and roading to extend Fitzgerald Road to Glover Road are progressing well.
Replace Waverley water bore.	The replacement of the Waverley water bore is underway. Exploration Bore 4 has been completed, and planning for the production bore has now begun.
Complete the installation of water, wastewater and stormwater infrastructure for residential growth in Hāwera.	This project is largely complete.
Subsidise rates on average by $4.22 million per year using earnings from the Long Term Investment Fund.	During the year, Council withdrew $6.84m to fund various annual rates subsidises and projects, while receiving $1.34m for internal loan repayments and $0.77m for the interest on internal loans.
Collaborate with other Taranaki councils where appropriate to achieve efficiencies and cost savings.	Council continues to collaborate with other Taranaki councils to improve efficiency and reduce costs. Current shared services include: • Solid waste management • Instrumentation and electrical services • Regional water treatment chemical supply • Regional electrical maintenance contract We will keep working with neighbouring councils in these and other areas where collaboration delivers value for our communities.

He arotakenga o te tau
The Year in Review

Increase expenditure on roading by an average of $1.4 million each year for the next ten years.	Council planned to increase roading expenditure by an average of $1.4 million per year over the next ten years, based on our funding request to Waka Kotahi NZ Transport Agency. However, we did not receive approval for the full amount requested, and as a result, there has been no increase in roading expenditure for this Long Term Plan. For example: • We requested $17,896,438 for improvement works but received only $4,033,250. • For maintenance and renewal works, we requested $61,722,039 and were granted $58,324,002 over the three-year term.
Spend an average of $46 million per year on the road network, including an average of $1.1 million on footpaths each year.	Council originally planned to spend an average of $46 million per year on the road network, including $1.1 million annually on footpaths. This estimate was based on accounting costs, including depreciation and the proposed funding request to Waka Kotahi NZ Transport Agency. However, due to reduced funding approvals, the revised expenditure for this Long Term Plan has been lowered to $40 million per year. Footpath funding has also been reduced to $330,000 per year, based on Waka Kotahi's approved subsidy. Any footpath work beyond this amount will be unsubsidised. This creates a shortfall of $470,000 per year compared to the footpath depreciation cost.
Complete water treatment enhancements and water pressure improvements in Pātea.	Treatment trials and detailed design work have been successfully completed. The next step is to tender the project for delivery.
Build new reservoirs for Ōpunakē, Waverley and Eltham.	Ōpunakē: Design work for the new reservoir has been completed and the project is moving towards the tender stage. Waverley: The Waverley reservoir project is progressing through land classification and design phases. A report to Council in April 2025 confirmed that construction cannot proceed until the Waverley Domain Recreation Reserve is reclassified. Detail design work is planned to proceed immediately to meet the construction timeline in the Long Term Plan. Eltham: The Eltham reservoir project is delayed due to land acquisition. Negotiations with the landowner are underway. The new reservoir will support increased demand and improve backwash capacity at the Eltham Water Treatment Plant.
Ōpunakē Water Treatment Plant upgrade.	Detailed design for the upgrade has been completed, including plans for a new reservoir and coagulation optimisation. These upgrades aim to improve water quality, meet updated drinking water standards, and replace ageing infrastructure. However, the project is currently undergoing a prioritisation review, which may delay delivery by one to two years.

Tō Mātou Aronga me ngā Whakaarotau-ā-Hapori
Our Vision and Community Priorities

MANA TAIAO
ENVIRONMENTAL WELL-BEING

Sustainable communities that manage resources in a way that improves our environment for future generations.

Reforestation programme – replanting 150 hectares by 2027.	We are now working on 25% of the original budget and therefore aim to achieve 25% of the outcomes/outputs. As of June 2025, we have planted 22 hectares.
Protection of the Pātea Saltmarsh, the start of what may become a broader programme of significant vegetation and biodiversity protection initiatives.	The team has successfully completed a second round of buffer planting around the Saltmarsh and has completed a number of maintenance work items. All planted sections have been fenced to keep livestock out and predator traps have been set to manage pests.
Establishment of a regional organic materials processing facility in partnership with all Taranaki district councils and private enterprise.	The organics processing facility project has undergone strategic delays due to the responses from the last requests for proposal not fulfilling a sufficient number of outcomes. As a result, the project team is realigning the proposed outcomes and bringing in additional partners who will add benefit to the project.
Develop a roadmap for future climate change emissions reduction and adaptation.	A Climate Action Plan is in the early stages of development where it will focus on how the Council can reduce its emissions and adapt to climate change. Officers are still collating the information needed to create the Action Plan. It is anticipated that the Action Plan will be adopted in 2026.
Establish a $10 million emergency disaster recovery fund.	As part of the Long-Term Plan 2024–2034, the Council approved the creation of a $10 million Emergency Disaster Recovery Fund. This fund will be built up gradually by allocating between $100,000 and $500,000 annually. The 2024/25 financial year marked the first contribution, with $100,000 set aside by the Council.



Waste minimisation, including introduction of a weekly kerbside food scraps collection, change to fortnightly rubbish kerbside collection, improvements to transfer stations and establishment of a resource recovery centre in Hāwera.	The changes to kerbside collections have come with some challenges, which were expected given the scale of the transition. Larger households find it difficult to manage with a single waste bin and but have the option to purchase an additional bin for collection. Recycling percentages are being monitored to make informed decisions and targeted behaviour change. Improved contract management is enabling better data collection and analysis to support this. From January to September 2024, prior to the collection changes the average recycling percentage was 26%. For October 2024 to June 2025, it improved to 30%. The weekly food scrap collection has reached a 17% uptake, which aligns with national averages for similar services. The Hāwera transfer station has undergone substantial upgrades to enhance the management of waste streams and improve overall site operations. The Ōpunake transfer station has been fully fenced to reduce trespassing and prevent unauthorised access to valuable recyclable material. CCTV systems have been installed at the Ōpunake, Eltham, Waverley, and Manaia transfer stations to improve monitoring and security of the facilities. The Resource Recovery Centre plans are well underway; an organisation has been identified who will be running the day-to-day operations. Suitable land has been identified, and construction plans are underway.



Pūrongo Pūtea | *Financial Commentary*

Highlights

Net surplus/(deficit)
($4.5) million

Total Assets
$1,617 million

Total Liabilities
$174 million

Total Equity
$1,443 million

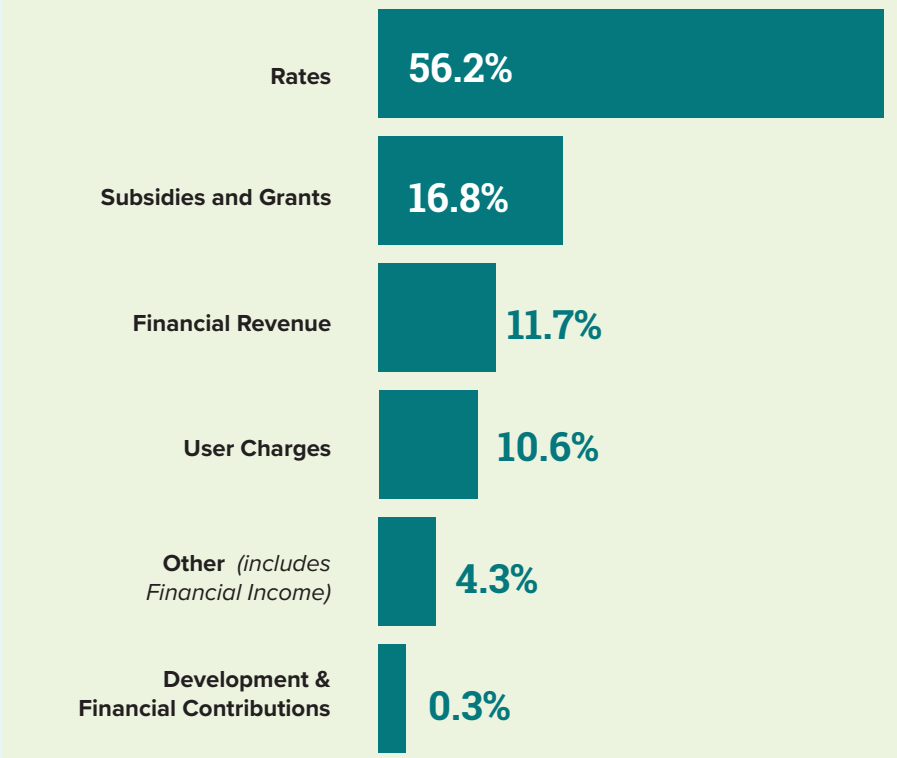
Statement of Financial Performance

The Council finished the year with a $4.5m deficit after unbudgeted adjustments (loss on derivative contracts $3.46m and disposal of assets $2.3m) against a budgeted surplus of $2.7m. The main contributors to the variance are as follows:

Revenue

Total revenue for the year was $6.8 million below budget. This was mainly due to subsidies and grants being $4.9 million lower than expected, largely because Waka Kotahi NZTA funding was reduced. On a positive note, revenue from the Long Term Investment Fund (LTIF) was $1.0 million higher than budgeted, reflecting favourable market conditions.

Operating Revenue



Pūrongo Pūtea | Financial Commentary

Expenditure

This year's total expenditure was slightly over budget by $0.35 million. This was a combination of lower spending on roading, due to fewer weather-related events, offset by unbudgeted losses on derivatives ($3.5 million) and losses on fixed asset disposals ($2.3 million).

A derivative is a financial instrument used to manage interest rate risk. The loss on derivatives this year is a non-cash accounting adjustment, required by accounting standards, which reflects changes in the market value of our interest rate swap contracts. This does not affect rates or cash flow.

Revaluation of Assets

Roading, land and buildings, and parks and reserves were revalued as at 30 June 2025 and three waters assets were revalued as at 31 March 2025. The revaluation of assets resulted in an increase to all asset values of $146 million, most of which were in the roading assets. The increases were reasonably significant, primarily driven by inflation resulting from limited availability of services and resources currently being experienced globally. Some of the increases were also attributed to improved asset condition information in our database. Going forward these increases will continue to put pressure on Council's costs in terms of managing various services. While we expect the costs to increase significantly in the coming years, the council does have a number of options to manage future rates increases (such as non-funded depreciation, increasing the LTIF subsidy).

Operating Expenditure



Pūrongo Pūtea | Financial Commentary

Credit Rating

Standard & Poor's completed a review of our credit rating in May 2025 and issued ratings of 'AA-' long-term and 'A-1+' short-term on South Taranaki District Council. The long-term rating changed from negative in 2024 to stable as a result of the review in 2025. S&P's review included the following "South Taranaki's exceptional liquidity and solid financial management are balanced against its large capital account deficits and a rising debt burden. The council's access to its relatively large Long-Term Investment Fund (LTIF) is a key strength supporting the issuer credit rating compared with peers."

Statement of Financial Position

Net assets as at 30 June 2025

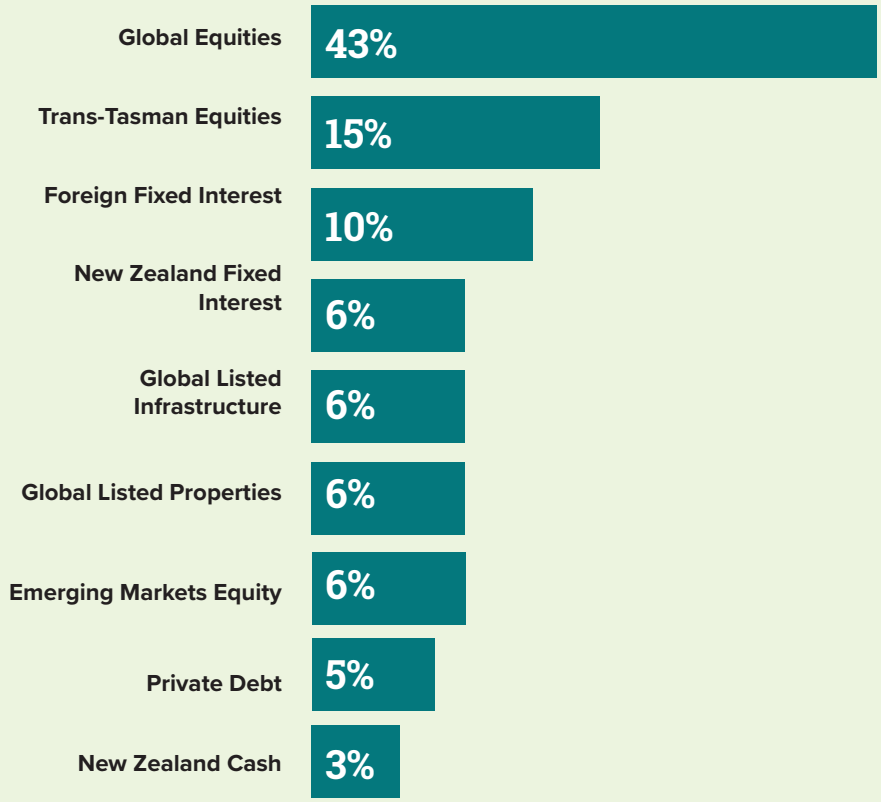
$ million	Actual 2024/25	Budget 2024/25	Actual 2023/24
Total assets	$1,617m	$1,576m	$1,471m
Less total liabilities	$173m	$180m	$169m
Net assets	$1,443m	$1,396m	$1,302m



Long Term Investment Fund (LTIF)

The value of the LTIF at 30 June 2025 increased to $147.4 million ($143.2m in 2024), which included internal borrowing of $11.56 million ($12.89m in 2024) after allowing for the withdrawal of the annual rates subsidy. The balance of the LTIF increased significantly with the result of the US presidential election, then the ongoing trade tensions played a part in reducing these gains.

Fund Analysis



Term Debt

The Council's total borrowing increased from $162.9m (in 2024) to $168.6m. This included $11.56m of internal borrowing ($12.89m in 2024).

External Funds

The budgeted return for 2024/25 was $10.76m, which included $0.77m in interest revenue from internal borrowings. However, the LTIF achieved a positive return of $11.47m ($0.77m of interest revenue from internal borrowings). During the year, Council withdrew $6.84m to fund various annual rates subsidises and projects, while receiving $1.34 m for internal loan repayments and $0.77 million for the interest on internal loans.

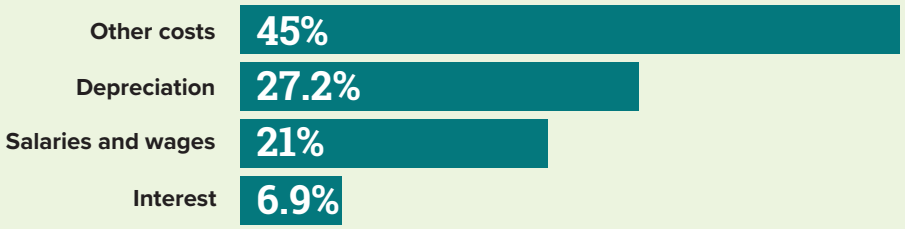
Pūrongo Pūtea | *Financial Commentary*

Financial Performance and Movements in Equity

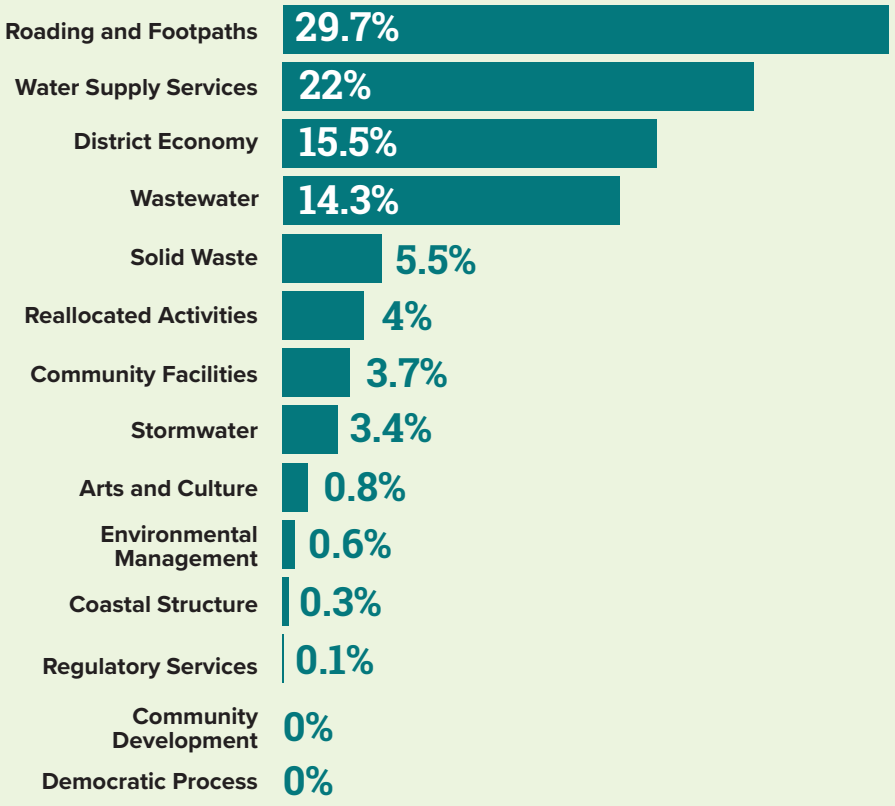
($ millions)	Actual 2024/25	Budget 2024/25	Actual 2023/24
Operating revenue	$94.14m	$100.98m	$93.07m
Operating expenditure	$98.63m	$98.28m	$90.71m
Net operating surplus/(deficit)	($4.49m)	$2.7m	$2.36m
Net Increase/(Decrease) in value of assets	$145.94m	$90.76m	$31.75m
Total Movements in Equity	$141.73m	$93.46m	$2.46m

Other costs include: Roading Operational Projects, Repairs and Maintenance, Insurance, Elected Members' Remuneration, Grants, Loss on Disposal of Assets, LTIF Management Fees etc.

Expenditure by Nature



Capital Expenditure



Tauākī Tūtohu me te Haepapa | Statement of Compliance and Responsibility

Compliance

1. The Council and Management of the South Taranaki District Council confirm that all of the statutory requirements in relation to the Annual Report as required by the Local Government Act 2002 have been complied with.

Responsibility

2. The Council and Management of the South Taranaki District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.
3. The Council and Management of the South Taranaki District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial reporting.
4. In the opinion of the Council and Management of the South Taranaki District Council, the annual financial statements for the year ended 30 June 2025 fairly reflect the financial position and operations of the South Taranaki District Council for the year.



PHIL NIXON
Koromatua o Taranaki ki te Tonga / South Taranaki Mayor



FIONA AITKEN
Tumu Whakahaere / Chief Executive
31 October 2025



Pūrongo Kaitātari Kaute Motuhake | Independent Auditor's Report

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

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

The Auditor-General is the auditor of South Taranaki District Council (the Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Chris Webby, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf.

We have audited the information in the annual report of the Group that we are required to audit in accordance with the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations).

We refer to this information as "the disclosure requirements" in our report.

Opinion on the audited information

In our opinion:

- the financial statements of the Group on pages 81 to 132:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2025;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the activity statements for the year ended 30 June 2025 on pages 24 to 63:
  - provides an appropriate and meaningful basis to enable readers to assess the actual service provision for each group of activities; determined in accordance with generally accepted accounting practice in New Zealand;
  - fairly presents, in all material respects, the actual levels of service for each group of activities, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the statement comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2025 on pages 64 to 77, has been prepared, in all material respects, in accordance with clause 24 of Schedule 10 to the Act;
- the funding impact statement for each group of activities for the year ended 30 June 2025 on pages 64 to 77 has been prepared, in all material respects, in accordance with clause 26 of Schedule 10 to the Act;
- the funding impact statement for the year ended 30 June 2025 on page 78, has been prepared, in all material respects, in accordance with clause 30 of Schedule 10 to the Act.

Report on the disclosure requirements

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of Schedule 10 to the Act for the year ended 30 June 2025; and
- the Council's disclosures about its performance against benchmarks required by Part 2 of the

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Regulations for the year ended 30 June 2025 are complete and accurate.

Date

We completed our work on 31 October 2025. This is the date on which we give our opinion on the audited information and our report on the disclosure requirements.

Basis for our opinion on the audited information and the disclosure requirements

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): The Audit of Service Performance Information issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor for the audited information and the disclosure requirements section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information and our report on the disclosure requirements.

Responsibilities of the Council for the audited information and the disclosure requirements

The Council is responsible for preparing the audited information and the disclosure requirements in accordance with the Act.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the audited information and the disclosure requirements that are free from misstatement, whether due to fraud or error.

In preparing the audited information and the disclosure requirements the Council is responsible for assessing its ability to continue as a going concern.

Responsibilities of the auditor for the audited information and the disclosure requirements

Responsibilities for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Council's long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting

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policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

- We evaluate whether the activity statements includes all groups of activities that we consider are likely to be material to the readers of the annual report.
- We evaluate whether the measures selected and included in the activity statements for groups of activities present an appropriate and meaningful basis that will enable readers to assess the Council's actual performance. We make our evaluation by reference to generally accepted accounting practice in New Zealand.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Group.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group audited information. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Responsibilities for the disclosure requirements

Our objective is to provide reasonable assurance about whether the Council has complied with the disclosure requirements. To assess whether the Council has met the disclosure requirements we undertake work to confirm that:

- the Council has made all of the disclosures required by Part 3 of Schedule 10 to the Act and Part 2 of the Regulations; and
- the disclosures required by Part 2 of the Regulations accurately reflect information drawn from the Group's audited information and, where applicable, the Council's long-term plan and annual plans.

Our responsibilities for the audited information and for the disclosure requirements arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises all the information included in the annual report other than the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the audited information and our report on the disclosure requirements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Group in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit and our report on the disclosure requirements, we have carried out a limited

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assurance engagement related to the Council's debenture trust deed, which is compatible with the independence requirements.

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

Chris Webby
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand



Mō te pūrongo | About the Report

Performance Framework

The Council activities section of this Annual Report constitutes the Statement of Service Performance. It has been prepared in accordance with Public Entity Financial Reporting Standard 48 (PBE FRS 48) Service Performance Reporting and complies with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

Changes to Performance Measures

In accordance with paragraph 40 of PBE FRS, the following changes to performance measure have occurred during the 2024/25 reporting period.

New measures introduced

Democracy & Leadership – In partnership with South Taranaki's four iwi, we developed *He Pou Tikanga Ngā Iwi o te Tai Whakarunga – Council Partnership Strategy.* To ensure alignment with the Strategy and Operations Guide, we have introduced a new performance measure: achieving at least one goal or action from the guide annually.

Water - From 22 August 2024, the Department of Internal Affairs introduced updated Non-Financial Performance Measures Rules 2024. These rules include a new mandatory measure for the safety of drinking water that councils are expected to report on for the full 2024/25 financial year. Although this change came after the adoption of our Long-Term Plan, we have aligned our reporting with the new rules – see page 28 to 30. The updated measure continues to assess bacterial and protozoal compliance but now references the Drinking Water Quality Assurance Rules 2022.

Measures removed

Democracy & Leadership – With the introduction of He Pou Tikanga Ngā Iwi o te Tai Whakarunga – Council Partnership Strategy, a new performance measure was adopted, replacing the previous measure that focused on appointing iwi representatives to Council committees.

Water - From 22 August 2024, the Department of Internal Affairs introduced updated Non-Financial Performance Measures Rules 2024. These rules include a new mandatory measure for the safety of drinking water that councils are expected to report on for the full 2024/25 financial year. As a result the following two measures have been removed:

- Water supplied is clean and healthy – extent of compliance with current NZ Drinking Water Standards (for bacteria). DIA Performance Measure 1a.
- Water supplied is clean and healthy – extent of compliance with current NZ Drinking Water Standards (for protozoa). DIA Performance Measure 1b.

Community Facilities - As part of the 2024–34 LTP development, Council reviewed its performance measures to ensure they remained relevant, efficient, and aligned with strategic priorities. Led by elected members, the review aimed to streamline reporting without compromising transparency.

The following measures were removed from the community facilities activity:

- Satisfaction with playgrounds.
- Satisfaction with the maintenance and cleanliness of recreation centres.
- Satisfaction with the service provided at the TSB Hub.
- TSB Hub safety.
- Satisfaction with Rural Pool environments being attractive and well maintained.
- Compliance with NZS826 through regular water quality tests at Rural Pools.
- Satisfaction with the maintenance of the Aquatic Centre environment.
- Hāwera Aquatic Centre safety.
- Satisfaction with the interment processes.
- Housing units and rated good to very good.
- Satisfaction with the standard of maintenance.

Arts and Culture - As part of the 2024–34 LTP development, Council reviewed

its performance measures to ensure they remained relevant, efficient, and aligned with strategic priorities. Led by elected members, the review aimed to streamline reporting without compromising transparency. The following measures were removed from the arts and culture activity:

- Number of programmes or projects facilitated or supported per year.
- Satisfaction with facilities and customer service.

District Economy - As part of the 2024–34 LTP development, Council reviewed its performance measures to ensure they remained relevant, efficient, and aligned with strategic priorities. Led by elected members, the review aimed to streamline reporting without compromising transparency. The following measures were removed from the economic and tourism activities:

- Existing or new businesses are supported and assisted to grow.
- South Taranaki is promoted as a great place to invest and do business.
- Customers are satisfied with the level of service they receive at the isite.
- Council will provide, encourage and/or support events within the District.
- Council events are well organised and well attended.

Community Development and Support - As part of the 2024–34 LTP development, Council reviewed its performance measures to ensure they remained relevant, efficient, and aligned with strategic priorities. Led by elected members, the review aimed to streamline reporting without compromising transparency. The following measure was removed from the community development and support activity:

- Communities and the Council are supported to develop and implement projects that improve the District's wellbeing.

Regulatory Services - As part of the 2024–34 LTP development, Council reviewed its performance measures to ensure they remained relevant, efficient, and aligned with strategic priorities. Led by elected members, the review aimed to streamline reporting without compromising transparency. The following measures were removed from the regulatory services activity:

- Accreditation as a Building Consent Authority is retained.
- Correct issuing of parking infringements.
- New/renewal food premises applications processed within specified timeframes.
- Food licensed premises that are audited within specified timeframes.
- Number of licensed premises inspected annually.
- Annual inspection of liquor licensed premises.
- Unopposed liquor license applications processed within specified timeframes.
- Noise complaints responded to within specified timeframes.

Solid Waste - As part of the 2024–34 LTP development, Council reviewed its performance measures to ensure they remained relevant, efficient, and aligned with strategic priorities. Led by elected members, the review aimed to streamline reporting without compromising transparency. The following measures were removed from the solid waste activity:

- Complaints received for missed street collection that are not resolved.
- Complaints received for genuine missed greenwaste bins (excluding non-compliant bins) per collection.
- Complaints received about poor maintenance, noise or smell for Transfer Stations.
- Customers satisfied with litter control.

Environmental Management - As part of the 2024–34 LTP development, Council reviewed its performance measures to ensure they remained relevant, efficient, and aligned with strategic priorities. Led by elected members, the review aimed to streamline reporting without compromising transparency. The following measures were removed from the environmental management activity:

- Reduction in organisation emissions.
- Damage to our natural environment is prevented or mitigated.

Mō te pūrongo | About the Report

Environmental Policy- As part of the 2024–34 LTP development, Council reviewed its performance measures to ensure they remained relevant, efficient, and aligned with strategic priorities. Led by elected members, the review aimed to streamline reporting without compromising transparency. The Environmental Policy activity was incorporated into the Environmental Management activity, and the following measure was removed:

- Plan changes and variations to the District Plan are undertaken in accordance with legislative timeframes.

Coastal Structures - As part of the 2024–34 LTP development, Council reviewed its performance measures to ensure they remained relevant, efficient, and aligned with strategic priorities. Led by elected members, the review aimed to streamline reporting without compromising transparency. The following measure was removed from the coastal structures activity:

- Compliance with resource consent conditions.

Target adjustments

Water

- The median response time for service personnel to resolve urgent call-outs was reduced from 9 hours to 5 hours to better reflect the urgency of the measure, as the previous target was consistently being exceeded.
- To support more sustainable water management, the target for real water loss was reduced from 12% to 11.5%, acknowledging the considerable resources dedicated to addressing leakage and loss.

Roading

- The target for road user satisfaction with the condition of Council roads was adjusted to 73% in Year 1 of the Long-Term Plan (LTP), increasing to 74% in Year 2 and returning to 75% in Year 3. This phased approach acknowledges the historical trend of not meeting the previous target, while also recognising the additional investment and resourcing committed to roading through the LTP.
- The target for the percentage of the sealed local road network resurfaced annually was reduced from 6% to 4.5% in Year 1 of the Long-Term Plan (LTP), increasing to 5% in Years 2 and 3. This adjustment reflects the rising cost of bitumen and the consistent challenges in meeting the previous target. The gradual increase in Years 2 and 3 acknowledges the additional investment in roading included in the LTP.

Regulatory Services

- The target for processing building consent applications within statutory timeframes was reduced from 100% to 95%. This adjustment reflects the current capacity and competency levels within the Building Control team, which has experienced staffing challenges and a reliance on external contractors to meet demand. The revised target acknowledges the transitional period required to build internal capability, while still maintaining a high standard of service delivery and compliance with statutory obligations.
- The target for processing resource consent applications within statutory timeframes was reduced from 100% to 95%. This adjustment reflects recent performance trends and provides a more realistic target while internal capability is strengthened.
- The target for monitoring consents was increased from 90% to 95% to ensure consistency with other performance measures and to reflect Council's commitment to improved compliance oversight.

Solid Waste

- The average annual waste collected per household was increased from 300kg to 320kg in Year 1, before reducing to 310kg in Year 2 and returning to 300kg in Year 3. This adjustment reflects the introduction of a fortnightly collection service and the rollout of food scrap bins, which are expected to reduce overall waste volumes over time.

Mō te pūrongo | About the Report

Disclosure of Judgements

When we prepared the Statement of Service Performance, South Taranaki District Council used professional judgment to select the best performance measures. Our goal was to ensure the measures were relevant, reliable, and easy to compare, accurately showing our progress toward the goals in the Long-Term Plan (LTP). We also used our best judgment to balance practicality, feedback from the community, and the risk of over-surveying residents. While the Department of Internal Affairs set mandatory performance measures for Three Waters and Roading, we developed the rest of our measures to align with our Council plans, legal requirements, and the long-term goals that guided our 2024–34 LTP. These decisions were made according to the PBE FRS 48 standard to ensure our performance reporting is transparent and meaningful.

Measurement Bases

Council's performance reporting is structured by activity group and outlines whether performance targets and budgets were met. The measures in this Annual Report were adopted through the 2024–2034 Long-Term Plan and draw on data from a range of sources, including internal systems, quality testing databases, financial records, and external agencies such as Taranaki Regional Council and Taumata Arowai. The Council's Statement of Service Performance for the 2024/25 year is presented on pages 26 to 63 of the Annual Report. The reconciliation of the financial statements to the Funding Impact Statement is included on pages 64 to 79.

Resident satisfaction is assessed annually through an independent survey conducted by Key Research, with results based on a representative sample of 406 residents. Satisfaction results combine "very satisfied", "satisfied", and "neutral" responses unless otherwise stated. Additional in-house surveys also support performance monitoring. The maximum margin of error was +/- 4.86% at the 95% confidence level.



Te Pou Manukura
Democracy and Leadership



Community Outcomes

MANA ORANGA
ECONOMIC WELL-BEING
Flourishing communities with a diverse economy, innovative people and resilient infrastructure.

MANA MAURI
CULTURAL WELL-BEING
Creative, diverse communities that enhance the mauri (well-being) of our people.

MANA TANGATA
SOCIAL WELL-BEING
Safe, connected communities where people feel happy and proud of where we live.

MANA TAIAO
ENVIRONMENTAL WELL-BEING
Sustainable communities that manage resources in a way that improves our environment for future generations.

Why we do it

To enable the community to participate in decision-making and ensure quality decisions are made in accordance with statutory requirements. To do this well we need to keep the community informed about what is happening, how decisions will affect them and explain how they can participate in meetings and consultation/ submission processes.

We have developed He Pou Tikanga, Ngā iwi o te Tai Whakarunga – Council Partnership Strategy with Te Kaahui o Rauru, Te Rūnanga o Ngāti Ruanui, Te Korowai o Ngāruahine and Te Kāhui o Taranaki, with the purpose of building stronger relationships and enabling Māori to participate more actively in our decision-making processes.

Significant Negative Effects

There are no significant negative effects from the delivery of this activity.

Te Pou Manukura
Democracy and Leadership

How we performed

Level of Service	Performance Measure C= customer measure, T= technical measure	Actual 2023/24	Target 2024/25	For the year ended 30 June 2025
Council decisions are made in the best interest of the community				
We make well informed decisions that support the current and future needs of the community	(C) % of residents who agree decisions made by Council represent the best interests of the District.	Achieved 80% (target ≥ 70%)	≥ 70%	Not achieved. The Annual Residents' Survey recorded that 64% of residents agreed that Council makes decisions that represent the best interests of the District. Throughout the year, the Council was managing a range of issues, which likely contributed to the lower satisfaction rates.
Satisfaction with the opportunity to participate in Council decision-making processes				
We engage with our community and provide opportunities for the community to participate in decision-making	(C) % of resdients who are satisfied or neutral with their opportunity to participate in Council decision-making processes.	Not achieved 76% (target ≥ 80%)	≥ 80%	Not achieved. The Annual Residents' Survey recorded that 70% of respondents were satisfied with the opportunities provided to participate in Council decision-making processes.
Residents who know where to access Council information				
We keep residents informed of Council activities through a variety of media	(C) % of residents who know where to access Council information when they want it (website, newspaper, Libraries, Contact Centre)	Achieved (90%) (target ≥ 85%)	≥ 80%	Achieved. The Annual Residents' Survey recorded that 90% of residents knew where to access Council information.
Iwi representatives appointed to Te Kāhui Matauraura / Council's Standing Committees				
We have strong relationships with local Iwi and work together in a range of ways so that their perspectives inform our decisions	(C) complete one goal or action per annum from He Pou Tikanga, Nga iwi o te Tai Whakarunga - Council Partner Strategy	New measure	≥ 1	Achieved. 5 actions have been completed to date. In Q4, Te Kāhui Matauraura reviewed the terms of reference which were adopted by Council in June 2025. In Q1, Q2 and Q3 Pouherenga-ā-Iwi provided Te Reo classes to elected members and has started the first intermediate class, the urupā maintenance fund has been established, Pilot Station Road was reverted back to Lower Kaharoa Road, and a secondment was made to the position of Pouherenga-ā-Iwi/Iwi Liaison Advisor.

Te Pou Manukura
Democracy and Leadership

He Pou Tikanga: Ngā iwi o te Tai Whakarunga - Council Partnership Strategy

He Pou Tikanga highlights the commitment in the relationship between South Taranaki District Council and the four iwi PSGEs of the District, Te Kaahui o Rauru, Te Rūnanga o Ngāti Ruanui, Te Korowai o Ngāruahine, and Te Kāhui o Taranaki. Developed through a co-design process held from June to August 2022, the Strategy reflects a shared commitment to deepen trust, strengthen relationships, and work together more effectively. It replaces the previous Building Māori Capacity for Decision Making Policy and is now embedded in the 2024–2034 Long Term Plan.

The Strategy is based on the **Pou Tikanga Partnership Framework**, which is symbolised by a pou whenua and underpinned by five values: Taketake (acknowledging mana whenua), Taurite (balance), Tiaki (care), Tikanga (practice), and Tutuki (success). These values guide how iwi and Council interact, recognising iwi as partners with Tiriti rights and the Council as a representative of its communities. The principle of Mana to Mana, Mahi to Mahi ensures that governance and operational relationships are built on mutual respect and aligned leadership levels.

Four key priority areas shape the strategy's implementation: **Mana Mauri** (cultural well-being), **Mana Tangata** (social well-being), **Mana Oranga** (economic well-being), and **Mana Taiao** (environmental well-being). These priorities include early involvement of iwi in Council planning, building cultural capability, resourcing iwi participation, and joint advocacy for sustainable communities. The accompanying He Tikanga Mahi Tahi Operations Guide outlines annual goals and actions to support delivery, with progress reviewed through the Council's annual reporting cycle.

Progress on these objectives:

Establish urupā maintenance fund
As part of the 2024-2034 LTP, $20,000 was allocated to set up a fund to support marae/hapu to access maintenance funding for urupā.

Rename Pilot Station Road to Lower Kaharoa Road
In 2006 and again in 2023 a request was received from Wai-o-turi Marae Trust to return Pilot Station Road back to Lower Kaharoa Road. This was completed in December 2024.

Review Terms of Reference for Te Kāhui Matauraura
Feedback had been received regarding the chairing of Te Kahui Matauraura, location of hui, reports/updates on agendas. The terms of reference to be reviewed in time for the 2025 local body term. New terms of reference were adopted in June 2025.

Ngā Waitoru
Three Waters

Community Outcomes

MANA ORANGA
ECONOMIC WELL-BEING
Flourishing communities with a diverse economy, innovative people and resilient infrastructure.

MANA TAIAO
ENVIRONMENTAL WELL-BEING
Sustainable communities that manage resources in a way that improves our environment for future generations.

Water

Why we do it

Water is essential for the health and wellbeing of the population. Water supply is the most critical infrastructure service we provide as water is required in large volumes to sustain domestic, agricultural and industrial customers. We are committed to providing water sustainably and reducing water use through effective abstraction, treatment and demand management strategies.
Sustainable water supplies preserve the resource for future generations and high quality infrastructure helps to ensure that we support the economic, environmental, cultural and social well-beings of the community.

Significant Negative Effects

The table below shows the possible negative effects of this activity and how we minimise them.

We minimised these effects through compliance with resource consent conditions and introduced water restrictions during the summer to ensure that sufficient supplies of water were available. However, there was the potential to deliver contaminated water due to an equipment failure at the Eltham treatment plant and the need to upgrade the treatment process at Pātea and instrumentation for the Inaha supply.



Ngā Waitoru
Three Waters



Significant Negative Effects

Significant Negative Effect	Sustainable Solution
Over-extraction of water and reducing river flows can impact negatively on the ecosystems of rivers.	Effective compliance and monitoring of resource consent conditions. Apply the Taranaki Regional Council principles set out in the Regional Fresh Water Plan when considering permission to abstract water from streams and bores.
Potential delivery of contaminated water.	Effective emergency response plans, operational procedures and monitoring of raw water supplies. Water Safety (risk management) Plans. Treatment of ground water supplies.
Insufficient water supplies during times of drought or emergency.	Demand management (for example, water restrictions) is used to reduce water demand during drought or emergency. 24 hours' water storage is available for all schemes. Investigations to improve the security of supply through developing additional water resources.

Definitions
Callout – The times shown for 'attendance' and 'resolution' are reported by South Taranaki's operation and maintenance contractor as part of their contracted responsibilities. This includes travel time. The accuracy of these times has been verified by STDC.
Complaint – The term complaint includes both individual complaints and service requests.
Connections – The number of connections is calculated from the rate strike report and is the sum of the water standardised consumption charge and the restricted flow charge rating units.

How we performed

Level of Service	Performance Measure C= customer measure, T= technical measure	Actual 2023/24	Target 2024/25	For the year ended 30 June 2025
The water supply is accessible and reliable.	(C) Number of complaints received about continuity of supply (per 1,000 connections). *DIA Performance Measure 4d*	Achieved 7.38 (target ≤ 10)	≤ 10	Achieved. 8.04 complaints per 1,000 connections were received about continuity of supply for the year.
	(T) Median response time for service personnel to attend urgent call-out measured from the time we receive notification to the time service personnel reach the site. *DIA Performance Measure 3a*	Achieved 38 mins (target ≤ 2 hrs)	≤ 2 hrs	Achieved. The median response time for service personnel to attend urgent callouts was 22 minutes for the year.
	(T) Median response time for service personnel to resolve urgent call-out measured from the time we receive notification to the time service personnel confirm resolution of fault or interruption. *DIA Performance Measure 3b*	Achieved 4hr 13 min (target ≤ 9 hrs)	≤ 5 hrs	Achieved. The median time for service personnel to resolve urgent callouts was 2 hours and 15 minutes for the year.
	(T) Median response time for service personnel to attend non-urgent call-out measured from the time we receive notification to the time service personnel reach the site. *DIA Performance Measure 3c*	Achieved 1d/20h/51m (target ≤ 5 days)	≤ 5 days	Achieved. The median response time for service personnel to attend non-urgent callouts was 1 day, 18 hours and 13 minutes for the year.
	T) Median response time for service personnel to resolve non-urgent call-out form the time we receive notification to the time service personnel confirm resolution of the fault or interruption. *DIA Performance Measure 3d*	Achieved 3d/2h/19m (target ≤ 5 days)	≤ 5 days	Achieved. The median response time for service personnel to resolve non-urgent callouts was 2 days, 22 hours and 30 minutes for the year.
The water supply is managed sustainably (maintenance of the reticulation network)	(T) % The percentage of real water loss from the networked reticulation system, using the Infrastructure Leakage Index (ILI) methodology. *DIA Performance Measure 2*	Not achieved 15.7% (target ≤ 12%).	≤ 11.5%	Not achieved. 13.2% water losses were recorded for the year. However, due to the ongoing leak detection programme, and more accurate data, this is an improvement from 15.7% recorded for the previous financial year.
The water supply is managed sustainably (cont.).	(T) Average consumption of drinking water per day per resident. *DIA Performance Measure 5*	Not achieved 372.5 L/c/d (target ≤ 370 L/c/d).	≤ 370 L/c/d	Achieved. 338 L/c/d was recorded for the year, well below the target of 370 L/c/d.

Ngā Waitoru
Three Waters

Level of Service	Performance Measure C= customer measure, T= technical measure	Actual 2023/24	Target 2024/25	For the year ended 30 June 2025
Consumers are satisfied with the Water Supply service.	(C) Number of complaints received about drinking water clarity (per 1,000 connections). *DIA Performance Measure 4a*	Achieved 0.28 (target ≤ 3).	≤ 3	Achieved. 1.87 complaints about drinking water clarity per 1,000 connections were received for the year. Public awareness from the Local Water Done Well initiative and media coverage, combined with social media reporting, has likely increased complaint numbers.
	(C) Number of complaints received about drinking water taste (per 1,000 connections). *DIA Performance Measure 4a*	Achieved 0.09 (target ≤ 3).	≤ 3	Achieved. 0.65 complaints about drinking water taste per 1,000 connections were received for the year.
	(C) Number of complaints received about drinking water odour (per 1,000 connections). *DIA Performance Measure 4b*	Achieved 0.09 (target ≤ 3).	≤ 3	Achieved. 0.28 complaints about drinking water odour per 1,000 connections were received for the year.
	(C) Number of complaints received about drinking water pressure or flow (per 1,000 connections). *DIA Performance Measure 4c*	Achieved 2.90 (target ≤ 4).	≤ 4	Achieved. 3.74 complaints about drinking water pressure per 1,000 connections were received for the year.
	(C) Number of complaints received about response to the above (per 1,000 connections). *DIA Performance Measure 4e*	Achieved 0 (target ≤ 2).	≤ 2	Achieved. No reported complaints were received about our response to the above for the year.
	(C) Total number of complaints (per 1000 connections). *DIA Performance Measures 4a-4e*	Achieved 10.75 (target ≤ 20).	≤ 20	Achieved. We received 14.58 complaints per 1,000 connections for the year.
	(C) % of consumers are satisfied with the Water Supply overall.	Achieved 86% (target ≥ 80%).	≥ 80%	Achieved. The Annual Residents' Satisfaction Survey recorded that 85% of residents surveyed were satisfied with the Water Supply overall.

** The times shown for "attendance" and "resolution" are reported by the service provider, Veolia as part of their contracted responsibilities. This includes travel time. The Council periodically monitors these timelines to verify accuracy.*

** The number of complaints may not include all complaints received through the Council after-hours service. For events that result in multiple complaints, parent and child service requests are raised and relevant information is recorded against these. Officers are working with the after-hours call centre and DIA to resolve the current issue.*

Additional Water Supply Measures

From 22 August 2024, the Department of Internal Affairs introduced updated Non-Financial Performance Measures Rules 2024. These rules include a new mandatory measure for the safety of drinking water that councils are expected to report on for the full 2024/25 financial year. Although this change came after the adoption of our Long-Term Plan, which sets our statement of service provision, we have aligned our reporting with the new rules. The updated measure continues to assess bacterial and protozoal compliance but now references the Drinking Water Quality Assurance Rules 2022. Our reporting is, therefore, against those rules.

Compliance with DWQAR 2022

Met (100%)
Almost met (95% to 99%)
Partially met (1% to 94%)
Not met (0%)

Supply Zone	Performance Measure	Target 2024/25	2023/24 Actuals	2024/25 Actuals	For the year ended 30 June 2025
Eltham *Serviced population of 2,064 people.*	T3 Bacterial Rules	100%	Almost met	99.95% Almost met	Almost met (99.95%). Eltham treatment failed on chlorine contact time on an occasion due to chlorinator failure.
	D3.29 Microbiological Monitoring Rule	100%	Met	100% Met	Achieved. D3.29 Microbiological Monitoring Rule met.
	T3 Protozoal Rules	100%	Met	100% Met	Achieved. T3 Protozoal rules met.
Hāwera *Serviced population of 11,761 people.*	T3 Bacterial Rules	100%	Almost met	100% Met	Achieved. All T3 bacterial rules met.
	D3.29 Microbiological Monitoring Rule	100%	Met	100% Met	Achieved. D3.29 Microbiological Monitoring Rule met.
	T3 Protozoal Rules	100%	Almost met	100% Met	Achieved. T3 Protozoal rules met.
Inaha *Serviced population of 561 people.*	T3 Bacterial Rules	100%	Not met	25.00% Partially met	Partially met (25%). Inaha WTP has insufficient instruments to demonstrate compliance. An upgrade of equipment is planned as part of the filter renewal project.
	D3.29 Microbiological Monitoring Rule	100%	Met	100% Met	Achieved. D3.29 Microbiological Monitoring Rule met.
	T3 Protozoal Rules	100%	Met	100% Met	Achieved. T3 Protozoal rules met.
Ōpunakē *Serviced population of 1,446 people.*	T3 Bacterial Rules	100%	Almost met	100% Met	Achieved. All T3 bacterial rules met.
	D3.29 Microbiological Monitoring Rule	100%	Met	100% Met	Achieved. D3.29 Microbiological Monitoring Rule met.
	T3 Protozoal Rules	100%	Almost met	100% Met	Achieved. T3 Protozoal rules met.
Pātea *Serviced population of 1,310 people.*	T3 Bacterial Rules	100%	Not met	33.33% Partially Met	Partially met (33.33%). Pātea WTP has insufficient treatment processes although network E. coli grab samples are generally satisfactory, with one exceedance during the year. A treatment process upgrade design is under way to ensure future compliance.
	D3.29 Microbiological Monitoring Rule	100%	Met	100% Met	Achieved. D3.29 Microbiological Monitoring Rule met.
	T3 Protozoal Rules	100%	Not met	0% Not Met	Not achieved. Pātea treatment consistently fails due to presence of ammonia, and chlorine can't be used because of hazardous by-products. We have completed trialling a biological treatment plant with promising results. The WTP is currently under detailed design. The network zone partially demonstrated bacterial compliance although fails on chlorine residual disinfection.

Ngā Waitoru
Three Waters

Supply Zone	Performance Measure	Target 2024/25	2023/24 Actuals	2024/25 Actuals	For the year ended 30 June 2025
Rāhotu *Serviced population of 199 people.*	T3 Bacterial Rules	100%	Almost met	100% Met	Achieved. All T3 bacterial rules met.
	D3.29 Microbiological Monitoring Rule	100%	Met	100% Met	Achieved. D3.29 Microbiological Monitoring Rule met.
	T3 Protozoal Rules	100%	Almost met	100% Met	Achieved. T3 Protozoal rules met.
Waiinu Beach *Serviced population of 72 people.*	T1 Bacterial Rules	100%	Met	100% Met	Achieved. All T1 bacterial rules met.
	D1.1 Microbiological Monitoring Rule	100%	Met	100% Met	Achieved. D1.29 Microbiological Monitoring Rule met.
	T1 Protozoal Rules	100%	Met	100% Met	Achieved. T1 Protozoal rules met.
Waimate West *Serviced population of 2,635 people.*	T3 Bacterial Rules	100%	Almost met	100% Met	Achieved. All T3 bacterial rules met.
	D3.29 Microbiological Monitoring Rule	100%	Met	100% Met	Achieved. D3.29 Microbiological Monitoring Rule met.
	T3 Protozoal Rules	100%	Met	100% Met	Achieved. T3 Protozoal rules met.
Waverley *Serviced population of 878 people.*	T3 Bacterial Rules	100%	Met	100% Met	Achieved. All T3 bacterial rules met.
	D3.29 Microbiological Monitoring Rule	100%	Met	100% Met	Achieved. D3.29 Microbiological Monitoring Rule met.
	T3 Protozoal Rules	100%	Met	100% Met	Achieved. T3 Protozoal rules met.
Waverley Beach *Serviced population of 36 people*	T1 Bacterial Rules	100%	Met	100% Met	Achieved. All T3 bacterial rules met.
	D1.1 Microbiological Monitoring Rule	100%	Met	100% Met	Achieved. D3.29 Microbiological Monitoring Rule met.
	T1 Protozoal Rules	100%	Met	100% Met	Achieved. T3 Protozoal rules met.

Ngā Waitoru
Three Waters

Community Outcomes



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SOCIAL WELL-BEING
Safe, connected communities where people feel happy and proud of where we live.



MANA TAIAO
ENVIRONMENTAL WELL-BEING
Sustainable communities that manage resources in a way that improves our environment for future generations.

Wastewater

Why we do it

This activity is about the safe disposal of wastewater and protecting the public health of our communities by taking domestic sewage and industrial wastes and treating them before discharging the treated effluent to the environment. The National Policy Statement for Freshwater has increased our communities' expectations for cleaner waterways, making our environmental performance even more important. Ensuring the quality and adequacy of our wastewater services is also a requirement of the Local Government Act 2002.

The alternative to a Council-provided sewerage system is the use of septic tanks. These are suitable for rural properties where the cost of a reticulated system would be too expensive because of the distances involved. However, a large number of septic tanks in an area, particularly an urban area, can lead to excessive contaminants seeping into the ground and waterways. High quality, resilient wastewater infrastructure supports the District's industries and businesses, to ensure the economic, environmental, cultural and social well-beings of the community are protected for future generations.

Significant Negative Efffects

The table below shows the possible negative effects of this activity and how we minimise them.

The effects of the activity during the year were minimal. There were no reported overflows of untreated sewage and less than 1 complaint about odour per 1,000 people for the year. No unmonitored trade waste discharges were detected. No resource consent enforcement notices for outfalls were received and no related environmental or health issues were reported.

Ngā Waitoru
Three Waters

Significant Negative Effects

Significant Negative Effect	Sustainable Solution
Overflows of untreated sewage from the wastewater network due to blockages, pump station or other plant malfunction, electrical failure at pump stations, inflow/ infiltration of stormwater into the wastewater network and/ or insufficient capacity pose a potential serious risk to the health, social and cultural wellbeing of the community and the environment.	Compliance with resource consents. Regular monitoring and implementation of the Inflow and Infiltration Management Plan. Continuing our maintenance programme and environmental controls. Providing emergency storage capacity at pump stations for sewage overflow. Backup electrical generators at key pump stations.
Discharge of sewage through the outfalls may cause environmental and health issues.	Compliance with resource consents. Regular monitoring of plant performance. the ocean outfall and environment. Rāhui on collection of seafood and public information campaigns implemented immediately.
Unmonitored trade waste discharges pose a significant risk to wastewater infrastructure, the health and safety of operations staff and the health and wellbeing of the community and the environment.	Trade Waste Officer monitors compliance with Trade Waste Bylaw. Penalties can be imposed by the Council for any breaches of the Trade Waste Bylaw. Maintaining and operating our plants effectively. Building a collaborative approach with the major industries.
Odours produced from the collection and treatment of trade waste and domestic sewage can be offensive.	Management of trade waste in terms of the Trade Waste Bylaw. Maintaining and operating our pump stations, pipelines and plants effectively.

Definitions
Callout – The times shown for 'attendance' and 'resolution' are reported by South Taranaki's operation and maintenance contractor as part of their contracted responsibilities. This includes travel time. The accuracy of these times has been verified by STDC.
Complaint – The term complaint includes both individual complaints and service requests.
Connections – The number of connections is calculated from the rate strike report and is the sum of the sewer drainage charge.
Dry overflow – South Taranaki defines a 'wet' overflow as one occurring when more than 1 mm of rain has fallen in the previous 24 hours, based on TRC rain gauge data. A 'dry' overflow occurs with less rainfall than this threshold.

How we performed

Level of Service	Performance Measure C= customer measure, T= technical measure	Actual 2023/24	Target 2024/25	For the year ended 30 June 2025
Sewage is managed without risk to public health	(T) Median response time for service personnel to attend overflow , measured from the time we received notification to the time service personnel reach the site *DIA Performance Measure 3a*	Achieved 39 min (target ≤ 2 hrs)	≤ 2 hrs	Achieved. No overflows were reported during the year.
	(T) Median response time for service personnel to resolve overflow , measured from the time we received notification to the time service personnel confirm resolution of the blockage or other fault. *DIA Performance Measure 3b*	Not achieved 12h/57m). (target ≤ 5 hrs)	≤ 5 hrs	Achieved. No overflows were reported during the year.
	(C) Number of customer complaints per year relating to odours from wastewater pump stations or treatment facilities (per 1,000 connections). *DIA Performance Measure 4a*	Achieved 0.25 (target ≤ 1)	≤ 1	Achieved. 0.63 complaints per 1,000 connections were received for the year.
	(C) Number of complaints received about sewerage system faults (per 1,000 connections). *DIA Performance Measure 4b*	Achieved 10.65 (target ≤ 37)	≤ 37	Achieved. 9.38 complaints per 1,000 connections were received for the year.
	(C) Number of complaints received about sewerage system blockages (per 1,000 connections). *DIA Performance Measure 4c*	Achieved 9.38 (target ≤ 13)	≤ 13	Achieved. 5.32 complaints per 1,000 connections were received for the year.
	(C) Number of complaints received about response to issues (per 1,000 connections). *DIA Performance Measure 4d*	Achieved 0 (target ≤ 3)	≤ 3	Achieved. No complaints were received about response to issues for the year.
	(C) Total number of complaints (per 1,000 connections). *DIA Performance Measures 4a-4d*	Achieved. 20.28 (target ≤ 50)	≤ 50	Achieved. 15.34 complaints per 1,000 connections were received for the year.
	(T) Number of dry weather overflows per 1,000 connections. *DIA Performance Measure 1*	Achieved 0 (target ≤ 1)	≤ 1	Achieved. No dry weather overflows were reported for the year.
	(T) Number of abatement notices received for discharges. *DIA Performance Measure 2a*	Achieved 0 (target ≤ 1)	≤ 1	Achieved. No abatement notices were received for the year.
	(T) Number of infringement notices received for discharges. *DIA Performance Measure 2b*	Achieved 0 (target 0)	0	Achieved. No infringement notices were received for the year.

Ngā Waitoru
Three Waters

Level of Service	Performance Measure C= customer measure, T= technical measure	Actual 2023/24	Target 2024/25	For the year ended 30 June 2025
Sewage does not affect the quality of the environment.	(T) Number of enforcement orders received for discharges. *DIA Performance Measure 2c*	Achieved. 0 (target 0)	0	Achieved. No enforcement orders were received for the year.
	(T) Number of convictions received for discharges. *DIA Performance Measure 2d*	Achieved 0 (target 0)	0	Achieved. No convictions were imposed for the year.
Sewage is managed without risk to public health.	(C) % of consumers satisfied with the Wastewater services overall.	Achieved 97% (target ≥ 85%)	≥ 85%	Achieved. The Annual Residents' Survey recorded that 96% of consumers surveyed were satisfied with the Wastewater services overall.

** The times shown for "attendance" and "resolution" are reported by the service provider, Veolia as part of their contracted responsibilities. This includes travel time. The Council periodically monitors these timelines to verify accuracy on a sample basis.*

Ngā Waitoru
Three Waters

Community Outcomes



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Sustainable communities that manage resources in a way that improves our environment for future generations.

Stormwater

Why we do it

There is a strong community expectation to be protected and safe within our homes and we need to protect infrastructure, such as roads and wastewater systems that can be damaged by excessive floodwater. To respond to this, we build. operate and maintain stormwater infrastructure.

Stormwater reticulation is provided in many urban areas to help prevent or minimise the flooding of properties and reduce or eliminate water ponding on roads that could create safety hazards. In extreme rainfall events when the pipe network is overloaded, stormwater will take overland flow paths, often along roads.

High quality stormwater infrastructure supports the economic well-being of the District and provides a healthy and safe place for our communities to live.

Significant Negative Effects

The table below shows the Stormwater activity's possible negative effects and how we minimise them. There were no reported negative effects during the year.

Significant Negative Effect	Sustainable Solution
Discharge of polluted stormwater adversely affecting public health.	Compliance with resource consents. Comprehensive approach to stormwater management based on catchment management plans. Works are proposed to reduce the amount of stormwater entering the wastewater network.
Inadequacy of existing stormwater assets to cope with large rainfall events causing flooding, and erosion, which could result in social and economic hardship.	Compliance with design standards to incorporate detention ponds where appropriate to prevent flooding and erosion. The Council utilises overland flow paths to increase the level of protection for houses and commercial buildings. Works are proposed to improve the level of protection in large rainfall events.

Definitions

Complaint – The term complaint includes both individual complaints and service requests.

Connections – The number of connections is calculated from the rate strike report and is the sum of the general rate Commercial/ Industrial and general rate Residential rating units.

Ngā Waitoru
Three Waters

How we performed

Level of Service	Performance Measure C= customer measure, T= technical measure	Actual 2023/24	Target 2024/25	For the year ended 30 June 2025
Council provides a reliable stormwater system that prevents houses from flooding.	(C) Number of reported flooding incidents of habitable properties. *DIA Performance Measure 1a*	Achieved 0 (target ≤ 10)	< 10	Achieved. No incidents of flooding of habitable properties were reported for the year.
	(T) For each flooding event, the number of habitable floors affected per 1,000 properties rated for stormwater. *DIA Performance Measure 1b*	Achieved 0 (target ≤ 1.00)	≤ 1.00	Achieved. No habitable floors were affected during the year.
The stormwater system is managed sustainably.	(T) Number of abatement notices received for stormwater discharges. *DIA Performance Measure 2a*	Achieved 0 (target <2)	< 2	Achieved. No abatement notices were received for the year.
	(T) Number of infringement notices received for stormwater discharges. *DIA Performance Measure 2b*	Achieved 0 (target 0)	0	Achieved. No infringement notices were received for the year.
	(T) Number of enforcement orders received for stormwater discharges. *DIA Performance Measure 2c*	Achieved 0 (target 0)	0	Achieved. No enforcement orders were received for the year.
	(T) Number of successful prosecutions made against the Council for stormwater discharges.*DIA Performance Measure 2d*	Achieved 0 (target 0)	0	Achieved. No prosecutions were made for the year.
Council will respond promptly to reports of flooding and customer requests.	(C) Number of complaints received about stormwater system and response to issues (per 1,000 connections). *DIA Performance Measure 4*	Achieved 0 (target ≤ 1)	≤ 1	Achieved. No complaints were received about the stormwater system or response to issues for the year.
	(T) Median response time for service personnel to attend flooding event measured from the time we receive notification to the time service personnel reach the site. *DIA Performance Measure 3*	Achieved 0 (target ≤ 2 hrs)	≤ 2 hrs	Achieved. No flooding events were reported during the year.
Residents are satisfied with the Stormwater system.	(C) % of residents satisfied with the stormwater system.	Achieved 82% (target ≥ 80%)	≥ 80%	Achieved. 90% of residents surveyed were satisfied with the stormwater system overall.

** The times shown for "attendance" and "resolution" are reported by the service provider, Veolia as part of their contracted responsibilities. This includes travel time. The Council periodically monitors these timelines to verify accuracy.*

Ngā Huarahi Ararau
Roading and Footpaths

Community Outcomes



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Definitions

Condition Rating – **Condition ratings 1–4** are used to classify footpaths from **very poor to good**. These ratings are derived from STDC's AMDS-based survey and mapped to DIA's performance measure. 1 – Very Poor, 2 – Poor, 3 – Average, 4 – Good.

Roughness standard – Smooth Travel Exposure (STE) is assessed using the STE methodology in accordance with Waka Kothai / NZ Transport Agency standards.

Urgent - Urgent customer service requests are those that require immediate attention due to safety, accessibility, or service disruption.

Why we do it

We maintain and develop our roading network to meet the needs of residents and road users within the District. Safe, reliable and accessible roading infrastructure provides access to health and social services and an efficient distribution network for residents and businesses. Roading infrastructure is essential for both the community and economic development of the District.

Our road safety programme aims to help reduce the number of crashes and fatalities on our roads. It is delivered collaboratively by the district councils in the Taranaki Region.

Providing this activity helps us deliver high quality and safe infrastructure to support businesses and industry in South Taranaki.

Significant Negative Effects

The table below shows what we do to minimise the effects of the Roading and Footpaths activity. Despite reduced Waka Kotahi funding, road safety education continued throughout the year, and minor improvement works were completed, although both were scaled back. There were no reports of non-compliance with resource consents.

Significant Effect	*Mitigation*
The maintenance of the roading network may cause a number of nuisances including dust and smells. Vehicle accidents have a significant effect on social and economic well-being of the community.	Compliance with resource consent conditions during maintenance activities and track and record complaints. Road safety management and public education is an ongoing focus for the Council. Minor improvement works are carried out at high-risk areas to reduce crash incidents. Road safety improvements include widening of narrow roads and bridges, improving visibility at corners and speed management.
Dust generated by traffic on unsealed roads can cause health and nuisance effects for people and stock. Improvements to the roading network may encourage increased traffic volumes and increase the level of emissions. New roads can lead to the deforestation, habitat loss, light, noise and chemical pollution.	Dust is mitigated through regular gravelling or sealing of the roads (the latter is subject to available funds). The provision of a suitable roading network is essential to the District. The Council also invests in walking and cycling infrastructure. Ensure that roads are built and designed to best accommodate the environment (where possible) as well as complying with any resource consent conditions over waterbodies (bridges).

Ngā Huarahi Ararau
Roading and Footpaths

How we performed

Level of Service	Performance Measure C= customer measure, T= technical measure	Actual 2023/24	Target 2024/25	For the year ended 30 June 2025
Council provides roads that are safe and comfortable to drive on.	(T) % of roads meeting the roughness standard (deviation of true plane) remains stable or improves. *DIA Performance Measure 2*	Achieved 93% (target 92%)	92%	Achieved 95%. Results from the annual achievement report generated in RAMM.
	(C) % of road users satisfied with the condition of Council roads.	Not achieved 58% (target ≥ 75%)	≥ 73%	Not achieved. The Annual Residents' Satisfaction Survey reported a satisfaction level of 69%, an increase from 58% in 2023/24. Dissatisfaction is mainly regarding potholes, standard of work and narrow roads. New contracts mean we are now responsible for the identification and programming of work. Better response times are specified to fix potholes. We continue to widen roads when it is feasible within budget constraints.
	(T) Annual change in number of fatalities and serious injury crashes on local road network. *DIA Performance Measure 1*	Not achieved +3. (target Decrease by 1 or zero)	Decrease by 1 or zero	Achieved. 15 serious crashes were reported for the year, compared to 14 reported serious crashes and 2 fatal crashes, totalling 16, for the same period last year.
The roading network is maintained in good condition.	(T) % of sealed local road network resurfaced annually. *DIA Performance Measure 3*	Not achieved. 4.3% (target 6%)	4.5%	Achieved. 5.0% of the network was resealed for the year.
Footpaths are maintained in good condition and are fit for purpose.	(T) % of footpaths with condition rating 1-4. *DIA Performance Measure 4*	Achieved 99.6% (target ≥ 98%)	≥ 98%	Achieved. The footpath condition survey has been done and with a changeover to AMDs, the condition rating is now rated from very poor to excellent. 98.2% were rated average to excellent with 1.8% rated at poor to very poor.
Council will respond promptly to customer service requests for roads and footpaths.	(C) % of urgent customer service requests relating to roads and footpaths responded to within 2 working days. *DIA Performance Measure 5*	Not achieved 93% (target ≥ 95%)	≥ 95%	Achieved. 25 urgent customer service requests were received for the year and 24 were completed on time, which equates to 96%.
	(C) % of non-urgent customer service requests relating to roads and footpaths responded to within 5 working days. *DIA Performance Measure 5*	Achieved 95% (target ≥ 90%)	≥ 90%	Achieved. 1,235 out of 1,279 customer service requests received were responded to within five working days for the year, which equates to 97%.

Ngā Huhua Kaunihera
Community Facilities

Community Outcomes

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Sustainable communities that manage resources in a way that improves our environment for future generations.

Why we do it

We provide a range of attractive and accessible facilities for our residents, families and visitors. Parks and reserves, public spaces, halls and swimming pools deliver facilities for people to be active, socialise, interact and have fun. These facilities are delivered to enhance the social, health and cultural wellbeing of our communities. In support of these activity-based facilities, our campgrounds give visitors opportunities to stay, visit and support our local communities, and we have public toilets for the convenience of people when they need them.

We provide housing options for older people who are unable to access suitable housing in the private sector. We own and maintain cemeteries to support the social and cultural wellbeing of our communities by providing areas to bury, visit and remember those who have passed away.



Ngā Huhua Kaunihera
Community Facilities

Parks, Reserves and Public Spaces

Significant Negative Effects

The table below shows the possible negative effects of this activity and how we minimise them. Our freedom camping kaitiaki ensured that complaints about freedom campers were minimal. Extended CCTV coverage has reduced incidences of vandalism and antisocial behaviour in our parks and open spaces, and there was regular monitoring of playground equipment.

Significant Negative Effect	Sustainable Solution
Vandalism or damage of Council assets can make people who live in the area or park users feel unsafe as they could become targets of crime.	Vandalism can be mitigated by applying 'Crime Prevention through Environmental Design' principles in design - features such as improved lighting and open space, security notices and dealing with incidents of vandalism quickly (removal within 24 hours) so these assets do not become a target. Contractors or in-house staff remove graffiti, depending on the location. CCTV is used as a tool for surveillance and monitoring to keep our communities and shared facilities safe from harm.
Personal injuries to playground users could occur because of faulty playground equipment, and could range from minor to severe.	This can be mitigated by investing in good quality design as well as safety audits and on-going monitoring. Our standard procedure for any reports about faulty playground equipment is to resolve the issue as soon as possible.
Freedom camping can create nuisance effects on the surrounding or adjacent landowners or occupiers with excessive noise, smell (from inappropriate disposal of solid waste) or squatters.	We have Kaitiaki (Ambassadors) who monitor freedom camping sites over the summer to ensure that the Freedom Camping Bylaw is being adhered to.

How we performed

Level of Service	Performance Measure C= customer measure, T= technical measure	Actual 2023/24	Target 2024/25	For the year ended 30 June 2025
Parks and public spaces are tidy and well maintained.	(C) % of customers satisfied with the level of maintenance in Council parks, reserves, playgrounds and public spaces	Not achieved 94% (target 97%)	≥ 97%	Not achieved. The Annual Residents' Survey recorded that 92% of respondents were satisfied with the level of maintenance in our parks and public spaces.

Swimming Pools

Significant Negative Effects

The table below shows how we minimise the possible negative effects of the Swimming Pools activity. Most community pools were open daily during the swimming season, apart from a few occasions when qualified lifeguards were not available. No serious injuries were reported. The annual Poolsafe accreditation ensured that the Hāwera Aquatic Centre met the required water quality standards.

Significant Negative Effect	Sustainable Solution
Accidental injury to pool users and even death by drowning or activity related injury or stress.	Qualified lifeguards are employed to supervise the pools and respond to emergencies that may arise when the pools are open for public use. All staff employed at Council operated pools are required to hold current First Aid Certificates and all lifeguards hold current Pool Lifeguard Practising Certificates. We have increased the number of lifeguards at each of community pools to two, to enhance supervision and protection of users.
Chemicals commonly associated with swimming pool water treatment may pose a risk to the environment through accidental spillage. Environmental impact through the transmission of water borne contaminants.	Chemicals commonly associated with swimming pool water treatment may pose a risk to the environment through accidental spillage. Pool Water Risk Management Plans address a range of potential risk elements that may arise in conjunction with provision and operation of the pools. The Risk Management Plan for the Hāwera Aquatic Centre is reviewed annually, prior to the annual Poolsafe review.

How we performed

Level of Service	Performance Measure C= customer measure, T= technical measure	Actual 2023/24	Target 2024/25	For the year ended 30 June 2025
Customers are satisfied with services.	(C) % of users satisfied with services provided at Hāwera Aquatic Centre.	Achieved 91% (target ≥ 90%)	≥ 90%	Achieved. The Annual Residents' Survey recorded that 94% of users were satisfied with the services provided.

Ngā Huhua Kaunihera
Community Facilities

Public Toilets

Significant Negative Effects

The table below shows the possible negative effects of this activity and what we do to minimise them. Any incidents of intentional or accidental damage were attended to promptly, and there were no reports of sewage spills from our public toilets.

Significant Negative Effect	Sustainable Solution
Vandalism or damage to Council assets can make people who live in the area feel unsafe as they could become targets of crime.	Vandalism can be mitigated by applying 'Crime Prevention through Environmental Design' principles in design - features such as improved lighting and open space, security notices and dealing with incidents of vandalism quickly (removal within 24 hours) so that these assets do not become a target. Contractors or in-house staff remove graffiti, depending on the location. CCTV is used as a tool for surveillance and monitoring to keep our communities and shared facilities safe from harm.
Environmental and health impacts from a potential sewage spill from a public toilet.	Regular condition inspections, monitoring and maintenance, close liaison with wastewater service engineers and prompt response to customer requests.

How we performed

Level of Service	Performance Measure C= customer measure, T= technical measure	Actual 2023/24	Target 2024/25	For the year ended 30 June 2025
Toilets are clean and well maintained.	(C) % of residents satisfied with cleanliness and maintenance of Public Toilets.	Achieved 82% (target ≥ 80%)	≥ 80%	Not achieved. The Annual Residents' Survey recorded that 79% of respondents were satisfied with the cleanliness and maintenance of public toilets.

Ngā Huhua Kaunihera
Community Facilities

Cemeteries

Significant Negative Effects

This activity can have considerable negative impacts on families if the cemeteries are not managed appropriately. The Council has systems in place to minimise the likelihood of burial data being incorrect.

Significant Negative Effect	Sustainable Solution
Discrepancies in the allocation of burial plots can have a significant negative effect on public confidence in the Council's management of cemeteries, as well as a direct impact on the families involved.	Maintaining accurate, up-to-date records including an annual programme of checking and cross-referencing burial data to make sure it is correct (cemetery surveys). Maintaining close working relationships with contractors and funeral directors.

How we performed

Level of Service	Performance Measure C= customer measure, T= technical measure	Actual 2023/24	Target 2024/25	For the year ended 30 June 2025
Cemeteries are tidy and well maintained.	(C) % of customers satisfied with the tidiness and level of maintenance at Cemeteries.	Achieved 95% (target ≥ 95%)	≥ 95%	Achieved. The Annual Residents' Survey recorded that 95% of respondents were satisfied with the level of maintenance at Cemeteries.

Halls and Recreation Centres

Significant Negative Effects

TThe delivery of this activity has no significant negative effects.

Ngā Huhua Kaunihera
Community Facilities

Housing for the Elderly

Significant Negative Effects

The Housing for the Elderly activity can have the following negative effect. Our units consistently have high occupancy rates and the Council continues to work with other providers.

Significant Negative Effect	Sustainable Solution
We have an ageing population and the demand for housing for the elderly continues to increase. The number of housing units we offer cannot meet the demand.	The Council has strategically purchased properties in Furlong and Princes Streets for future development of housing for the elderly. We are working with the Taranaki Housing Initiative Trust to identify areas of future need in the community.

How we performed

Level of Service	Performance Measure C= customer measure, T= technical measure	Actual 2023/24	Target 2024/25	For the year ended 30 June 2025
Council provides well maintained and fit for purpose Housing for the Elderly.	(T) % of tenants satisfied with the standard of their unit.	Achieved 95.44% (target 95%)	≥ 95%	Not Achieved. 34 of our 72 tenants responded to the survey and 30 (88.34%) were satisfied, 4 were not.

Campgrounds

Significant Negative Effects

TThe delivery of this activity has no significant negative effects.

Ngā mahi ā-Toi me Rēhia
Arts and Culture

Community Outcomes



MANA MAURI

CULTURAL WELL-BEING

Creative, diverse communities that enhance the mauri (well-being) of our people.



MANA TANGATA

SOCIAL WELL-BEING

Safe, connected communities where people feel happy and proud of where we live.

Why we do it

The Arts, Culture and Heritage activity allows us to build creative, diverse communities and enables people to be connected and informed through opportunities to participate in creative outlets and by honouring and protecting the past. Professional support, coordination and facilitation for creative activities enhance our cultural diversity, while District heritage services increase our communities' sense of identity and encourage the protection of our heritage.

Arts / Aotea Utanganui - Museum of Taranaki / LibraryPlus

Significant Negative Effects

There are no significant negative effects from the delivery of these activities.

LibraryPlus - How we performed

Level of Service	Performance Measure C= customer measure, T= technical measure	Actual 2023/24	Target 2024/25	For the year ended 30 June 2025
LibraryPlus materials and resources are relevant to current information and leisure needs of the community.	(C) % of customers satisfied with materials, resources and information provided.	Achieved. 97% (target ≥ 96%)	≥ 96%	Achieved. The Annual Residents' Survey recorded that 98% of respondents were satisfied with the materials, resources and information provided.

Whakawhanake Hapori me te Tautoko
Community Development and Support



Community Outcomes

MANA ORANGA
ECONOMIC WELL-BEING
Flourishing communities with a diverse economy, innovative people and resilient infrastructure.

MANA TANGATA
SOCIAL WELL-BEING
Safe, connected communities where people feel happy and proud of where we live.

Why we do it

We are committed to working in partnership with our communities to ensure their views and aspi rations are considered, and they are supported to develop and implement projects, such as the town centre master plans, that improve their wellbeing and contribute to our community outcomes. We are committed to delivering safe, resilient and connect ed communities.

Significant Negative Effects

There are no significant negative effects from the delivery of these activities.

Ratonga Wakaature
Regulatory Services

Community Outcomes



MANA ORANGA
ECONOMIC WELL-BEING
Flourishing communities with a diverse economy, innovative people and resilient infrastructure.



MANA TANGATA
SOCIAL WELL-BEING
Safe, connected communities where people feel happy and proud of where we live.

Why we do it

The purpose of this activity is to protect the environment and the people that live in it. We mainly do this through the administration of a broad range of statutory functions, including the Building Act, Resource Management Act, Dog Control Act, Health Act, Food Act, Sale and Supply of Alcohol Act and Parking Bylaw.

Building Control / Planning / Environmental Health - Licensing - Food, Alcohol and Gambling / Animal Services and Nuisance Control / Parking Control

Significant Negative Effects

The table below shows the possible negative effects of these activities and what we do to minimise them. The Council was not able to achieve 100% compliance with the statutory timeframes for processing building and resource consent applications, but the consent monitoring target was achieved.

Significant Effect	*Mitigation*
Our residents may not feel connected, healthy, informed or safe if these functions are not managed appropriately, it can cause harm to the lives and health of our communities.	Comply with statutory requirements and undertake check ins with the local community through the annual Residents' Satisfaction Survey.
If these functions are not managed appropriately, it will not allow for a diverse economy with innovative people and resilient infrastructure.	Comply with statutory requirements and undertake check ins with the local community through the annual Residents' Satisfaction Survey.
The inappropriate use or management of these functions could generate adverse effects on the environment and act against our priority to be a sustainable district preserving the environment for future generations.	Comply with statutory requirements and monitor any non-compliances.

Ratonga Wakaature
Regulatory Services

How we performed

Level of Service	Performance Measure C= customer measure, T= technical measure	Actual 2023/24	Target 2024/25	For the year ended 30 June 2025
Animal Services and Nuisance Control				
Residents are satisfied with the Animal Control service.	(C) % of residents satisfied with the Animal Control service.	Not achieved 74% (target ≥ 75%)	≥ 75%	Not achieved. The Annual Residents' Survey recorded that 69% of respondents were satisfied with the Animal Control service.
A prompt and reliable animal control service will be provided 24 hours a day, 7 days a week for wandering stock and serious dog incidents*.	(T) % of reported serious dog or wandering stock incidents responded to within 4 hours.	Achieved 95% (target ≥ 95%)	≥ 95%	Achieved. 148 of 150 incidents (99%) were investigated on time for the year.
A reliable and responsive animal control service that investigates general dog incidents.**	(T) % of reported general dog incidents responded to within 1 working day.	Not achieved 90% (target ≥ 95%)	≥ 95%	Achieved. 1239 of 1249 incidents (99%) were investigated on time for the year.

** serious dog incidents – dog attacks, threatening or rushing dogs or continual barking.*
*** general dog incidents – barking and roaming.*

Level of Service	Performance Measure C= customer measure, T= technical measure	Actual 2023/24	Target 2024/25	For the year ended 30 June 2025
Building Control				
Building consents are processed efficiently.	(T) % of building consent applications processed within the statutory timeframe of 20 working days.	Not achieved. 73.8% (target 100%)	≥ 95%	Not achieved. 465 applications were processed for the year, with 386 (83%) within the statutory timeframe.

The Council acknowledges the ongoing challenges in meeting statutory timeframes for building consent processing. We are actively working to improve processing timeframes by focusing on increasing internal staff competency. This approach aims to reduce reliance on external consultants and build a more resilient, skilled in-house team capable of managing building consent applications efficiently.

Ratonga Wakaature
Regulatory Services

Level of Service	Performance Measure C= customer measure, T= technical measure	Actual 2023/24	Target 2024/25	For the year ended 30 June 2025
Building Control				
Customers receive industry recognised quality service.	(T) % of building inspections carried out within 2 working days of request.	Achieved 97% (target 95%)	≥ 95%	Not Achieved. 1,583 inspections were undertaken for the year, with 1,477 (93%) carried out within 2 working days of the request being lodged.
Planning				
Consents for subdivisions and development are processed in a timely manner.	(T) % of resource consent applications (notified and non-notified) processed within statutory timeframes.	Not achieved 97% (target 100%)	≥ 95%	Not Achieved. 147 applications were processed for the year, 134 within the statutory timeframe (91%).
Consent compliance is monitored by the Council.	(T) Consents (with conditions) are monitored by their due date.	Not achieved 22% (target ≥ 90%)	≥ 95%	Achieved. Of the 310 inspections scheduled to occur during the year, 301 were completed on time (97%).

Tiaki Taiao
Environmental Management

Community Outcomes



MANA TANGATA

SOCIAL WELL-BEING

Safe, connected communities where people feel happy and proud of where we live.



MANA TAIAO

ENVIRONMENTAL WELL-BEING

Sustainable communities that manage resources in a way that improves our environment for future generations.

Why we do it

To protect the environment and the people that live in it. This activity leads a District wide approach to climate change (carbon zero, waste minimisation and sustainability), and maintaining the District Plan.

Significant Negative Effects

The table below shows the possible negative effects of this activity and what we do to minimise them. This activity caused no negative effects during the year.

Significant Negative Effect	*Sustainable Solution*
Lack of environmental policy around natural hazards or climate change can lead to development in high-risk areas. These developments can cause harm to people's homes, livelihoods and lives if not managed appropriately.	Environmental policy is developed to align with legislative requirements and consideration of the unique landscapes of South Taranaki are integrated into these documents.
Ensuring that statutory requirements and shared decision making in these processes are managed appropriately and culturally significant sites are protected is important because it can have negative cultural impacts.	Use the platforms in place to discuss projects, concerns with Iwi Partners and hapū and have the conversations early.

Haumaru Ohotata
Emergency Management

Community Outcomes



MANA TANGATA
SOCIAL WELL-BEING
Safe, connected communities where people feel happy and proud of where we live.

Why we do it

This activity ensures that the Council and our residents are prepared to respond to, and recover from, a major natural hazard or emergency event. An informed and prepared community is more able to adapt to significant unforeseen change and ensure the overall health and wellbeing of people are maintained.

Significant Negative Effects

The table below shows the possible negative effects of this activity and what we do to minimise them. Emergency response training was held throughout the year and we continued to work with other agencies as opportunities arose. The earthquake rating of the Hāwera Administration Building was upgraded so that the building can serve as an emergency management centre.

Significant Negative Effect	Sustainable Solution
An event could cause significant damage to the environment, people's homes, health and/or livelihoods.	We contribute funding towards the operation of TEMO who are experienced and trained to coordinate a regional emergency response. We offer emergency response training for our staff, as well as creating emergency response plans for our communities in low lying or vulnerable areas.
Some emergency events can cause damage to our infrastructure. This can cause isolation, contamination to water and/or interruptions to water supply. Certain events could damage or impact the ability for primary industries to operate, and this could harm the economic wellbeing of our District.	We plan and design our infrastructure and services to be resilient to extreme weather events and other emergency situations. Where resilient infrastructure cannot be achieved, we prepare responses to ensure the safety of our communities through our Emergency Response staff. We work with the Ministry of Primary Industries (MPI) during any emergency response events to ensure that the industry is being advocated for and managed appropriately.

Haumaru Ohotata
Emergency Management

How we performed

Level of Service	*Performance Measure* C= customer measure, T= technical measure	*Actual* 2023/24	*Target* 2024/25	*For the year ended 30 June 2025*
The Council is ready to respond to a Civil Defence Emergency and is able to provide an appropriate response.	(T) More than 50% of staff have attended appropriate training and regular meetings with function leads and alternates to ensure capacity.	Achieved 51% of staff trained (target > 50% of staff trained)	> 50% of staff trained	Achieved. Of 180 full-time staff, 111 are trained in Emergency Management (62%). This includes 26 EOC Functional Leads.



Para Totoka
Solid Waste

Community Outcomes



MANA TANGATA
SOCIAL WELL-BEING
Safe, connected communities where people feel happy and proud of where we live.



MANA TAIAO
ENVIRONMENTAL WELL-BEING
Sustainable communities that manage resources in a way that improves our environment for future generations.

Why we do it

Our solid waste services are designed to protect the health and wellbeing of the community and the environment by ensuring the community can dispose of solid waste in a convenient, secure and sustainable manner.

Significant Negative Effects

The table below shows the possible negative effects of the Solid Waste activity and what we do to minimise them. The amount of waste diverted from landfill was lower than the previous year, but the target was met for the amount collected per household. The Council continued with education throughout the year, and enforcement where required.

Significant Negative Effect	*Sustainable Solution*
Environmental and health impacts caused by the discharge of contaminants to land, air and water from waste disposal and from closed landfills.	Reducing the amount of waste going to landfill through increased recycling and reprocessing as described in the Waste Management and Minimisation Plan. Compliance with resource consents and aftercare management. Regular monitoring of gas emissions and leachate from closed landfills.
Environmental and health impacts caused by fly-tipping and the illegal dumping of waste. Additional costs associated with clean-up and disposal.	Regular monitoring of known illegal sites and areas, erecting signage, public education and enforcement. Keeping transfer station charges/fees at affordable levels.

Para Totoka
Solid Waste

How we performed

Level of Service	Performance Measure C= customer measure, T= technical measure	Actual 2023/24	Target 2024/25	For the year ended 30 June 2025
A reliable kerbside recycling and rubbish collection service is provided.	(C) % of customers satisfied with the solid waste collection service.	Achieved 90% (target ≥ 90%)	> 90% of staff trained	Not achieved. The Annual Residents' Survey recorded that 79% of customers were satisfied with the Solid Waste collection service.
Increasing number of tonnes per annum of recyclable material diverted from landfill.	(T) Number of tonnes of recyclable waste diverted from landfill per year.	Achieved 2,053 (previous year 2,172)	Maintain or improve from previous year	Not achieved. The total recyclable material diverted from landfill was 1,857 tonnes. For the previous year 2,053 tonnes were diverted. This is the combination of kerbside and transfer station recycling including glass, cardboard, whiteware and scrap steel. It does not include tyres and E-Waste as these are not weighed. This also does not include the 2,761 tonnes of green waste and food scraps we diverted in the last financial year. Our waste and recycling overall has reduced since October 2024.
Reduce the amount of rubbish/ waste that is collected from kerbside collection per household.	(T) Number of tonnes of waste collected on average per household per year.	Not achieved 369kg (target <300kg)	< 320kg per household	Achieved. 288kg of waste per household was collected for the year.

Ngā Momo Hanga ki Tai
Coastal Structures

Community Outcomes

MANA TANGATA
SOCIAL WELL-BEING
Safe, connected communities where people feel happy and proud of where we live.

MANA TAIAO
ENVIRONMENTAL WELL-BEING
Sustainable communities that manage resources in a way that improves our environment for future generations.

Why we do it

The South Taranaki District has a beautiful marine and river environment, and this activity ensures people can access our beaches and lakes and boat users can access the water. To maintain these facilities, we need to protect erosion prone areas close to existing infrastructure, so while this activity is not mandatory, we need to ensure compliance with our resource consents. The maintenance and provision of coastal structures enables us to preserve the environment for future generations. We also need to comply with the Taranaki Regional Council's Regional Coastal Plan.

Significant Negative Effects

Coastal Structures have minimal negative effects on the environment. The majority of coastal structures are seawalls and their presence can cause an "end effect" when a seawall acts like a groyne, in that there may be some gradual accumulation of sand on the updrift side but more often erosion or beach displacement on the downdrift side of the direction of wave approach. No negative effects were reported for the year.



Ngā Mahinga Tōpūranga
Corporate Services

Community Outcomes



MANA TANGATA

SOCIAL WELL-BEING

Safe, connected communities where people feel happy and proud of where we live.

Why we do it

Corporate Services are the 'internal activities' that support the delivery of our projects, plans and programmes. These activities focus on delivering effective and efficient services for the organisation and the community and help us to bring the community together by keeping people informed and connected.

Significant Negative Effects

There were no significant negative effects from the delivery of this activity.

Te Ōhanga-ā-Takiwā
District Economy

Community Outcomes



MANA TANGATA
SOCIAL WELL-BEING
Safe, connected communities where people feel happy and proud of where we live.



MANA TAIAO
ENVIRONMENTAL WELL-BEING
Sustainable communities that manage resources in a way that improves our environment for future generations.

Why we do it

Supporting our District's economy allows us to create a vibrant and prosperous environment for residents and visitors, which is a key community outcome for us. The Economic Development activity seeks to contribute to this outcome by supporting new and existing businesses to develop and grow.
Our mission is to support the regeneration of local townships and communities through the establishment, support and/or nurturing of enterprise hubs, business enterprises and social enterprises.
The Economic Development activity enables us to provide high quality infrastructure and support businesses and industry to work towards a sustainable economy and prosperous District.

Economic Development / Tourism and Events

Significant Negative Effects

There are no significant negative effects from the delivery of these activities.

TE POUMANUKURA / DEMOCRACY AND LEADERSHIP

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Operating Funding		
3,246	3,010	General rates, uniform annual general charges, rates penalties	3,218	3,206
0	0	Targeted Rates	0	0
0	0	Subsidies and grants for operating purposes	0	0
0	0	Fees and charges	0	0
0	0	Internal charges and overheads recovered	0	0
464	506	Local authorities fuel tax, fines, infringement fees and other receipts	552	554
3,710	**3,516**	**Total operating funding (A)**	**3,770**	**3,760**
		Applications of Operating Funding		
1,487	1,191	Payments to staff and suppliers	1,782	1,409
2	2	Finance costs	2	4
2,486	2,307	Internal charges and overheads applied	2,497	2,333
0	0	Operating funding applications	0	0
3,975	**3,500**	**Total applications of operating funding (B)**	**4,281**	**3,746**
(264)	**16**	**Surplus (deficit) of operating funding (A-B)**	**(511)**	**15**

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Capital Funding		
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
0	0	Increase (decrease) in debt	0	0
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
0	**0**	**Total sources of capital funding (C)**	**0**	**0**
		Applications of Capital Funding		
		Capital expenditure:		
0	0	- To meet additional demand	0	0
0	0	- To improve the level of service	0	0
0	0	- To replace existing assets	0	0
(264)	16	Increase (decrease) in reserves	(511)	15
0	0	Increase (decrease) in investments	0	0
(264)	**16**	**Total applications of capital funding (D)**	**(511)**	**15**
264	**(16)**	**Surplus (deficit) of capital funding (C -D)**	**511**	**(15)**
0	**0**	**Funding balance ((A-B) + (C-D))**	**0**	**0**
9	16	Excludes depreciation of:	7	14

NGĀ PUNA WAI / WATER SUPPLY

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Operating Funding		
0	0	General rates, uniform annual general charges, rates penalties	0	0
15,086	15,069	Targeted Rates	14,906	15,807
0	0	Subsidies and grants for operating purposes	0	0
106	100	Fees and charges	116	242
0	0	Internal charges and overheads recovered	0	0
395	462	Local authorities fuel tax, fines, infringement fees and other receipts	396	430
15,588	**15,631**	**Total operating funding (A)**	**15,419**	**16,480**
		Applications of Operating Funding		
4,140	3,676	Payments to staff and suppliers	4,811	4,405
2,521	1,741	Finance costs	2,319	2,479
3,195	2,925	Internal charges and overheads applied	3,139	3,114
0	0	Operating funding applications	0	0
9,857	**8,343**	**Total applications of operating funding (B)**	**10,269**	**9,997**
5,731	**7,289**	**Surplus (deficit) of operating funding (A-B)**	**5,149**	**6,482**

The above Statement includes interest of $316,765 and loan repayments of $442,197 on internal borrowings. The outstanding balance of the internal loan is $4,890,555.

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Capital Funding		
0	4	Subsidies and grants for capital expenditure	0	0
1,050	217	Development and financial contributions	(213)	521
2,608	1,733	Increase (decrease) in debt	1,184	1,935
0	0	Gross proceeds from sale of assets	0	0
69	0	Lump sum contributions	2	0
0	0	Other dedicated capital funding	0	0
3,727	**1,954**	**Total sources of capital funding (C)**	**973**	**2,455**
		Applications of Capital Funding		
		Capital expenditure:		
1,051	372	- To meet additional demand	406	447
2,629	4,498	- To improve the level of service	1,626	1,236
5,387	3,918	- To replace existing assets	6,205	9,275
393	454	Increase (decrease) in reserves	(2,115)	(2,020)
0	0	Increase (decrease) in investments	0	0
9,459	**9,242**	**Total applications of capital funding (D)**	**6,122**	**8,938**
(5,731)	**(7,289)**	**Surplus (deficit) of capital funding (C -D)**	**(5,149)**	**(6,482)**
0	**0**	**Funding balance ((A-B) + (C-D))**	**0**	**0**
6,851	6,005	Excludes depreciation of:	7,007	7,699

NGĀ WAIPARAPARA / WASTEWATER

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Operating Funding		
0	0	General rates, uniform annual general charges, rates penalties	0	0
5,817	6,347	Targeted Rates	6,346	6,376
0	0	Subsidies and grants for operating purposes	250	0
1,499	1,248	Fees and charges	1,562	1,515
0	0	Internal charges and overheads recovered	0	0
4	4	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
7,320	**7,599**	**Total operating funding (A)**	**8,158**	**7,892**
		Applications of Operating Funding		
3,377	3,435	Payments to staff and suppliers	3,989	3,690
1,852	1,200	Finance costs	1,824	1,810
906	1,189	Internal charges and overheads applied	1,183	1,402
0	0	Operating funding applications	0	0
6,135	**5,825**	**Total applications of operating funding (B)**	**6,995**	**6,902**
1,185	**1,774**	**Surplus (deficit) of operating funding (A-B)**	**1,163**	**990**

The above Statement includes interest of $241,203 and loan repayments of $426,255 on internal borrowings. The outstanding balance of the internal loan is $3,634,409.

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Capital Funding		
0	0	Subsidies and grants for capital expenditure	0	0
1,576	583	Development and financial contributions	(187)	885
2,561	1,813	Increase (decrease) in debt	3,088	5,266
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
4,138	**2,395**	**Total sources of capital funding (C)**	**2,902**	**6,151**
		Applications of Capital Funding		
		Capital expenditure:		
1,718	935	- To meet additional demand	3,318	2,524
109	1,234	- To improve the level of service	247	586
2,856	1,892	- To replace existing assets	1,806	5,322
640	109	Increase (decrease) in reserves	(1,307)	(1,291)
0	0	Increase (decrease) in investments	0	0
5,323	**4,170**	**Total applications of capital funding (D)**	**4,064**	**7,141**
(1,185)	**(1,774)**	**Surplus (deficit) of capital funding (C -D)**	**(1,163)**	**(990)**
0	**0**	**Funding balance ((A-B) + (C-D))**	**0**	**0**
2,779	1,672	Excludes depreciation of:	2,813	3,042

TE WAI ĀWHIOWHIO ME ŌNA RĪTENGA / STORMWATER

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Operating Funding		
1,229	1,255	General rates, uniform annual general charges, rates penalties	1,355	1,350
9	9	Targeted Rates	9	9
0	0	Subsidies and grants for operating purposes	0	0
4	1	Fees and charges	2	0
0	0	Internal charges and overheads recovered	0	0
174	211	Local authorities fuel tax, fines, infringement fees and other receipts	230	232
1,415	**1,476**	**Total operating funding (A)**	**1,596**	**1,591**
		Applications of Operating Funding		
259	238	Payments to staff and suppliers	194	203
249	155	Finance costs	252	232
343	409	Internal charges and overheads applied	478	450
0	0	Operating funding applications	0	0
851	**802**	**Total applications of operating funding (B)**	**924**	**884**
564	**674**	**Surplus (deficit) of operating funding (A-B)**	**672**	**707**

The above Statement includes interest of $41,036 and loan repayments of $124,928 on internal borrowings. The outstanding balance of the internal loan is $565,918.

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Capital Funding		
0	0	Subsidies and grants for capital expenditure	0	0
756	513	Development and financial contributions	(245)	375
552	243	Increase (decrease) in debt	640	1,535
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
1,308	**756**	**Total sources of capital funding (C)**	**395**	**1,910**
		Applications of Capital Funding		
		Capital expenditure:		
788	753	- To meet additional demand	892	1,720
16	394	- To improve the level of service	83	120
267	282	- To replace existing assets	296	776
800	2	Increase (decrease) in reserves	(204)	1
0	0	Increase (decrease) in investments	0	0
1,871	**1,430**	**Total applications of capital funding (D)**	**1,067**	**2,617**
(564)	**(674)**	**Surplus (deficit) of capital funding (C -D)**	**(672)**	**(707)**
0	**0**	**Funding balance ((A-B) + (C-D))**	**0**	**0**
902	747	Excludes depreciation of:	874	942

PARA TOTOKA / SOLID WASTE

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Operating Funding		
496	437	General rates, uniform annual general charges, rates penalties	701	699
1,654	1,604	Targeted Rates	2,457	2,457
0	0	Subsidies and grants for operating purposes	0	0
2,086	1,835	Fees and charges	2,384	3,129
0	0	Internal charges and overheads recovered	0	0
1,216	953	Local authorities fuel tax, fines, infringement fees and other receipts	1,641	1,420
5,452	**4,829**	**Total operating funding (A)**	**7,183**	**7,704**
		Applications of Operating Funding		
5,215	4,136	Payments to staff and suppliers	6,601	7,100
155	115	Finance costs	213	219
493	498	Internal charges and overheads applied	573	577
0	0	Operating funding applications	0	0
5,862	**4,749**	**Total applications of operating funding (B)**	**7,387**	**7,897**
(410)	**80**	**Surplus (deficit) of operating funding (A-B)**	**(204)**	**(193)**

The above Statement includes interest of $19,461 and loan repayments of $114,016 on internal borrowings. The outstanding balance of the internal loan is $213,614.

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Capital Funding		
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
(169)	(148)	Increase (decrease) in debt	1,807	1,143
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
(169)	**(148)**	**Total sources of capital funding (C)**	**1,807**	**1,143**
		Applications of Capital Funding		
		Capital expenditure:		
0	0	- To meet additional demand	0	0
4	37	- To improve the level of service	190	103
50	42	- To replace existing assets	1,865	2,099
(633)	(147)	Increase (decrease) in reserves	(451)	(1,252)
0	0	Increase (decrease) in investments	0	0
(579)	**(68)**	**Total applications of capital funding (D)**	**1,603**	**950**
410	**(80)**	**Surplus (deficit) of capital funding (C -D)**	**204**	**193**
0	**0**	**Funding balance ((A-B) + (C-D))**	**0**	**0**
128	145	Excludes depreciation of:	252	177

NGĀ HUARAHI ARARAU / ROADING AND FOOTPATHS

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Operating Funding		
60	35	General rates, uniform annual general charges, rates penalties	52	36
7,020	6,704	Targeted Rates	8,948	8,910
7,071	6,321	Subsidies and grants for operating purposes	6,494	8,465
144	148	Fees and charges	159	167
922	813	Internal charges and overheads recovered	1,109	0
2,958	1,371	Local authorities fuel tax, fines, infringement fees and other receipts	1,677	797
18,175	**15,392**	**Total operating funding (A)**	**18,440**	**18,375**
		Applications of Operating Funding		
11,885	11,336	Payments to staff and suppliers	11,297	13,837
543	250	Finance costs	490	545
342	439	Internal charges and overheads applied	404	431
0	0	Operating funding applications	0	0
12,770	**12,025**	**Total applications of operating funding (B)**	**12,191**	**14,813**
5,405	**3,367**	**Surplus (deficit) of operating funding (A-B)**	**6,249**	**3,562**

The above Statement includes interest of $112,679 and loan repayments of $103,137 on internal borrowings. The outstanding balance of the internal loan is $1,793,825.

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Capital Funding		
6,709	5,626	Subsidies and grants for capital expenditure	5,140	10,402
2,094	461	Development and financial contributions	773	1,038
2,931	(50)	Increase (decrease) in debt	2,404	2,545
0	0	Gross proceeds from sale of assets	0	0
707	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
12,442	**6,037**	**Total sources of capital funding (C)**	**8,317**	**13,985**
		Applications of Capital Funding		
		Capital expenditure:		
2,284	678	- To meet additional demand	2,664	2,758
5,261	2,815	- To improve the level of service	876	6,332
7,733	6,128	- To replace existing assets	7,585	9,703
2,568	(217)	Increase (decrease) in reserves	3,441	(1,246)
0	0	Increase (decrease) in investments	0	0
17,847	**9,404**	**Total applications of capital funding (D)**	**14,566**	**17,547**
(5,405)	**(3,367)**	**Surplus (deficit) of capital funding (C -D)**	**(6,249)**	**(3,562)**
0	**(0)**	**Funding balance ((A-B) + (C-D))**	**0**	**(0)**
10,094	7,994	Excludes depreciation of:	9,381	9,561

NGĀ WHARE-Ā- HAPORI / COMMUNITY FACILITIES

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Operating Funding		
6,846	6,145	General rates, uniform annual general charges, rates penalties	6,954	6,924
0	0	Targeted Rates	0	0
20	7	Subsidies and grants for operating purposes	20	17
2,001	1,690	Fees and charges	2,106	2,184
0	0	Internal charges and overheads recovered	0	0
2,894	2,916	Local authorities fuel tax, fines, infringement fees and other receipts	3,228	3,154
11,760	**10,758**	**Total operating funding (A)**	**12,307**	**12,280**
		Applications of Operating Funding		
7,009	6,298	Payments to staff and suppliers	7,223	7,179
1,227	761	Finance costs	1,076	1,308
1,737	1,658	Internal charges and overheads applied	1,760	1,753
7	1	Operating funding applications	7	16
9,980	**8,720**	**Total applications of operating funding (B)**	**10,066**	**10,255**
1,780	**2,038**	**Surplus (deficit) of operating funding (A-B)**	**2,241**	**2,025**

The above Statement includes interest of $10,860 and loan repayments of $39,212 on internal borrowings. The outstanding balance of the internal loan is $143,614.

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Capital Funding		
93	1	Subsidies and grants for capital expenditure	15	335
0	0	Development and financial contributions	0	0
(678)	(1,135)	Increase (decrease) in debt	(688)	1,047
0	0	Gross proceeds from sale of assets	0	0
83	0	Lump sum contributions	4	0
0	0	Other dedicated capital funding	0	0
(502)	**(1,134)**	**Total sources of capital funding (C)**	**(668)**	**1,382**
		Applications of Capital Funding		
		Capital expenditure:		
0	0	- To meet additional demand	0	0
611	9	- To improve the level of service	411	1,398
753	993	- To replace existing assets	986	1,728
(85)	(98)	Increase (decrease) in reserves	176	281
0	0	Increase (decrease) in investments	0	0
1,279	**904**	**Total applications of capital funding (D)**	**1,573**	**3,407**
(1,780)	**(2,038)**	**Surplus (deficit) of capital funding (C -D)**	**(2,241)**	**(2,025)**
0	**0**	**Funding balance ((A-B) + (C-D))**	**0**	**0**
3,263	2,751	Excludes depreciation of:	3,415	3,384

NGĀ MAHI Ā-TOI-ME-RĒHIA / ARTS & CULTURE

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Operating Funding		
3,084	3,093	General rates, uniform annual general charges, rates penalties	3,273	3,261
0	0	Targeted Rates	0	0
20	16	Subsidies and grants for operating purposes	35	30
23	62	Fees and charges	26	47
12	0	Internal charges and overheads recovered	0	0
623	617	Local authorities fuel tax, fines, infringement fees and other receipts	635	728
3,762	**3,788**	**Total operating funding (A)**	**3,969**	**4,066**
		Applications of Operating Funding		
2,183	2,209	Payments to staff and suppliers	2,510	2,532
36	22	Finance costs	31	35
1,125	1,214	Internal charges and overheads applied	1,102	1,085
25	0	Operating funding applications	25	25
3,370	**3,445**	**Total applications of operating funding (B)**	**3,668**	**3,677**
393	**342**	**Surplus (deficit) of operating funding (A-B)**	**301**	**389**

The above Statement includes interest of $7,931 and loan repayments of $32,571 on internal borrowings. The outstanding balance of the internal loan is $100,950.

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Capital Funding		
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
(48)	6	Increase (decrease) in debt	(48)	24
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
(48)	**6**	**Total sources of capital funding (C)**	**(48)**	**24**
		Applications of Capital Funding		
		Capital expenditure:		
0	0	- To meet additional demand	0	0
4	0	- To improve the level of service	3	26
305	326	- To replace existing assets	308	522
35	23	Increase (decrease) in reserves	(59)	(135)
0	0	Increase (decrease) in investments	0	0
344	**348**	**Total applications of capital funding (D)**	**253**	**413**
(393)	**(342)**	**Surplus (deficit) of capital funding (C -D)**	**(301)**	**(389)**
0	**0**	**Funding balance ((A-B) + (C-D))**	**0**	**0**
488	333	Excludes depreciation of:	1,081	828

ŌHANGA-Ā-ROHE / DISTRICT ECONOMY

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Operating Funding		
1,059	1,316	General rates, uniform annual general charges, rates penalties	1,384	1,379
181	175	Targeted Rates	186	186
77	0	Subsidies and grants for operating purposes	82	18
209	104	Fees and charges	253	299
30	0	Internal charges and overheads recovered	20	20
215	1,103	Local authorities fuel tax, fines, infringement fees and other receipts	302	1,161
1,771	**2,699**	**Total operating funding (A)**	**2,226**	**3,063**
		Applications of Operating Funding		
1,640	1,116	Payments to staff and suppliers	1,798	1,575
627	286	Finance costs	708	450
443	382	Internal charges and overheads applied	494	482
171	295	Operating funding applications	191	306
2,880	**2,079**	**Total applications of operating funding (B)**	**3,192**	**2,813**
(1,109)	**620**	**Surplus (deficit) of operating funding (A-B)**	**(966)**	**251**

The above Statement includes interest of $1,290 and loan repayments of $4,342 on internal borrowings. The outstanding balance of the internal loan is $17,368.

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Capital Funding		
82	0	Subsidies and grants for capital expenditure	64	200
0	0	Development and financial contributions	0	0
5,677	(300)	Increase (decrease) in debt	8,562	845
0	0	Gross proceeds from sale of assets	0	0
5	0	Lump sum contributions	1,827	0
0	0	Other dedicated capital funding	0	0
5,764	**(300)**	**Total sources of capital funding (C)**	**10,452**	**1,045**
		Applications of Capital Funding		
		Capital expenditure:		
0	0	- To meet additional demand	0	0
8,734	2,342	- To improve the level of service	5,765	397
97	0	- To replace existing assets	47	77
(4,177)	319	Increase (decrease) in reserves	3,674	1,732
0	(2,342)	Increase (decrease) in investments	0	(911)
4,654	**320**	**Total applications of capital funding (D)**	**9,486**	**1,295**
1,109	**(620)**	**Surplus (deficit) of capital funding (C -D)**	**966**	**(251)**
0	**(0)**	**Funding balance ((A-B) + (C-D))**	**0**	**0**
55	595	Excludes depreciation of:	67	140

WHAKAWHANAKE HAPORI ME TE TAUTOKO / COMMUNITY DEVELOPMENT

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Operating Funding		
1,191	1,072	General rates, uniform annual general charges, rates penalties	1,162	1,158
0	0	Targeted Rates	0	0
790	0	Subsidies and grants for operating purposes	363	335
0	0	Fees and charges	0	0
0	0	Internal charges and overheads recovered	0	0
248	270	Local authorities fuel tax, fines, infringement fees and other receipts	273	285
2,229	**1,342**	**Total operating funding (A)**	**1,798**	**1,778**
		Applications of Operating Funding		
1,236	416	Payments to staff and suppliers	545	646
59	35	Finance costs	51	58
348	307	Internal charges and overheads applied	346	334
691	550	Operating funding applications	729	707
2,334	**1,307**	**Total applications of operating funding (B)**	**1,672**	**1,745**
(105)	**35**	**Surplus (deficit) of operating funding (A-B)**	**126**	**33**

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Capital Funding		
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
(28)	(37)	Increase (decrease) in debt	(46)	(46)
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
(28)	**(37)**	**Total sources of capital funding (C)**	**(46)**	**(46)**
		Applications of Capital Funding		
		Capital expenditure:		
0	0	- To meet additional demand	0	0
0	0	- To improve the level of service	0	0
0	0	- To replace existing assets	0	0
(133)	(2)	Increase (decrease) in reserves	80	(13)
0	0	Increase (decrease) in investments	0	0
(133)	**(2)**	**Total applications of capital funding (D)**	**80**	**(13)**
105	**(35)**	**Surplus (deficit) of capital funding (C -D)**	**(126)**	**(33)**
0	**0**	**Funding balance ((A-B) + (C-D))**	**0**	**0**
0	1	Excludes depreciation of:	0	0

TIAKI TAIAO / ENVIRONMENTAL MANAGEMENT

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Operating Funding		
420	761	General rates, uniform annual general charges, rates penalties	1,123	1,119
0	0	Targeted Rates	0	0
220	0	Subsidies and grants for operating purposes	1,151	326
0	0	Fees and charges	0	0
0	0	Internal charges and overheads recovered	0	0
61	157	Local authorities fuel tax, fines, infringement fees and other receipts	197	192
700	**918**	**Total operating funding (A)**	**2,471**	**1,638**
		Applications of Operating Funding		
724	475	Payments to staff and suppliers	1,325	1,077
14	11	Finance costs	24	12
162	124	Internal charges and overheads applied	246	283
66	65	Operating funding applications	65	65
965	**675**	**Total applications of operating funding (B)**	**1,659**	**1,437**
(265)	**243**	**Surplus (deficit) of operating funding (A-B)**	**812**	**201**

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Capital Funding		
12	12	Subsidies and grants for capital expenditure	452	410
0	0	Development and financial contributions	0	0
32	205	Increase (decrease) in debt	233	29
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	12
0	0	Other dedicated capital funding	0	0
44	**217**	**Total sources of capital funding (C)**	**685**	**451**
		Applications of Capital Funding		
		Capital expenditure:		
0	0	- To meet additional demand	0	0
56	272	- To improve the level of service	233	452
0	0	- To replace existing assets	0	0
(276)	187	Increase (decrease) in reserves	1,263	200
0	0	Increase (decrease) in investments	0	0
(220)	**459**	**Total applications of capital funding (D)**	**1,497**	**652**
265	**(242)**	**Surplus (deficit) of capital funding (C -D)**	**(812)**	**(201)**
0	**0**	**Funding balance ((A-B) + (C-D))**	**(0)**	**0**
0	55	Excludes depreciation of:	6	1

RATONGA WHAKATURE / REGULATORY SERVICES

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Operating Funding		
1,319	1,306	General rates, uniform annual general charges, rates penalties	1,403	1,397
0	0	Targeted Rates	0	0
0	0	Subsidies and grants for operating purposes	0	0
2,350	2,346	Fees and charges	2,697	2,894
0	0	Internal charges and overheads recovered	0	0
298	233	Local authorities fuel tax, fines, infringement fees and other receipts	286	312
3,967	**3,884**	**Total operating funding (A)**	**4,386**	**4,604**
		Applications of Operating Funding		
3,091	2,447	Payments to staff and suppliers	3,531	2,826
82	15	Finance costs	75	30
1,628	1,336	Internal charges and overheads applied	1,696	1,707
0	0	Operating funding applications	0	0
4,801	**3,798**	**Total applications of operating funding (B)**	**5,302**	**4,563**
(834)	**86**	**Surplus (deficit) of operating funding (A-B)**	**(916)**	**41**

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Capital Funding		
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
22	(25)	Increase (decrease) in debt	(17)	(820)
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
22	**(25)**	**Total sources of capital funding (C)**	**(17)**	**(820)**
		Applications of Capital Funding		
		Capital expenditure:		
0	0	- To meet additional demand	0	0
51	0	- To improve the level of service	4	4
0	6	- To replace existing assets	16	66
(863)	55	Increase (decrease) in reserves	(953)	(849)
0	0	Increase (decrease) in investments	0	0
(812)	**61**	**Total applications of capital funding (D)**	**(933)**	**(779)**
834	**(86)**	**Surplus (deficit) of capital funding (C -D)**	**916**	**(41)**
0	**0**	**Funding balance ((A-B) + (C-D))**	**0**	**0**
34	84	Excludes depreciation of:	50	30

NGĀ MOMO HANGA KI TAI / COASTAL STRUCTURES

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Operating Funding		
213	102	General rates, uniform annual general charges, rates penalties	161	160
0	0	Targeted Rates	0	0
0	0	Subsidies and grants for operating purposes	0	0
0	0	Fees and charges	0	0
0	0	Internal charges and overheads recovered	0	0
30	17	Local authorities fuel tax, fines, infringement fees and other receipts	26	27
243	**119**	**Total operating funding (A)**	**187**	**187**
		Applications of Operating Funding		
52	25	Payments to staff and suppliers	61	67
27	22	Finance costs	29	32
51	25	Internal charges and overheads applied	64	68
0	0	Operating funding applications	0	0
130	**72**	**Total applications of operating funding (B)**	**154**	**166**
113	**47**	**Surplus (deficit) of operating funding (A-B)**	**33**	**20**

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Capital Funding		
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
(17)	(19)	Increase (decrease) in debt	87	(20)
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
(17)	**(19)**	**Total sources of capital funding (C)**	**87**	**(20)**
		Applications of Capital Funding		
		Capital expenditure:		
0	0	- To meet additional demand	0	0
35	0	- To improve the level of service	115	0
13	11	- To replace existing assets	1	0
48	17	Increase (decrease) in reserves	5	0
0	0	Increase (decrease) in investments	0	0
96	**28**	**Total applications of capital funding (D)**	**120**	**0**
(113)	**(47)**	**Surplus (deficit) of capital funding (C -D)**	**(33)**	**(20)**
0	**0**	**Funding balance ((A-B) + (C-D))**	**0**	**0**
805	285	Excludes depreciation of:	807	776

NGĀ MAHINGA TOPŪRANGA / CORPORATE ACTIVITES (REALLOCATED ACTIVITY)

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Operating Funding		
130	334	General rates, uniform annual general charges, rates penalties	184	60
273	260	Targeted Rates	244	260
1,339	12	Subsidies and grants for operating purposes	350	142
629	661	Fees and charges	668	623
18,575	18,158	Internal charges and overheads recovered	19,582	18,707
4,199	3,085	Local authorities fuel tax, fines, infringement fees and other receipts	6,028	4,277
25,144	**22,509**	**Total operating funding (A)**	**27,055**	**24,070**
		Applications of Operating Funding		
16,036	13,534	Payments to staff and suppliers	16,733	17,100
479	344	Finance costs	431	559
4,174	4,336	Internal charges and overheads applied	4,361	4,638
56	59	Operating funding applications	99	60
20,746	**18,273**	**Total applications of operating funding (B)**	**21,624**	**22,357**
4,398	**4,236**	**Surplus (deficit) of operating funding (A-B)**	**5,431**	**1,714**

The above Statement includes interest of $15,030.43 and loan repayments of $50,608 on internal borrowings. The outstanding balance of the internal loan is $202,430.

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Capital Funding		
0	3	Subsidies and grants for capital expenditure	0	0
154	0	Development and financial contributions	155	0
(635)	541	Increase (decrease) in debt	1,456	2,183
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
(480)	**543**	**Total sources of capital funding (C)**	**1,612**	**2,183**
		Applications of Capital Funding		
		Capital expenditure:		
0	0	- To meet additional demand	0	0
266	1,747	- To improve the level of service	349	465
897	432	- To replace existing assets	1,135	1,480
2,754	2,600	Increase (decrease) in reserves	5,559	1,952
0	0	Increase (decrease) in investments	0	0
3,918	**4,779**	**Total applications of capital funding (D)**	**7,042**	**3,897**
(4,398)	**(4,236)**	**Surplus (deficit) of capital funding (C -D)**	**(5,431)**	**(1,714)**
0	**(0)**	**Funding balance ((A-B) + (C-D))**	**0**	**0**
1,172	1,794	Excludes depreciation of:	1,052	1,120

Te Whakapānga Tauāki Pūtea | Funding Impact Statements

TE KATOA O TE KAUNIHERA / WHOLE OF COUNCIL

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Operating Funding		
19,019	18,906	General rates, uniform annual general charges, rates penalties	20,665	20,468
29,475	29,577	Targeted Rates	32,485	33,421
8,789	8,733	Subsidies and grants for operating purposes	8,330	9,335
9,050	10,029	Fees and charges	9,973	11,101
8,691	11,299	Internal charges and overheads recovered	11,012	10,050
3,847	2,488	Local authorities fuel tax, fines, infringement fees and other receipts	3,313	2,429
78,871	**81,032**	**Total operating funding (A)**	**85,778**	**86,804**
		Applications of Operating Funding		
54,235	55,038	Payments to staff and suppliers	58,322	62,384
7,038	6,899	Finance costs*	6,759	7,006
1,016	1,139	Operating funding applications	1,117	1,179
62,289	**63,077**	**Total applications of operating funding (B)**	66,198	70,569
16,582	**17,955**	**Surplus (deficit) of operating funding (A-B)**	**19,580**	**16,235**

Actual 2024 ($000	2021-31 LTP 2024 ($,000)	For the years ended 30 June	Actual 2025 ($000	2024-34 LTP 2025 ($,000)
		Sources of Capital Funding		
6,896	6,972	Subsidies and grants for capital expenditure	5,671	11,348
5,631	2,370	Development and financial contributions	283	2,819
14,146	19,242	Increase (decrease) in debt**	20,000	17,002
0	0	Gross proceeds from sale of assets	0	0
864	4	Lump sum contributions	1,833	12
0	0	Other dedicated capital funding	0	0
27,536	**28,588**	**Total sources of capital funding (C) *** **	**27,787**	**31,180**
		Applications of Capital Funding		
		Capital expenditure:		
5,841	7,429	- To meet additional demand	7,280	7,450
17,775	24,601	- To improve the level of service	9,902	11,118
18,358	17,908	- To replace existing assets	20,249	31,047
2,144	1,561	Increase (decrease) in reserves	9,936	(1,288)
0	(4,957)	Increase (decrease) in investments	0	(911)
44,119	**46,542**	**Total applications of capital funding (D)**	**47,367**	**47,415**
(16,582)	**(17,955)**	**Surplus (deficit) of capital funding (C -D)**	**(19,580)**	**(16,235)**
0	**0**	**Funding balance ((A-B) + (C-D))**	**0**	**0**
26,582	26,648	Excludes depreciation of:	26,812	27,714

* The finance costs exclude interest of $766,257 on internal borrowings.

** The increase/decrease in debt excludes a loan repayment of $1,337,265 on internal borrowings. The outstanding balance of the internal loan is $11,562,685.

***2024/25 Revenue and Expenditure amounts exclude internal charges of $1,708,422 such as Rates and Water by Meter (which the Council charges to itself).

RECONCILIATION TO SURPLUS/(DEFICIT) BEFORE TAXATION

	Actual 2025 *($000*	ACTUAL 2024 *($,000)*
Surplus (deficit) of operating funding (A-B)	19,580	16,582
Subsidies and grants for capital expenditure	5,671	6,896
Development and financial contributions	283	5,631
Other adjustments	0	0
Loss on disposal of assets	(2,308)	(1,212)
Vested assets	719	890
Lump sum contributions	1,833	864
Other dedicated Capital funding	0	0
Gain/(Loss) on derivatives	(3,463)	(713)
Depreciation	(26,812)	(26,582)
Surplus (Deficit) before taxation	(4,496)	2,356

STATEMENT OF FINANCIAL PERORMANCE FOR THE YEAR ENDED 30 JUNE 2025

The Statement of Financial Performance details the revenue and expenditure relating to all activities of the Council. The supporting funding impact statements for each significant activity provide further detail as to the costs and revenue of each activity.

Council 2024 ($,000)	Consol-idated 2024 ($,000)		Note	Council 2025 ($,000)	Budget 2025 ($,000)	Consol-idated 2025 ($,000)
		Income	1			
48,312	48,312	Rates Income		52,911	53,889	52,911
36,064	36,064	Other Income		30,170	37,043	30,170
8,691	8,691	Financial Income		11,057	10,050	11,057
0	0	Other Gains		0	0	0
93,068	**93,068**	**Total Income**		**94,137**	**100,983**	**94,137**
		Expenditure	2			
3,984	3,984	Democracy and Leadership		4,288	3,760	4,288
3,843	3,843	Arts and Culture		4,742	4,492	4,742
12,811	12,811	Community Facilities		13,024	13,189	13,024
2,921	2,921	District Economy		3,243	2,917	3,243
2,334	2,334	Community Development		1,672	1,745	1,672
4,841	4,841	Regulatory Services		5,352	4,593	5,352
15,879	15,879	Water Supply		16,794	16,969	16,794
21,073	21,073	Roading and Footpaths		21,568	24,257	21,568
1,640	1,640	Stormwater		1,721	1,717	1,721
8,511	8,511	Wastewater		9,653	9,566	9,653
5,945	5,945	Soid Waste		7,613	8,033	7,613
935	935	Coastal Structures		961	942	961
965	965	Environmental Management		1,665	1,438	1,665
5,029	5,029	Corporate Activities		6,337	4,665	6,337
90,711	**90,711**	**Total Expenditure**		**98,633**	**98,283**	**98,633**
2,356	**2,356**	**Surplus Operating (Deficit) before Tax**		**(4,495)**	**2,700**	**(4,495)**
	0	Taxation	3			0
2,356	**2,356**	**Surplus Operating (Deficit) after Tax**		**(4,495)**	**2,700**	**(4,495)**

Explanation of Net Surplus

The Council made a net operating deficit of $4,495,000 against a budgeted surplus of $2,700,000. An explanation of this variance is detailed in the financial commentary.

*2024/25 Revenue and Expenditure amounts exclude internal charges of $1,708,422 (2023/24 $1,992,933) such as Rates and Water by Meter (which the Council charges to itself).

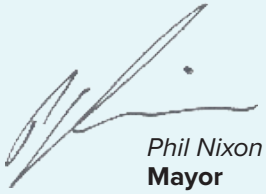
The financial statements should be read in conjunction with the notes and policies and the financial commentary on Pages 14 - 18.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

Council 2024 ($,000)	Consolidated 2024 ($,000)		Note	Council 2025 ($,000)	Budget 2025 ($,000)	Consolidated 2025 ($,000)
		Current Assets				
15,186	15,186	Cash and Cash Equivalents	4	4,234	3,667	4,234
20,315	20,315	Accounts Receivable	5	19,703	10,003	19,703
419	419	Derivative Financial Instruments	22	52	2,968	52
94,172	94,172	Current Portion of Investments	6	124,890	108,968	124,890
1,298	1,298	Prepayments		699	1,114	699
53	53	Stocks	7	66	53	66
131,443	**131,443**	**Total Current Assets**		**149,644**	**126,771**	**149,644**
		Non-current Assets				
41,735	41,735	Investments	6	16,685	32,322	16,685
1,881	1,881	Derivative Financial Instruments	22	246	0	246
1,294,419	1,294,419	Property, Plant and Equipment	8	1,449,488	1,415,589	1,449,488
1,126	1,126	Intangible Assets	9	1,018	1,460	1,018
1,339,161	**1,339,161**	**Total Non-Current Assets**		**1,467,437**	**1,449,371**	**1,467,437**
1,470,604	**1,470,604**	**Total Assets**		**1,617,082**	**1,576,142**	**1,617,082**
		Current Liabilities				
14,779	14,779	Accounts Payable	10	9,879	18,187	9,879
1,566	1,566	Employee Entitlements	11	1,769	1,302	1,769
1,316	1,316	Income Received in Advance		2,403	1,582	2,403
		Derivative Financial Instruments	22	3	0	3
24,091	24,091	Current Portion of Term Liabilities	13	35,086	18,976	35,086
32	32	Current Landfill Aftercare Provision	12	36	0	36
41,784	**41,784**	**Total Current Liabilities**		**49,175**	**40,047**	**49,175**
		Non-current Liabilities				
126,990	126,990	Term Liabilities	13	122,910	139,464	122,910
0	0	Derivative Financial Instruments	22	1,457	0	1,457
264	264	Non-current Landfill Aftercare Provision	12	242	209	242
127,254	**127,254**	**Total Non-current Liabilities**		**124,609**	**139,673**	**124,609**
169,038	**169,038**	**Total Liabilities**		**173,784**	**179,720**	**173,784**
1,301,565	**1,301,565**	**Total Assets Less Liabilities**		**1,443,298**	**1,396,421**	**1,443,298**
488,054	488,054	Accumulated Balances		481,519	495,678	481,519
4,121	4,121	Restricted and Statutory Reserves		4,437	4,326	4,437
444	444	Investment Revaluation Reserves		733	343	733
9,248	9,248	Separate Operating Reserves		6,397	1,618	6,397
252	252	Capital Replacement Reserves		583	-326	583
144,771	144,771	Council Created Reserves		149,014	149,344	149,014
654,675	654,675	Asset Revaluation Reserves		800,615	745,437	800,615
1,301,565	**1,301,565**	**Total Equity (Note 14)**		**1,443,298**	**1,396,421**	**1,443,298**

The financial statements should be read in conjunction with the notes and policies and the financial commentary on Pages 14 - 18.

The Annual Report and associated Audit Report were considered and adopted at a meeting of the South Taranaki District Council on 31 October 2025.



Phil Nixon
Mayor



Fiona Aitken
Chief Executive

Te Tauāki Pūtea Tawhitiroa | Prospective Financial Statements

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

Council 2024 ($,000)	Consol-idated 2024 ($,000)		Council 2025 ($,000)	Budget 2025 ($,000)	Consol-idated 2025 ($,000)
1,299,108	1,299,108	Opening Equity as at 1 July	1,301,565	1,302,959	1,301,565
2,356	2,356	Total comprehensive income	(4,496)	2,700	(4,496)
0	0	Total other comprehensive income	145,941	90,762	145,941
101	101	Adjustment to investment revaluation reserve	289	0	289
1,301,565	**1,301,565**	**Balance at 30 June**	**1,443,298**	**1,396,421**	**1,443,298**
Total comprehensive (including adjustment) income attributable to:					
2,457	2,457	South Taranaki District Council	141,734	93,462	141,734
2,457	**2,457**	**Total comprehensive income**	**141,734**	**93,462**	**141,734**

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

Council 2024 ($,000)	Consol-idated 2024 ($,000)		Council 2025 ($,000)	Budget 2025 ($,000)	Consol-idated 2025 ($,000)
		Revenue			
		Revenue by Exchange Transactions			
9,483	9,483	Rates - Water by Meter	9,383	11,099	9,383
9,483	8,691	Financial Revenue	11,057	10,050	11,057
		Revenue from Non-Exchange Transactions			
38,829	38,829	Rates	43,528	42,790	43,528
9,452	9,452	Fees & Charges	9,973	11,101	9,973
16,549	16,549	Subsidies & Grants	15,834	20,694	15,834
5,631	5,631	Development and Financial Contributions	283	2,819	283
4,432	4,432	Other Revenue	4,079	2,429	4,079
93,068	**93,068**	**Total Income**	**94,137**	**100,983**	**94,137**
		Expenditure			
18,655	18,655	Personnel Costs	20,670	20,985	20,670
26,582	26,582	Depreciation & Amortisation Expense	26,812	27,714	26,812
7,038	7,038	Finance Costs	6,759	7,006	6,759
38,437	38,437	Other Expenses	44,392	42,578	44,392
90,712	**90,712**	**Total Expenditure**	**98,633**	**98,283**	**98,633**
2,356	2,356	Surplus/(Deficit) Before Tax	(4,496)	2,700	(4,496)
0	0	Tax	0	0	0
2,356	2,356	Surplus/(Deficit) After Tax	(4,496)	2,700	(4,496)
		Other comprehensive revenue and expense			
101	101	Increase/Decrease in Revaluation Reserves	289	0	289
0	0	Gain on Asset Revaluation	145,941	90,762	146,941
101	**101**	**Total other comprehensive revenue and expense**	**146,230**	**90,762**	**146,230**
2,457	**2,457**	**Total Comprehensive Revenue and Expense for the Year**	**141,734**	**93,462**	**141,734**

**2024/25 Revenue and Expenditure amounts exclude internal charges of $1,708,422 (2023/24 $1,992,933) such as Rates and Water by Meter (which the Council charges to itself).*

The financial statements should be read in conjunction with the notes and policies and the financial commentary on Pages 14 - 18.

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2025

Council 2024 ($,000)	Consol-idated 2024 ($,000)		Note	Council 2025 ($,000)	Budget 2025 ($,000)	Consol-idated 2025 ($,000)
		Cash Flows From Operating Activities				
		Cash was provided from:				
47,905	47,905	Rates		52,707	52,688	52,707
62	62	Dividends		70	26	70
7,469	7,469	Interest on Investments		784	2,558	784
27,269	27,269	Other Revenue		30,784	37,017	30,784
4,133	4,133	Regional Council Rates		4,809	4,183	4,809
		Cash was applied to:				
(54,910)	(54,910)	Payments to Suppliers & Employees		(62,951)	(62,148)	(62,951)
(7,038)	(7,038)	Interest paid on Term Debt		(6,759)	(7,006)	(6,759)
(6)	(6)	Net GST paid to/from IRD		0	0	0
(4,133)	(4,133)	Rates paid to Regional Council		(4,809)	(4,183)	(4,809)
20,751	**20,751**	**Net Cash From Operating Activities**	**15**	**14,635**	**23,135**	**14,635**
		Cash Flows From Investing Activities				
		Cash was provided from:				
0	0	Proceeds from Sale of Property, Plant and Equipment		28	0	28
1,733	1,733	Net cash inflow from investment		111,102	3,610	111,102
		Cash was applied to:				
0	0	Net cash outflow to investments		(106,279)	0	(106,279)
0	0	Net cash outflow to short term investment		0	0	0
(41,876)	(41,876)	Purchase of Property, Plant and Equipment		(37,353)	(48,558)	(37,353)
0	0	Miscellaneous - Prepayment for Landfill		0		0
(40,143)	**(40,143)**	**Net Cash From Investing Activities**		**(32,502)**	**(44,948)**	**(32,502)**

Council 2024 ($,000)	Consol-idated 2024 ($,000)		Council 2025 ($,000)	Budget 2025 ($,000)	Consol-idated 2025 ($,000)
		Cash Flows From Financing Activities			
		Cash was provided from:			
36,000	36,000	Loans Raised	26,000	24,908	26,000
10,000	10,000	Loan Raised - Current Portion	0	13,000	0
		Cash was applied to:			
(17,963)	(17,963)	Repayment of Debt	(6,085)	(8,702)	(6,085)
0	0	Repayment Loans - Current Portion	(13,000)	(13,000)	(13,000)
28,037	**28,037**	**Net Cash From Financing Activities**	**6,915**	**16,206**	**6,915**
8,645	**8,645**	**Net Increase/(Decrease) In Cash Held**	**(10,952)**	**(5,607)**	**(10,952)**
6,541	**6,541**	**Total Cash Resources at 1 July**	**15,186**	**9,275**	**15,186**
15,186	**15,186**	**Total Cash Resources at 30 June**	**4,234**	**3,667**	**4,234**
		Made Up Of:			
15,186	15,186	Cash and Cash Equivalents	4,234	3,667	4,234

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. It has been presented on a net basis because the gross amounts do not provide meaningful information for financial statement purposes.

The financial statements should be read in conjunction with the notes and policies and the financial commentary on Pages 14 - 18.

RECONCILIATION OF MOVEMENTS IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Finance Leases *($,000)*	Other *($,000)*	Derivatives (mark to market movements) *($,000)*	Borrowings *($,000)*
Balance at 1 July 2024	112	957	(2,300)	139,937
Cash inflows	0	0	0	35,593
Cash outflows	(35)	0	0	(18,678)
Non-cash changes	0	-38	3,463	148
Balance at 30 June 2025	**77**	**919**	**1,163**	**157,000**

	Finance Leases *($,000)*	Other *($,000)*	Derivatives (mark to market movements) *($,000)*	Borrowings *($,000)*
Balance at 1 July 2023	151	994	(3,013)	121,900
Cash inflows	0	0	0	36,000
Cash outflows	(39)	0	0	(17,963)
Non-cash changes	0	(37)	713	0
Balance at 30 June 2024	**112**	**957**	**(2,300)**	**139,937**



Te Kaupapa Here o Ngā Tauāki Pūtea | Statement of Accounting Policies

Entity Statement

The South Taranaki District Council is a territorial local authority governed by the Local Government Act 2002. Its primary objective is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself and its subsidiary (Novus Contracting Limited) as a public benefit entity. The consolidated financial statements are for the Council and its subsidiary, Novus Contracting Limited (100% owned). The Council and all related entities are domiciled and incorporated in New Zealand. The financial statements are for the year ended 30 June 2025. The financial statements were authorised by the Council on 31 October 2025.

Statement of Compliance and Basis of Preparation

The financial statements have been prepared to comply with the requirements of Section 95 of the Local Government Act 2002 and the Local Government Rating Act 2002. The Council is a public benefit entity (PBE) and complies with the PBE Accounting Standards Tier 1 issued by the External Reporting Board (XRB).
The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

Measurement Base

The financial statements have been prepared on an historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, and certain financial instruments (including derivative instruments), except for assets and liabilities, which are recorded at fair value. These are detailed in the specific policies below.

Functional and Presentation Currency

The Financial Statements are presented in New Zealand dollars. All values are rounded to the nearest thousand dollars ($000) and as a result there may be some rounding errors. The functional currency of the Council and its subsidiary is New Zealand dollars.

Changes in Accounting Policies

Disclosure of Fees for Audit Firm's Services (amendments to PBE IPSAS 1)
Disclosure of fees for Audit Firm's services has been adopted in the preparation of these financial statements. The amendment changes required disclosures for fees for services provided by the audit or review provider, including a requirement to disaggregate the fees into specific categories. This new disclosure is included in Note 2.

Standards Issued and Not Yet Effective and Not Early Adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council and its subsidiary are:

PBE IFRS 17 Insurance contracts
PBE IFRS 17 Insurance contracts for public sectors was issued in June 2023. This standard establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts.
It is effective for reporting periods beginning on or after 1 January 2026 with early adoption permitted. The Council has not assessed the effect of the new standard in detail.

2024 Omnibus Amendments to PBE Standards (amendments to PBE IPSAS 1)
The 2024 Omnibus Amendments clarify the principles for classifying all liabilities as current or non-current, particularly in relation to loan covenants. The amendment is effective for the year ended 30 June 2027. The amendment has not yet been assessed in detail, but the impact of this amendment is not expected to have significant impacts.

Significant judgements and estimates
The preparation of the financial

statements requires judgements, estimates and assumptions. These assumptions and estimates are based on future expectations as well as historical experience and other factors, as appropriate to the particular circumstances, and actual results may differ from these estimates. Judgements and estimates considered material to understanding the Council's performance are:

Property, plant and equipment

During the financial year, the Council undertook a comprehensive revaluation of its infrastructure assets, operational assets, and parks and reserves assets in accordance with its accounting policy for property, plant and equipment. The revaluations were performed to ensure that the carrying amounts reflect fair value as at the reporting date. Further details regarding the valuation methodology, assumptions, and outcomes are provided in **Note 8.**

Determining the fair value of Derivative financial instruments (more details in Note 22).

Determining fair value of investments in LTIF and investments in other entities (more details in Note 6 and Note 21).

Allocation of Overheads
All support centre cost centres are passed onto activity centres as overheads. The basis of recovery is usage based on the step method.

Borrowing Costs
Borrowing costs are recognised as an expense in the period in which they are incurred.

Goods and Services Tax (GST)
GST has been excluded from all items in the financial statements except accounts receivable and accounts payable. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

Statement of Cash Flows
Cash means cash balances on hand, held in bank accounts, deposits on demand and other highly liquid investments in which the Council invests as part of its day-to-day cash management.
Operating Activities include cash received from all income sources and record payments made for the supply of goods and services. Agency transactions (for example, the collection of Regional Council rates) are recognised as receipts and payments in the Statement of Cash Flows given that they flow through the Council's main bank account.
Investing activities relate to the acquisition and disposal of non-current assets, while financing activities change the Council's equity and debt capital structure.

Critical judgement in applying accounting policies
Management has consistently applied the Council's accounting policies for the period ended 30 June 2025 and has not been required to exercise critical judgement beyond what would be expected on a normal day to day basis.



Pito Kōrero ki te Tauāki Pūtea | *Notes to Financial Statements*

Note 1: Revenue Accounting Policy

Revenue comprises rates, revenue from operating activities (fees and charges), investment revenue, grants and subsidies, capital contributions, gains, bequests and other revenue and is measured at the fair value of consideration received or receivable. Revenue may be derived from exchange and non-exchange transactions.

Exchange Transactions

An exchange transaction is where the Council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to the other party in exchange.

Non-Exchange Transactions

A non-exchange transaction occurs when the Council receives value from another party without giving 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 for the same inflow.

Rates

Rates are set annually by Council resolution and relate to a financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates revenue is recognised at the start of the financial year to which the rates resolution relates.

Rates arising from late payment penalties are recognised as revenue when rates become overdue.

Rates remissions are recognised as a reduction of rates revenue when the Council receives an application that meets its rates remission policy.

Rates collected on behalf of the Taranaki Regional Council (TRC) are not recognised in the financial statement (except for statement of cashflow), as the Council acts as an agent for the TRC.

Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Rate revenue is classified as non-exchange except for metered water rates, which are classed as exchange revenue.

Government Grants and Subsidies

Government grants and subsidies are recognised on entitlement at their fair value, which is when any conditions relating to eligible expenditure have been fulfilled. The Council receives Government grants from Waka Kotahi/New Zealand Transport Agency, which subsidises part of the costs in maintaining the local roading infrastructure. Grants and subsidies are classified as non-exchange revenue.

Fees and Charges and Sale of Goods

Revenue from fees and charges is recognised from the provision of services (for example, building consent fees) where the transaction is based on the actual service provided as a percentage of the total services to be provided. Under this method, revenue is recognised in the accounting periods in which the services are provided. Within the provision of services, most activities are partially funded by rates and therefore classified as non-exchange revenue. Sale of goods is recognised when goods are delivered and is classified as exchange revenue.

Investment Revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable. Interest revenue is classified as exchange revenue.

Dividends are recognised when the shareholders' rights to receive payment have been established and are recognised, less imputation credits. Dividends are classified as exchange revenue.

Other Grants, Bequests and Vested Assets

Other grants, bequests and assets vested in the Council are recognised when control over the asset is obtained. Vested assets are recognised as revenue at the fair value of the assets at the time of vesting, which is classified as non-exchange revenue.

Capital Contributions

Capital contributions for assets are recognised as revenue when received and classified as non-exchange revenue.

Gains

Gains include additional earnings on the disposal of property, plant and equipment and movements in the fair value of financial assets and liabilities. Gains are classified as exchange revenue.

Foreign Currency - Exchange Differences

Foreign currency transactions are converted into New Zealand dollars at the rate of exchange on the transaction date. Gains or losses on exchange have been recognised in the Surplus/Deficit. Foreign currency exchange gains are classified as exchange revenue.

Council 2024 ($,000)	Consol-idated 2024 ($,000)	For the period ending 30 June 2025	Council 2025 ($,000)	Budget 2025 ($,000)	Consol-idated 2025 ($,000)
		Rates			
18,794	18,794	General Rates	20,362	19,864	20,362
6,899	6,899	Targeted - Roading	8,792	8,910	8,792
5,282	5,282	Other Water Rates	5,205	5,485	5,205
9,483	9,483	Metered Water Rates	9,383	10,322	9,383
1,640	1,640	Targeted - Refuse	2,438	2,457	2,438
5,713	5,713	Targeted - Wastewater	6,234	6,376	6,234
273	273	Warmer Homes Scheme Rate	244	260	244
9	9	Eltham Drainage Board	9	9	9
176	176	Hāwera Business Rate	182	186	182
225	225	Rate Penalties	301	206	301
(181)	(181)	Remissions	(236)	(184)	(236)
48,312	**48,312**	**Total Rates**	**52,911**	**53,890**	**52,911**
9,452	9,452	Fees and Charges	9,973	11,101	9,973
		Financial Revenue			
62	62	Dividends - General	70	0	70
448	448	Interest - General	278	60	278
0	0	Dividends - Long Term Investment Fund	0	0	0
0	0	Earnings - Long Term Investment Fund	972	766	972
8,263	8,263	Capital Gains on Long Term Investment Fund	10,561	9,990	10,561
0	0	Gain on Derivatives	0	0	0
(82)	(82)	Foreign Exchange Gains (Losses) on LTIF	(58)	0	(58)
0	0	Less Internal Borrowing	(766)	(766)	(766)
8,691	**8,691**	**Total Financial Revenue**	**11,057**	**10,050**	**11,057**
5,631	5,631	Developmental Contributions	283	2,819	283
16,549	16,549	Subsidies & Grants	15,834	20,694	15,834
4,432	4,432	Other Revenue	4,079	2,429	4,079
93,068	**93,068**	**Total Revenue**	**94,137**	**100,983**	**94,137**

Rates Remissions

Rates remissions have been deducted from the rates revenue above. The Council's Rate Remission Policy provides for rates to be remitted for the following purposes:

Council 2024 *($,000)*	Consol-idated 2024 *($,000)*		Council 2025 *($,000)*	Budget 2025 *($,000)*	Consol-idated 2025 *($,000)*
23	23	Rates on community halls	25	24	25
93	93	Rates for sporting, games, branches of the arts, community care and volunteer organisations	121	94	121
10	10	Rates on land protected for natural, historical or cultural conservation purposes	13	11	13
44	44	Uniform annual general charges on non-contiguous units owned by the same owner	47	44	47
10	10	Remissions of rates for miscellaneous purposes	29	11	29
25	25	Water by meter rates remissions	32	11	32
205	**205**	**Total Rates Remitted**	**267**	**195**	**267**

Note 2: Expenditure by Nature Accounting Policy

Specific accounting policies for major categories of expenditures are outlined below:

Personnel Costs

Salaries and wages are recognised as an expense as employees provide services.

Grants and Sponsorships

Expenditure is classified as a grant or sponsorship if it results in a transfer of resources to another party in return for compliance with certain conditions relating to the operating activities of that party. It includes any expenditure arising from a funding arrangement with another party that has been entered into to achieve the Council's objectives. Grants and sponsorships are distinct from donations, which are discretionary, or charitable gifts. Where grants and sponsorships are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specific criteria have been fulfilled.

Finance Expenses - Interest

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred. The Council has not capitalised borrowing costs associated with funding capital works in progress.

Depreciation and Amortisation

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

Audit Fees

The audit fee disclosed for the financial report represents the fee for the annual statutory audit engagement carried out under the Auditor-General's auditing standards, as described in the audit report on page 17. This fee also includes the audit of the summary annual report, also a statutory requirement, which is completed in conjunction with this engagement. The Council's financial statements and service performance information for the year ended 30 June 2025 are audited by Audit New Zealand on behalf of the Auditor-General.

Council 2024 ($,000)	Consolidated 2024 ($,000)	For the period ending 30 June 2025	Council 2025 ($,000)	Budget 2025 ($,000)	Consolidated 2025 ($,000)
18,551	18,551	Salaries and Wages*	20,584	20,985	20,584
104	104	Increase/(decrease) in employee entitlements	86	0	86
18,655	18,655		20,670	20,985	20,670
259	259	Audit of the 2024/25 Annual Report	300	239	300
		Audit or review related services			
8	8	Assurance engagement in relation to the Debenture Trust Deed	7	7	7
144	144	Audit of the 2024-34 Long-term plan	0	0	0
411	411	**Total fees incurred for services provided by the audit firm**	307	246	307
		Other Operating Expenses			
850	850	Remuneration to Elected Representatives**	879	838	879
1,016	1,016	Grants	1,117	1,179	1,117
0	**0**	**Impairment of receivables**	**0**	**0**	**0**
26,582	26,582	Depreciation and amortisation expense	26,812	27,714	26,812
592	592	Fund Manager Fees	476	550	476
713	713	Loss on Derivatives	3,463	0	3,463
1,210	1,210	Loss on Disposal of Assets	2,308	0	2,308
91	91	Operating Lease payments	100	161	100
33,555	33,555	Other Operating Expenses	35,742	39,604	35,742
64,609	64,609		70,897	70,046	70,897
		Finance Costs			
7,038	7,038	Interest Expense	6,759	7,006	6,759
7,038	7,038		6,759	7,006	6,759
90,712	**90,712**	**Total Expenditure**	**98,633**	**98,283**	**98,633**

Salaries and wages include Council's contribution to Kiwisaver of $513k (2024 $461k).

***Remuneration paid to the Elected Representatives includes payments to Community Board members, Te Kāhui Mataurauraa members and appointed members.*

Note 3: Tax Accounting Policy

Income Tax

Income tax expense includes components relating to current tax and deferred tax. Current tax is the amount of income tax payable based on the taxable profit for the current year and any adjustments in respect of prior years.

Deferred Tax

Deferred taxation is the amount of taxes payable (or receivable) in future years in respect of temporary differences (that is, where the accounting treatment differs from the Inland Revenue Department's requirements). Deferred taxation is determined using the full provision method. Deferred tax assets are only recognised when recovery is probable.

Council 2024 *($,000)*	Consol-idated 2024 *($,000)*		Council 2025 *($,000)*	Budget 2025 *($,000)*	Consol-idated 2025 *($,000)*
2,356	2,356	Net Surplus/(Deficit) before Taxation	(4,496)	2,700	(4,496)
660	660	Tax at 28%	(1,259)	756	(1,259)
		Plus/ (Less) Tax Effect of:			
(660)	(660)	Non-taxable income/expenditure	1,259	(756)	1,259
0	0	Tax Loss not recognised	0	0	0
0	0	Share of Associates Retained Surplus	0	0	0
0	0	Tax Expense for the Year	0	0	0
		Comprising:			
0	0	Current Tax	0	0	0
0	0	Deferred tax	0	0	0
0	**0**	**Deferred tax**	**0**	**0**	**0**

The Council has unrecognised tax losses of $745,902 (2024 $738,777) with a tax effect of $208,853 at 28% (2024 $206,858 at 28%) available to carry forward to future years.

Note 4: Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. They include all funds held for the Council's day-to-day management and do not include funds set aside for specific purposes (for example, Reserve Funds).

Council 2024 ($,000)	Consolidated 2024 ($,000)		Council 2025 ($,000)	Consolidated 2025 ($,000)
10	10	Cash at bank and on hand	7	7
971	971	Westpac current account	3,065	3,065
0	0	Transfer to Long Term Investment Fund	0	0
13,000	13,000	Term Deposits	0	0
1,205	1,205	Westpac On call account	1,162	1,162
0	0	TSB Hub account	0	0
15,186	**15,186**		**4,234**	**4,234**

The carrying value of cash at bank short-term deposits with maturity dates of three months or less approximates their fair value.

Note 5: Accounts Receivable Accounting Policy

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

We apply the simplified ECL model of recognising lifetime ECL for 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.

Council 2024 ($,000)	Consolidated 2024 ($,000)		Council 2025 ($,000)	Consolidated 2025 ($,000)
7,905	7,905	Accruals and Sundries	9,963	9,963
7,015	7,015	General Debtors (Incl. Water)	5,789	5,789
2,051	2,051	Rate Arrears	2,291	2,291
2,372	2,372	NZTA	942	942
1,191	1,191	Goods and Services Tax	937	937
(219)	(219)	Provision for Doubtful Debts	(219)	(219)
20,315	**20,315**		**19,703**	**19,703**

The above amount for accounts receivable includes exchange transactions of $2.99m (2024: $3.44m) for water by meter charges and interest receivable.

Fair Value

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of debtors and other receivables approximate their fair value.

Impairment

The Council regularly reviews all debts to identify areas of impairment and makes provision as necessary. It uses a number of options to help slow-paying debtors to meet their obligations and debts are only written off when all options are exhausted.

The status of receivables as at 30 June 2024 and 2025 are detailed below:

Council 2024 ($,000)	Consol-idated 2024 ($,000)		Council 2025 ($,000)	Consol-idated 2025 ($,000)
16,643	16,643	Not past due	15,007	15,007
177	177	Past due 1-60 days	380	380
353	353	Past due 61 - 90 days	356	356
3,142	3,142	Past due > 90 days	3,960	3,960
20,315	**20,315**		**19,703**	**19,703**

Details of the Impairment Provision

The impairment provision has been calculated based on expected credit losses for the Council's pool of debtors. Expected credit losses have been determined based on an analysis of the Council's losses in previous periods, and the current provision has been estimated accordingly.

Council 2024 ($,000)	Consol-idated 2024 ($,000)		Council 2025 ($,000)	Consol-idated 2025 ($,000)
0	0	Individual Impairment	0	0
(219)	(219)	Collective Impairment	(219)	(219)
(219)	**(219)**	**Total provision for Impairment**	**(219)**	**(219)**

Movements in the provision for impairment of receivables are as follows:

Council 2024 ($,000)	Consol-idated 2024 ($,000)		Council 2025 ($,000)	Consol-idated 2025 ($,000)
(262)	(262)	**At 1 July**	(219)	(219)
0	0	Additional provisions made during the year	0	0
0	0	Provisions reversed during the year	0	0
43	43	Receivables written-off during the period	0	0
(219)	**(219)**	**At 30 June**	**(219)**	**(219)**

The Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

Note 6: Investments Accounting Policy

Investments in bank deposits are recognised at cost plus accrued interest. This is considered fair value. Long term receivables and advances are recognised at cost plus accrued interest. Investments in associates are recognised at cost.

Investments and other shares are valued at fair value. Where there is an active market, fair value is determined by reference to published prices. Otherwise, fair value is determined by using a variety of valuation techniques. Movements in fair value will be taken through equity.

Financial Assets

Financial assets are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss, in which case the transaction costs are recognised in the Surplus/Deficit.

Purchases and sales of investments are recognised on trade date, the date on which there is a commitment to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the transfer of substantial risks and rewards is completed.

Fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Various methods and assumptions are used, based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long term debt instruments held. Other techniques, such as discounted cash flows, are used to determine fair value for the remaining financial instruments.

Other Financial Assets

Other financial states (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); or
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the carrying value of the financial asset at initial recognition, unless it has been designated at FVTSD, in which case it is recognised in the Surplus/Deficit. The classification of a financial asset depends on its cash flow characteristic 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.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objectives is achieved by both collecting contractual cash flows and selling financial assets.

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 a subsequently measured at FVTOCRE.

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

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except expected credit losses (ECL) and foreign exchange gains and losses are recognised in the Surplus/Deficit. When sold,

the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to the Surplus/Deficit. The Council and group do not hold any debt instruments in this category.

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 included in their investment fund portfolio, and if they are intended to be held for the medium to long-term.

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 the Surplus/Deficit.

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

Instruments in this category include the Council and group's investment fund portfolio (comprising listed shares, bonds and units in investment funds) and LGFA borrower notes.

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 the Council and group in accordance with the contract and the cash flows they expect to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. They 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 consider 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 it 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 2024 *($,000)*	Consol-idated 2024 *($,000)*		Council 2025 *($,000)*	Consol-idated 2025 *($,000)*
		Financial Assets		
		Current Portion		
259	259	Bonds with Maturities of less than 1 year	337	337
6,078	6,078	Cash & cash equivalents	0	0
0	0	Cash Balance Transferred from Current/ Call Account for LTIF	0	0
0	0	Term Deposit	4,706	4,706
0	0	Property	8,989	8,989
6,584	6,584	Global Infrastructure	9,175	9,175
80,760	80,760	Equities	84,477	84,477

Council 2024 ($,000)	Consol-idated 2024 ($,000)		Council 2025 ($,000)	Consol-idated 2025 ($,000)
0	0	Private Debt	7,720	7,720
0	0	Emerging Markets	8,982	8,982
59	59	Museum Trust & Sandfords Event Centre	63	63
235	235	Other Shares and Notes*	260	260
197	197	Warmer Home Scheme Loans & Nukumaru Loan	181	181
94,172	**94,172**	**Total Current Portion**	**124,890**	**124,890**
		Non Current Portion		
35,542	35,542	Bonds with Maturities of greater than 1 year	11,424	11,424
1,073	1,073	Cash & cash equivalents	0	0
609	609	Museum Trust & Sandfords Event Centre	481	481
886	886	Warmer Home Scheme Loans and Nukumaru Loan	627	627
3,625	3,625	Other Shares and Notes	4,154	4,154
41,735	**41,735**	**Total Non Current Portion**	**16,685**	**16,685**
135,906	**135,906**	**Total Financial Assts**	**141,576**	**141,576**

- the figures for the comparative year have been revised to accurately distinguish between current and non-current potions.

Maturity of Financial Assets

Cash and cash equivalents portions of the Council's investments are available immediately and represent funds held for liquidity or awaiting reinvestment in other asset classes. The carrying value approximates their fair value.

Property and equities are invested through units in investment funds and can be readily liquidated and are thus classified as current. These funds are invested for the longer term. The carrying value approximates their fair value and is determined as per current market rate.

Bonds with maturities of less than one year represent direct holdings of bonds that are to mature in this financial year and a portion of the global bond portfolio. The carrying value approximates their fair value and is determined as per current market rate.

Note 7: Stocks Accounting Policy

Inventories are valued at the lower of cost (determined on a first-in, first-out basis) and net realisable value. This valuation includes allowances for slow moving and obsolete inventories.

Council 2024 ($,000)	Consol-idated 2024 ($,000)		Council 2025 ($,000)	Consol-idated 2025 ($,000)
		Held for Resale		
12	12	Information Centre Stock	18	18
8	8	Aquatic Centre Stock	12	12
3	3	New Zealand Post Stock	2	2
23	23		32	32
		Held for Business Contingency		
29	29	Infrastructure Stock	34	34
53	**53**	**Total Stocks Held**	**66**	**66**

No stocks are pledged as security for liabilities (2024 $nil). However, some stocks are subject to a retention of title clause.

The carrying amount of stocks, which are measured at current replacement costs as at 30 June 2025, amounted to $66,156.62 (2024 $52,551).

The written down value of stocks held was nil (2024 nil). Stocks held for resale turn over frequently while stocks held for business contingency are regularly assessed to ensure they are still fit and available for intended use if the need arises. Stocks are written down to fair value in the event of impairment.

Note 8: Property, Plant and Equipment Accounting Policy

Property, plant and equipment consist of operational assets, restricted assets and infrastructure assets. All are recorded at cost/valuation less accumulated depreciation, except for land, which is not depreciated. All property, plant and equipment is classified as non-cash generating as these assets are not held with a primary objective of generating a return.

For those assets that are re-valued, the change in valuation is credited or debited to the asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Revenue and Expense. Any later increase on revaluation that offsets a previous decrease in value recognised in the Statement of Comprehensive Revenue and Expense will be recognised first in the Statement of Comprehensive Revenue and Expenses up to the amount previously expensed and then credited to the revaluation reserve for that class of asset. Later additions to revaluations are recorded at cost.

Disposals

An item of property, plant and equipment is de-recognised upon disposal or when no further economic benefits or service potential are expected from its use or disposal.

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

Operational Assets

These include land, buildings, motor vehicles, plant and equipment and library books. Land and buildings are valued at fair value, as determined from market-

based evidence, by AON New Zealand, Registered Valuers, as at 30 June 2025. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise. Motor vehicles, library books and plant and equipment are valued at cost less accumulated depreciation.

Restricted Assets

These are assets owned by the Council that cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

Land and buildings are valued at fair value, as determined from market-based evidence, by AON New Zealand, Registered Valuers, as at 30 June 2025. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise.

Parks and recreation assets were valued at fair value by AON New Zealand, Registered Valuers, as at 30 June 2025. Valuations are carried out on a three-yearly cycle.

Heritage and cultural assets were valued at fair value by Registered Valuer, Quotable Value New Zealand Limited, as at 1 July 2001. This is considered deemed cost.

Infrastructural Assets

These are the fixed utility systems owned by the Council. Each asset type includes all items required for the network to function.

Sewerage, water, drainage, and roading infrastructural assets are valued using the depreciated replacement cost method. A number of estimates and assumptions are exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset, 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, for example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, the Council could be over-or-under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural assets' useful lives have been determined with reference to the New Zealand 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.

Three waters Infrastructural assets (excluding roading) have all been valued at optimised depreciated replacement cost by Beca Projects NZ Limited, Registered Valuers as at 31 March 2025. Valuations are usually carried out on a three-yearly cycle unless market conditions require otherwise.

Roading assets (excluding land under road) have all been valued at optimised depreciated replacement cost by IAM Consulting (M Gordon) Limited as at 30 June 2025.

Land under roads was valued based on fair value provided by previous valuations in 2017. The valuation was carried out by Beca Projects NZ Limited. The Council has elected to use fair value of land under roads as at 30 June 2017 as the deemed cost. Land under roads is no longer revalued.

Certain infrastructural assets and land have been vested in the Council as part of the subdivisional consent process. The vested assets have been valued at the latest appropriately certified government valuation or at a mutually agreed market value or at a value determined through arbitration. Vested infrastructural asset values have been based on the actual quantities of infrastructural components vested and current "in the ground" costs of providing identical services. All other assets are valued at historical cost less accumulated depreciation.

Pito Kōrero ki te Tauāki Pūtea | *Notes to Financial Statements*

Depreciation
Depreciation rates for fixed assets are as follows:

Operational Assets
Depreciation rates for operational assets are based on a straight-line basis.

Buildings	1.37% - 33.33%
Motor vehicles	4.00% - 15.60%
Plant and equipment	3.33% - 33.33%
Information systems equipment	10.00% - 50.00%
Library books	10.00% - 20.00%
Furniture and fittings	5.00% - 20.00%
Office equipment	4.00% - 20.00%

Infrastructural Assets
Roading
Provision has been made for depreciation of those significant components of the roading asset, based on their remaining lives.
The significant component depreciation rates are as follows:

Traffic facilities, signs and markings	2 - 80 years	0.78% - 8.70%
Bridges	20 - 100 years	0.78% - 4.00%
Footpaths	30 - 80 years	1.25% - 3.33%
Pavement surfacing	10 - 80 years	1.25% - 10.00%
Drainage and culverts	50 - 80 years	1.02% - 2.00%
Roading base-course	50 - 100 years	0.93% - 2.00%
Berms, markings, shoulder and formation	Not depreciated	
Amenities	15 years	6.67%

Water, Sewerage and Stormwater Reticulation Systems
Provision has been made for depreciation of components of the assets based on their remaining lives.

Water reticulation	8 - 170 years	0.59% - 12.5%
Water treatment plants	5 - 100 years	1.00% - 20.00%
Water point	15 - 123 years	0.81% - 6.67%
Sewerage reticulation	50 - 200 years	0.50% - 2.00%
Sewerage treatment plants	14 - 130 years	0.77% - 7.14%
Wastewater point	10 - 124 years	0.81% - 10.00%
Wastewater station	10 - 100 years	1.00% - 10.00%
Stormwater pipes	40 - 150 years	0.67% - 2.50%
Stormwater point	20 - 110 years	0.91% - 5.00%

Restricted assets
Heritage and Cultural Assets
Provision has been made for depreciation of components of the assets based on their remaining lives.

Heritage and Cultural Assets	23 - 250 years	0.40% - 3.03%

Parks and Recreation Assets
Provision has been made for depreciation of components of the assets based on their remaining lives.

Parks and Recreation Assets	6 - 15 years	6.67% - 16.67%

Assets Under Construction
Assets under construction are not depreciated. All costs are initially capitalised as work in progress. On completion, the cost is transferred to the relevant asset class and is then depreciated.

*Council**	Cost/ Valuation 30/6/25 *$000*	Accumulated Depreciation 30/6/25 *$000*	Carrying Value 30/6/25 *$000*	Cost/ Valuation 30/6/24 *$000*	Accumulated Depreciation 30/6/24 *$000*	Carrying Value 30/6/24 *$000*
Operational Assets						
Buildings	115,954	0	115,954	94,829	(7,403)	87,426
Land	19,806	0	19,806	20,107	0	20,107
Furniture & Fittings	1,621	(1,058)	563	1,384	(966)	418
Information Systems	4,632	(4,012)	620	4,385	(3,729)	657
Library Books	2,006	(1,156)	851	1,990	(1,166)	824
Office Equipment	528	(405)	125	436	(365)	72
Leased Office Equipment	216	(149)	66	200	(96)	104
Motor Vehicles	1,980	(805)	1,175	1,681	(716)	965
Plant & Equipment	5,186	(2,495)	2,691	3,247	(2,202)	1,045
Restricted Assets						
Parks & Recreation	12,232	0	12,232	18,369	(2,911)	15,458
Heritage & Cultural	1,817	(922)	896	1,817	(925)	893
Land	50,296	0	50,296	60,317	0	60,317
Work in Progress	3,695	0	3,695	17,141	0	17,141
Total Operational & Restricted Assets	**219,969**	**(11,002)**	**208,969**	**225,904**	**(20,479)**	**205,427**
Infrastructural Assets						
Land Under Roads	104,472	0	104,472	104,472	0	104,472
Network Assets						
Roading	668,748	0	668,748	562,245	(19,445)	542,800
Wastewater assets	120,623	(823)	119,800	125,785	(5,590)	120,195
Water assets	277,693	(1,936)	275,757	279,020	(13,799)	265,221
Stormwater	47,182	(248)	46,934	44,592	(1,769)	42,823
Total Infrastructural & Network Assets	1,218,718	(3,006)	1,215,712	1,116,115	(40,603)	1,075,512
Work in progress	24,807	0	24,807	13,481	0	13,481
Total Fixed Assets	**1,463,495**	**(14,008)**	**1,449,488**	**1,355,501**	**(61,082)**	**1,294,420**

* NOTE: Consolidated figures same as for Council

As per the most recent revaluations at 31 March 2025 by Beca Limited (three waters), and IAM Consulting (M Gordon) Limited (roading) as at 30 June 2025, the replacement cost of the Council's network assets are as follows:

Movements 2025	Carrying Value 1/7/24 *$000*	Additions *$000*	Disposal *$000*	Accumulated Depreciation on Disposal *$000*	Vested Assets *$000*	Other Adj *$000*	Depreciation *$000*	Carrying Value 30/6/25 *$000*
Operational Assets								
Buildings	87,426	20,917				11,496	(3,886)	115,954
Land	20,107	174				(475)		19,806
Furniture & Fittings	418	237					(93)	563
Information Systems	657	248	(2)	4			(286)	621
Library Books	824	292	(276)	276			(266)	851
Office Equipment	72	92					(40)	124
Leased Office Equipment	104	15					(53)	66
Motor Vehicles	965	390	(92)	55			(144)	1,175
Plant & Equipment	1,045	1,939					(293)	2,692
Restricted Assets								
Parks & Recreation	15,458	312				(2,004)	(1,534)	12,232
Heritage & Cultural	893					51	(48)	896
Land	60,317					(10,021)		50,296
Work in Progress	17,141	11,427				(24,873)		3,694
Total Operational & Restricted Assets	**205,427**	**36,044**	**(370)**	**335**	**0**	**(25,825)**	**(6,642)**	**208,970**
Infrastructural Assets								
Land Under Roads	104,472							104,472
Network Assets								
Roading	542,800	8,731			226	126,364	(9,374)	668,748
Wastewater assets	120,195	846	(831)		388	2,012	(2,811)	119,800
Water assets	265,221	5,307	(1,361)		58	13,535	(7,002)	275,757
Stormwater	42,823	64	(110)		47	4,984	(874)	46,934
Total Infrastructural & Network Assets	1,075,512	14,948	(2,302)	0	719	146,895	(20,061)	1,215,712
Work in progress	13,481	26,005		0		(14,679)		24,807
Total Fixed Assets	**1,294,420**	**76,998**	**(2,671)**	**335**	**719**	**106,391**	**(26,703)**	**1,449,488**

Core infrastructure asset disclosures
Included within the Council infrastructure assets above are the following core Council assets:

	Closing book value *($,000)*	Additions: construct-ed by Council *($,000)*	Additions: transferred to Council *($,000)*	Most recent replacement cost estimate for revalued assets *($,000)*
2025				
Water supply:				
- treatment plants and facilities	86,665	63		108,661
- other assets (such as reticulation systems)	189,092	5,244	58	372,693
Sewerage:				
-treatment plants and facilities	41,129	46		59,421
- other assets (such as reticulation systems)	78,671	801	388	181,388
Stormwater drainage	46,934	64	47	91,050
Roads and footpaths	668,748	8,731	226	966,501
2024				
Water supply:				
- treatment plants and facilities	86,665	5,726		120,500
- other assets (such as reticulation systems)	178,556	7,744	143	301,500
Sewerage:				
-treatment plants and facilities	41,129	557		48,600
- other assets (such as reticulation systems)	79,066	1,915	106	160,100
Stormwater drainage	42,823		50	79,300
Roads and footpaths	542,800	23,208	519	792,900

Work in Progress*
Property, plant and equipment in the course of construction by class of asset is detailed below.

	Council and Consolidated	
	2025 *$000*	**2024** *$000*
Buildings	2,342	16,402
Land	12	12
Information Systems	-	-
Motor Vehicles	-	-
Plant & Equipment	169	104
Furniture & Fittings	7	-
Office Equipment		-
Parks & Reserves	1,162	576
Coastal Structures	1	46
Stormwater	2,613	1,406
Water Supply	7,812	4,881
Wastewater	8,516	3,991
Roading	5,868	3,204
Total work in progress	**28,502**	**30,622**

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Movements 2024	Carrying Value 1/7/23 *$000*	Additions *$000*	Disposal *$000*	Accumulated Depreciation on Disposal *$000*	Vested Assets *$000*	Other Adj *$000*	Depreciation *$000*	Carrying Value 30/6/24 *$000*
Operational Assets								
Buildings	90,087	1,071	(459)	36			(3,308)	87,426
Land	20,106	1						20,107
Furniture & Fittings	491	9					(82)	418
Information Systems	419	334	(3)			232	(325)	657
Library Books	786	291	(166)	166			(252)	824
Office Equipment	100						(29)	72
Leased Office Equipment	144						(40)	104
Motor Vehicles	806	348	(218)	131			(101)	965
Plant & Equipment	1,071	146	(34)	19		4	(161)	1,045
Restricted Assets								
Parks & Recreation	16,624	321					(1,487)	15,458
Heritage & Cultural	717	226					(50)	893
Land	60,317							60,317
Work in Progress	8,011	11,882				(2,752)		17,141
Total Operational & Restricted Assets	**199,678**	**14,630**	**(881)**	**352**	**0**	**(2,516)**	**(5,836)**	**205,427**
Infrastructural Assets								
Land Under Roads	104,400	72						104,472
Network Assets								
Roading	529,150	23,208		0	519		(10,077)	542,800
Wastewater assets	120,472	2,472	(76)		106		(2,778)	120,195
Water assets	259,158	13,470	(702)		143		(6,848)	265,221
Stormwater	43,434	241			50		(902)	42,823
Total Infrastructural & Network Assets	1,056,614	39,462	(778)	0	818	0	(20,604)	1,075,512
Work in progress	22,778	30,165	0	0	0	(39,462)	0	13,481
Total Fixed Assets	**1,279,070**	**84,257**	**(1,659)**	**352**	**818**	**(41,978)**	**(26,441)**	**1,294,419**

Impairment of Assets

At each balance date the Council assesses whether there is any objective evidence that any asset has been impaired. Any impairment losses are recognised in the Surplus/Deficit.

Note 9: Intangible Assets Accounting Policy

Software licenses are recognised at cost and amortised on a straight line basis over the life of the licence (three to ten years). A range from 10.00% to 33.33% per year is applied.

Council 2024 ($,000)	Consolidated 2024 ($,000)		Council 2025 ($,000)	Consolidated 2025 ($,000)
		Acquired Computer Software		
		Balance 1 July		
4,418	4,418	Cost	4,186	4,186
(2,919)	(2,919)	Accumulated amortisation and impairment	(3,060)	(3,060)
1,499	1,499	Carrying value 1 July	1,126	1,126
0	0	Additions	0	0
0	0	Disposals	0	0
(232)	(232)	Other Adjustments	0	0
(141)	(141)	Amortisation charge	(108)	(108)
		Closing Balance		
4,186	4,186	Cost	4,186	4,186
(3,060)	(3,060)	Accumulated amortisation and impairment	(3,168)	(3,168)
1,126	1,126	Carrying value 30 June	1,018	1,018

Council 2024 ($,000)	Consolidated 2024 ($,000)		Council 2025 ($,000)	Consolidated 2025 ($,000)
		Fonterra Outfall - use rights		
		Balance 1 July		
0	0	Cost	0	0
0	0	Accumulated amortisation and impairment	0	0
0	0	Carrying value 1 July	0	0
0	0	Additions	0	0
0	0	Other Adjustments	0	0
0	0	Amortisation charge	0	0
		Closing Balance		
0	0	Cost	0	0
0	0	Accumulated amortisation and impairment	0	0
0	0	Carrying value 30 June	0	0
1,126	**1,126**	**Total Intangible Assets**	**1,018**	**1,018**

Note 10: Accounts Payable

Council 2024 *($,000)*	Consolidated 2024 *($,000)*		Council 2025 *($,000)*	Consolidated 2025 *($,000)*
10,076	10,076	Trade Liabilities	6,677	6,677
3,036	3,036	Accrued expenses and other payables	1,722	1,722
1,668	1,668	Bonds and Deposits	1,480	1,480
14,779	14,779		9,879	9,879

Trade liabilities are non-interest bearing and are generally settled within a 30-day term. Therefore, the carrying value of trade liabilities approximates their fair value. Accrued expenses and other payables are amounts due as of year-end but not yet invoiced. Bonds and deposits are amounts the Council holds on behalf of third parties through various negotiated agency agreements. Bonds are generally classified as refundable, and deposits are generally classified as non-refundable.

Note 11: Employee Entitlements Accounting Policy

Provision is made for employee benefits accumulating as a result of services rendered, including the Council's liability for annual leave and sick leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay, while other provisions have been calculated on an actuarial basis at current rates of pay.

Council 2024 *($,000)*	Consolidated 2024 *($,000)*		Council 2025 *($,000)*	Consolidated 2025 *($,000)*
1,138	1,138	Annual leave	1,223	1,223
322	322	Accrued salaries and wages	439	439
106	106	Sick leave	106	106
1,566	1,566		1,769	1,769

Note 12: Landfill Aftercare Accounting Policy

As operator of the District landfills, the Council has a legal obligation to provide on-going maintenance and monitoring services at landfill sites after closure. Post-closure costs are recognised as a liability when the obligation for post-closure arises. The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements, known improvements in technology and all other costs associated with landfills post-closure.

Amounts provided for landfill post-disclosure 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.

The time needed for post-closure care is as per the resource consents issued by the TRC.

The discount rate used reflects current market assessments of the time value of money and the risks specific to the Council.

Council 2024 *($,000)*	Consol-idated 2024 *($,000)*		Council 2025 *($,000)*	Consol-idated 2025 *($,000)*
331	331	Opening Balance	297	297
(34)	(34)	Provision reassessed	(19)	(19)
0	0	Unwinding of discount	0	0
297	297	Closing Balance	278	278
		Being:		
32	32	Current Portion	36	36
264	264	Term Portion	242	242
297	297		278	278

The Council holds resource consents to operate landfills within the District. It has responsibility under the resource consents to provide ongoing maintenance and monitoring of the landfill sites after closure. There is an external liability where the landfill is not situated on Council-owned land.

There are closure and post-closure responsibilities such as:

Closure responsibilities:

- final cover application and vegetation
- incremental drainage control features
- completing facilities for leachate collection and monitoring
- completing facilities for water quality monitoring
- completing facilities for monitoring and recovery of gas

Post-closure responsibilities:

- treatment and monitoring of leachate
- ground water and surface monitoring
- gas monitoring and recovery
- implementation of remedial measures such as those needed for cover and control systems
- ongoing site maintenance for drainage systems

The cash outflows for landfill post-closure are expected to occur over the next 7 years and are based on current costs. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 5.00% (2024 3.11%).

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

All landfills are now closed.

Note 13: Term Liabilities Accounting Policy

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.

Borrowings are classified as current liabilities unless the Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Finance leases

A finance lease 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 start 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 and the present value of the minimum lease payments.

The finance charge is charged to 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 reasonable certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Financial guarantee contracts

A financial guarantee contract requires the Council or group to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's-length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined at initial recognition, a liability is recognised at the amount of the loss allowance determined in accordance with the expected credit loss (ECL) model described in Note 6.

Financial guarantees are subsequently measured at the higher of:

- the amount determined in accordance with the ECL model described in Note 6; or
- the amount initially recognised less, when appropriate, cumulative amortisation as revenue.

Council 2024 *($,000)*	Consol-idated 2024 *($,000)*		Council 2025 *($,000)*	Consol-idated 2025 *($,000)*
		Financial Liabilities		
10,000	10,000	Debt Securities - Commercial Paper	15,000	15,000
139,000	139,000	Debt Securities - Local Authority Stock	136,000	136,000
1,012	1,012	Bank Facilities - Line of Credit Facility	6,000	6,000
0	0	Water Consent	0	0
112	112	Finance Leases	77	77
956	956	Income in advance from Ministry of Education	919	919
151,081	**151,081**	**Total Financial Liabilities**	**157,996**	**157,996**
		Current Liabilities		
10,000	10,000	Debt Securities - Commercial Paper	15,000	15,000
13,000	13,000	Debt Securities - Local Authority Stock	14,000	14,000
1,012	1,012	Bank Facilities - Line of Credit Facility	6,000	6,000
0	0	Water Consent	0	0
41	41	Finance Leases	48	48

Council 2024 ($,000)	Consol-idated 2024 ($,000)		Council 2025 ($,000)	Consol-idated 2025 ($,000)
38	38	Income in advance from Ministry of Education	38	38
24,091	**24,091**	**Total Current Liabilities**	**35,086**	**35,086**
		Non-Current Liabilities		
126,000	126,000	Debt Securities - Local Authority Stock	122,000	122,000
0	0	Bank Facilities - Line of Credit Facility	0	0
0	0	Water Consent	0	0
71	71	Finance Leases	29	29
919	919	Income in advance from Ministry of Education	881	881
126,990	**126,990**	**Total Non-Current Liabilities**	**122,910**	**122,910**

Secured Loans

The Council currently has $20 million (2024 $20 million) of committed lines of credit. The Council used $6 million as at balance date and a further $14 million (2024 $18.99 million) under lines of credit facilities available. The lines of credit are subject to daily floating interest rates.

Debt Securities – Local Authority Stock

The Council has $88m of its total Local Authority Stock of $136m issued at fixed rates of interest (2023/24: $87m of $139m). The remainder of the Council's loans are issued at floating interest rates. For floating rate debt, the interest rate is reset quarterly based on the 90-day bank bill rate plus a margin for credit risk.

Finance Lease is secured by a charge over the specific asset being financed. Loans are secured by pledging targeted rates on various parts of the District or the District as a whole through a deed of charge.

In December 2007 Trustees Executors Ltd were appointed as Trustees of the Debenture Trust Deed. All of the Council's secured loans including lines of credit are secured under the terms of the Debenture Trust Deed. Security is by charge over the Council's ability to levy rates in favour of the Trustee. Pursuant to the Debenture Trust Deed, Council has issued security certificates of $156 million to secure the various bank loans facilities, lines of credit, guarantees issued on behalf of Council and other general banking facilities. An additional $26,338 million of security certificates has been issued as part of the LGFA agreement to jointly secure debt issues with other shareholding Councils.

Line of Credit expiry dates:

Council 2024 ($,000)	Consol-idated 2024 ($,000)		Council 2025 ($,000)	Consol-idated 2025 ($,000)
10,000	10,000	TSB - 31 July 2028	10,000	10,000
10,000	**10,000**	**ANZ - 22 April 2027**	**10,000**	**10,000**
20,000	20,000		20,000	20,000

Marked to Market Valuation of Interest Rate Swaps

The fair value (marked to market valuation) of interest rate swaps as at the balance date was -$1,162,734.14 (2024 $2,299,885).

FINANCE LEASES

Council 2024 ($,000)	Consolidated 2024 ($,000)		Council 2025 ($,000)	Consolidated 2025 ($,000)
		Total minimum lease payments payable		
48	48	Not later than one year	52	52
75	75	Later than one year and not later than five years	35	35
0	0	Later than five years	0	0
123	123	Total minimum lease payments	87	87
(11)	**(11)**	**Future finance charges**	**(5)**	**(5)**
112	112	Present value of minimum lease payments	82	82
		Present value of minimum lease payments payable		
41	41	Not later than one year	48	48
71	71	Later than one year and not later than five years	34	34
0	0	Later than five years	0	0
112	**112**	**Total present value of minimum lease payments**	**82**	**82**
		Represented by:		
41	41	Current	48	48
71	71	Non Current	34	34
112	**112**	**Total finance leases**	**82**	**82**

The Council has entered into a finance lease for office equipment. The net carrying amount of the leased item is shown in Note 8. There are no restrictions as a result of lease arrangements.

Income in Advance – Ministry of Education

The Ministry of Education contributed $1.5 million for the Hāwera High School's use of the TSB Hub for a 40-year period, of which 25 years remain. The current portion represents the amount of the contribution and will be recognised as revenue over the next 12 months.

Other Borrowings

As at 30 June 2025 Council had internally borrowed $11,562,685 (2024 $12,899,950) from its Special Fund Investments held with the Fund Managers.

Note 14: Equity Accounting Policy

Public equity is the community's interest in the Council, as measured by the value of total assets less total liabilities. Equity is dis-aggregated and classified to enable a clearer identification of the various components. Accumulated balances consist of accumulated surpluses over the years.

Restricted and Statutory Reserves are funds subject to external restrictions accepted by the Council as binding, which it may not revise without reference to the courts or a third party. Investment Revaluation Reserves comprise accumulated valuation increments.

Council 2024 ($,000)	Consolidated 2024 ($,000)		Council 2025 ($,000)	Consolidated 2025 ($,000)
		Public Equity		
488,054	488,054	Accumulated Balances	481,519	481,519
4,121	4,121	Restricted and Statutory Reserves	4,437	4,437
444	444	Investment Revaluation Reserves	733	733
654,675	654,675	Asset Revaluation Reserves	800,615	800,615
9,248	9,248	Separate Operating Reserves	6,397	6,397
144,771	144,771	Council Created Reserves	149,014	149,014
252	252	Capital Replacement Reserves	583	583
1,301,565	**1,301,565**	**Total Closing Public Equity**	**1,443,298**	**1,443,298**
		Accumulated Balances		
486,813	**486,813**	Opening Balance 1 July	**488,054**	**488,054**
2,356	**2,356**	Net Surplus (Deficit)	**(4,496)**	**(4,496)**
		Less appropriation to		
(87)	(87)	Restricted Reserves	(65)	(65)
(252)	(252)	Statutory Reserves	(252)	(252)
(2,786)	(2,786)	Separate Operating Reserves	0	0
0	0	Council Created Reserves	(4,243)	(4,243)
0	0	Capital Replacement Reserves	(331)	(331)
		Funds applied from		
0	0	Restricted Reserves	0	0
0	0	Statutory Reserves	0	0
0	0	Separate Operating Reserves	2,853	2,853
1,727	1,727	Council Created Reserves	0	0
282	282	Capital Replacement Reserves	0	0
0	0	Investment Revaluation Reserves	0	0
488,054	**488,054**	**Closing Balance 30 June**	**481,519**	**481,519**
		Restricted Reserves		
1,743	1,743	Opening Balance 1 July	1,830	1,830
243	243	Add Appropriation	265	265
(157)	(157)	Less Application of Funds	(201)	(201)
1,830	**1,830**	**Closing Balance 30 June**	**1,894**	**1,894**
		Statutory Reserves		
2,039	2,039	Opening Balance 1 July	2,291	2,291
277	277	Add Appropriation	277	277
(25)	(25)	Less Application of Funds	(25)	(25)
2,291	**2,291**	**Closing Balance 30 June**	**2,543**	**2,543**
4,121	**4,121**	**Total Closing Restricted and Statutory Reserves**	**4,437**	**4,437**

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Council 2024 ($,000)	Consol-idated 2024 ($,000)		Council 2025 ($,000)	Consol-idated 2025 ($,000)
		Investment Revaluation Reserves		
343	343	Opening Balance 1 July	444	444
0	0	Gain/(Loss) on Long Term Investment Fund	0	0
101	101	Gain/(Loss) on Shares and Notes	289	289
0	0	Less Loss Transferred to Income Statement	0	0
444	**444**	**Closing Balance 30 June**	**733**	**733**
		Being:		
0	0	Long Term Investment Fund	0	0
444	444	Shares and Notes	733	733
0	0	Transfers from Accumulated Balan ces	0	0
444	444		733	733
		Asset Revaluation Reserves		
654,675	654,675	Opening Balance 1 July	654,675	654,675
0	0	Revaluation of Infrastructural Assets	146,892	146,892
0	0	Revaluation of Operational Assets	9,113	9,113
0	0	Revaluation of Restricted Land	(9,947)	(9,947)
0	0	Revaluation of Operational Land	(118)	(118)
0	0	Less Revaluation Reserves Transferred to Equity	0	0
654,675	654,675	**Closing Balance 30 June**	800,615	800,615
		Being:		
545,084	545,084	Infrastructural Assets	691,976	691,976
70,746	70,746	Operational Assets	79,859	79,859
25,609	25,609	Restricted Land	15,663	15,663
13,236	13,236	Operational Land	13,118	13,118
654,675	654,675		800,615	800,615
		Separate Operating Reserves		
6,463	6,463	Opening Balance 1 July	9,248	9,248
35,347	35,347	Add Appropriation	35,210	35,210
(32,562)	(32,562)	Less Application of Funds	(38,063)	(38,063)
9,248	**9,248**	**Closing Balance 30 June**	**6,397**	**6,397**
		Council Created Reserves		
146,498	146,498	Opening Balance 1 July	144,771	144,771
11,532	11,532	Add Appropriation	13,109	13,109
(13,249)	(13,249)	Less Application of Funds	(8,866)	(8,866)
144,771	**144,771**	**Closing Balance 30 June**	**149,014**	**149,014**
		Capital Replacement Reserves		
534	534	Opening Balance 1 July	252	252
6,788	6,788	Add Appropriation	6,001	6,001
(7,070)	(7,070)	Less Application of Funds	(5,670)	(5,670)
252	**252**	**Closing Balance 30 June**	**583**	**583**

SEPERATE OPERATING RESERVES

Name	Activity to which the reserve relates	Balance 1 July 2024 *($,000)*	Transfers Out of Fund *($,000)*	Transfers Into Fund *($,000)*	Balance 30 June 2025 *($,000)*
Roading	Roading and Footpaths	(3,397)	15,018	(14,844)	(3,223)
Regional Road Safety	Roading and Footpaths	(16)	0	(41)	(56)
Water Supply Urban	Water Supply Services	(248)	7,888	(7,639)	(1)
Waste Water	Waste Water	(1,015)	8,120	(7,105)	(0)
Eltham Drainage	Stormwater	(46)	0	(2)	(48)
Water Supply Pope	Water Supply Services	**0**	**0**	**0**	**0**
Water Supply Waimate West	Water Supply Services	(4,179)	3,573	(2,642)	(3,247)
Solid Waste Collection	Solid Waste	(339)	2,282	(1,771)	172
Nukumaru	Water Supply Services	0	117	(117)	0
Stormwater	Water Supply Services	0	1,065	(1,049)	16
Hawera Town Coordinator	District Economy	(9)	0	(0)	(10)
Total		**(9,248)**	**38,063**	**(35,210)**	**(6,398)**

RESTRICTRED RESERVES

Name	Activity to which the reserve relates	Balance 1 July 2024 *($,000)*	Transfers Out of Fund *($,000)*	Transfers Into Fund *($,000)*	Balance 30 June 2025 *($,000)*
Eltham Property	Community Facilities	(5)	0	(0)	(4)
Hāwera Property	Community Facilities	(0)	0	0	(0)
Pool Plant	Community Facilities	0	0	0	0
Larcom Beq-Turuturu Mokai	Community Facilities	(27)	84	(6)	49
Pātea Property	Community Facilities	(183)	0	(10)	(193)
Wairoa Recreation Reserve	Community Facilities	(845)	31	(101)	(914)
Harbour Endowment	Corporate Activities	(674)	41	(117)	(749)
Centennial Bursary	Community Development	(66)	4	(4)	(66)
Kaupokonui Beach	Community Facilities	(31)	41	(27)	(18)
Total		**(1,831)**	**201**	**(265)**	**(1,896)**

Pito Kōrero ki te Tauāki Pūtea | *Notes to Financial Statements*

STATUTORY RESERVES

Name	Activity to which the reserve relates	Balance 1 July 2024 *($,000)*	Transfers Out of Fund *($,000)*	Transfers Into Fund *($,000)*	Balance 30 June 2025 *($,000)*
Eltham Reserve Contributions	Community Facilities	(88)	0	(40)	(128)
Hāwera Reserve Contributions	Community Facilities	(1,241)	0	(163)	(1,404)
Pātea Reserve Contributions	Community Facilities	0	0	0	0
District Reserve Contributions	Community Facilities	(458)	0	(26)	(484)
Waimate Development Levy	Democracy and Leadership	(287)	25	(17)	(280)
Waverley Reserve Contributions	Community Facilities	**0**	**0**	**0**	**0**
Opunake Reserve Contributions	Community Facilities	(167)	0	(27)	(194)
Manaia Reserve Contributions	Community Facilities	(50)	0	(3)	(53)
Total		**(2,290)**	**25**	**(277)**	**(2,543)**

COUNCIL CREATED RESERVES

Name	Activity to which the reserve relates	Balance 1 July 2024 *($,000)*	Transfers Out of Fund *($,000)*	Transfers Into Fund *($,000)*	Balance 30 June 2025 *($,000)*
Safer Communities	Community Development	(3)	0	(0)	(3)
Economic Development Fund	Community Facilities	50	0	(50)	0
Tangata Whenua Grant Fund	Community Development	(11)	11	0	0
Forestry	Community Facilities	(146)	2	(8)	(153)
Ōkōtuku Domain	Community Facilities	(36)	32	(5)	(9)
Nukumaru Domain	Community Facilities	**(230)**	**0**	**(77)**	**(307)**
Long Term Investment Fund	All Activities	(130,296)	7,298	(12,812)	(135,810)
Insurance Reserves	All Activities	(125)	0	(100)	(225)
Riparian/Indigenous	Environment & Sustainability	(50)	16	(57)	(90)
Urban Redevelopment	All Activities	(1)	1	0	0
Painting Reserve	All Activities	(671)	156	0	(515)
LTIF - Internally Invested	All Activities	(12,900)	1,337	0	(11,563)
Tourism Reserves	District Economy	(340)	0	0	(340)
Community Board Funding	Community Development	(13)	13	0	0
Total		**(144,772)**	**8,866**	**(13,109)**	**(149,015)**

Purpose for each Reserve

Separate Operating Reserves

Separate Operating Reserves keep surpluses/deficits in each activity separate from other activities

Restricted Reserves

Eltham Property - To hold funds from property sold in the Eltham Ward for funding of various projects in the Eltham Ward.

Hāwera Property - To hold funds from property sold in the Te Hāwera Ward for funding of various projects in the Te Hāwera Ward.

Pool Plant - To provide funds for district pools.

Larcom Bequest-Turuturu Mokai - To manage a bequest from Samuel Larcom to be used on Hāwera district parks.

Pātea Property - To hold funds from property sold in the Pātea Ward for funding of various projects in the Pātea Ward.

Wairoa Recreation Reserve - To manage revenue from the leasing of Crown land vested in the Council and fees/charges from the campground for capital works on the Wairoa Recreation Reserve.

Harbour Endowment - To manage lease income from land formerly owned by the Pātea Harbour Board to be used for the following; maintenance and improvement of endowment properties, maintenance and improvement of Harbour facilities, including harbour walls, and on recreational and cultural facilities in the Pātea Ward.

Centennial Bursary - To provide grants of up to $400 towards tertiary education for eligible applicants. Only interest income from the fund may be used.

Kaūpokonui Beach - To manage lease income from Crown land vested in the Council for capital works requested by the Kaūpokonui Beach Society.

Statutory Reserves

Eltham Reserve Contributions - To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Eltham Ward.

Hāwera Reserve Contributions - To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Te Hāwera Ward.

Pātea Reserve Contributions - To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Pātea area.

District Reserve Contributions - To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the District.

Waimate Development Levy - To hold funds derived from a levy on Kāpuni Petrochemical Development for the funding of projects on public assets which are located on council owed property or reserves located within the boundaries of the old Waimate Plains District Council. The principal fund to remain at no less than $260,000.

Waverley Reserve Contributions - To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Waverley area.

Ōpunakē Reserve Contributions - To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Ōpunakē area.

Manaia Reserve Contributions - To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Manaia area.

Council Created Reserves

Safer Communities - To manage the balance of funds from Safer Community grants to be used on youth programmes.

Economic Development Fund - The purpose of the reserve is to enable the Council to strategically intervene when required by practically supporting new business.

Tangata Whenua Grant Fund - A fund for the management of grants to Tangata Whenua.

Forestry - To manage income and expenditure relating to the joint venture forestry investment'

Ōkōtuku Domain - To manage revenue from the leasing of Crown land which has been vested in the Council on behalf of the Ōkōtuku Domain committee.

Nukumaru Domain - To manage revenue from the leasing of the Nukumaru Domain Recreation Reserve, which is Crown land vested in the Council, for the maintenance and development of the Domain.

Long Term Investment Fund - To manage funds derived from the sale of the Council's shareholding in Egmont Electricity and to provide a rates subsidy.

Insurance Reserves - To fund losses on self-insured assets and to fund deductibles where claims are made for insured assets.

Riparian/Indigenous - To fund riparian planting throughout the District.

Urban Redevelopment - To fund various community projects throughout the District. Only Waverley has any allocation left.

Painting Reserve - To fund various painting projects.

LTIF - Internally Invested - Debt funding from the LTIF.

Tourism Reserves - To fund various tourism-related projects.

Community Board Funding - A fund for community boards' local discretionary grants.

Note 15: Reconciliation of Net Surplus to Cash Flow from Operating Activities

Council 2024 *($,000)*	Consol-idated 2024 *($,000)*		Council 2025 *($,000)*	Consol-idated 2025 *($,000)*
2,356	2,356	Reported Surplus (Deficit) after Taxation	(4,495)	(4,495)
		Add (Deduct) Non Cash Items		
26,582	26,582	Depreciation and Amortisation	26,812	26,812
713	713	Movement in swaps revaluations	3,360	3,360
(890)	(890)	Vested assets	(719)	(719)
		Add /(less) items classified as investing or financing:		
1,210	1,210	(Gain)/Loss on Disposal of Property, Plant and Equipment	2,308	2,308
(1,850)	(1,850)	(Gain)/Loss in fair value of financial assets	(10,203)	(10,203)
		Add /(less) items classified as investing or financing:		
0	0	Interest & Dividends	0	0
0	0	Interest and gains direct to investment	0	0
28,121	28,121		17,063	17,063
		Add (Less) Movements in Other Working Capital Items:		
(8,336)	(8,336)	(Increase)/Decrease in Accounts Receivable	612	612
1,423	1,423	Increase/(Decrease) in Accounts Payable	(3,586)	(3,586)
103	103	Increase/(Decrease) in Employee Entitlements	203	203
(5)	(5)	(Increase)/Decrease in Inventory	(13)	(13)
(236)	(236)	Increase/(Decrease) Income Received in Advance	1,089	1,089
(284)	(284)	(Increase)/Decrease in Prepayments	599	599
0	0	Accruals	(1,314)	(1,314)
(35)	(35)	Movement in Landfill Aftercare Provision	(18)	(18)
20,751	**20,751**	**Net Cash Inflow (Outflow) from Operating Activities**	**14,635**	**14,635**

Note 16: Related Parties Transactions

Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client/recipient relationship; and
- on terms and conditions no more nor less favourable than those that it is reasonable to expect the Council and subsidiary would have adopted in dealing with the party at arm's length in the same circumstances; and therefore no disclosures are deemed necessary.

Further, no disclosure has been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

Related party transactions required to be disclosed

The Council granted a total of $34,500 to Egmont A&P Association through the Long Term Plan and Community Initiatives Fund. Councillor Filbee is a member of the Association.

The Council procured consulting services totalling $8,330 from Te Topuni Ngarahu General Partner Ltd. Councillor Horo is a shareholder of the Company.

The Council granted $57,500 to Nga Iwi o Taranaki, trading as Te Topuni Ngarahu General Partner Ltd, for Te Matatini. Councillor Horo is a shareholder of the Company.

The Council granted $1,250 to Heritage Taranaki through the Hawera Community Board. Councillor Reid is a member of Heritage Taranaki.

Key management personnel compensation	Council 2024	Council 2025
Councillors		
Full-time equivalent members	14	14
Remuneration	708,659	721,217
Senior Management Team, including the Chief Executive		
Full-time equivalent members	4	4
Remuneration	1,014,125	1,054,253
Total full-time equivalent personnel	18	18
Total key management personnel remuneration	**1,722,784**	**1,775,469**

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

Remuneration Paid - Elected Members		Council 2024	Council 2025
Nixon P	Mayor	144,061	147,690
Beccard A	Councillor	43,934	44,058
Bellringer M	Councillor	38,718	40,186
Cleaver-Pittams, R	Councillor	41,614	42,985
Filbee C	Councillor	42,359	43,099
Hohaia, T	Councillor	41,614	42,985
Horo, L	Councillor	40,988	41,209
Langton A	Councillor	42,824	45,232
Mackay S	Councillor	47,433	47,548
Northcott R	Councillor	61,028	62,297
Rangihaeata, T	Councillor	37,967	39,213
Reid D	Councillor	39,754	40,329
Roach B	Councillor	43,141	42,562
Rook B	Councillor	43,224	41,825
	Total	**708,659**	**721,217**

Full-time equivalent Councillors	14	14
Car allowance for Mayor, Nixon P	4,000	4,000
	4,000	4,000

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

	Council 2024	Council 2025
Chief Executive (Salary and Kiwisaver)		
Fiona Aitken	345,984	366,517
Total	345,984	366,517

Council 2024		Council 2025	
Council Employees			
Total annual remuneration by band for employees as at 30 June:			
< $60,000	83	< $60,000	88
$60,000 - $79,999	66	$60,000 - $79,999	52
$80,000 - $99,999	51	$80,000 - $99,999	64
$100,000 - $119,999	25	$100,000 - $119,999	30
$120,000 - $139,999	7	$120,000 - $139,999	13
$140,000 - $159,999	9	$140,000 - $159,999	9
$160,000 - $219,999	6	$160,000 - $219,999	6
$220,000 - $359,000	2	$220,000 - $379,000	3
Total	**249**	**Total**	**265**

At balance date, the Council employed 186 (2024 177) full-time employees, with the balance of staff representing 38 (2024 31) full-time equivalent employees. A full-time employee is determined on the basis of a 40 hour working week.

Note 17: Severance Payments

For the year ended 30 June 2025, the Council made no severance payments to employees (2024: nil).

Note 18: Contingent Liabilities

The Council has provided guarantees to a number of organisations. There is no indication that any organisation is unable to meet its obligations and will therefore require the Council to contribute towards their loan, and no provision has been made on the Balance Sheet.

Financial guarantees as at balance date:	Council 2024	Consol-idated 2024	Council 2025	Consol-idated 2025
Hāwera Cinema 2 Trust	30,000	30,000	30,000	30,000
	30,000	**30,000**	**30,000**	**30,000**

The Council's Liability Management Policy limits the total amount of financial guarantees to community and sporting organisations to $500,000, with no one organisation having more than 10% ($50,000) of the potential total guarantees given.

Local Government Funding Agency (LGFA)

The council is both a shareholder and guarantor of the LGFA, which was incorporated in December 2011 with the purpose of providing debt funding to local authorities across New Zealand. The Council is one of the 30 local authority shareholders and 72 local authority guarantors of the LGFA. The aggregate amount of uncalled shareholder capital is available in the event that an imminent default is identified. The Council together with the other shareholders and guarantors, is a guarantor of LGFA's borrowings. This is based on the Council's rates as a proportion of the total rates for all guaranteeing local authorities. At 30 June 2025, LGFA had borrowings totalling $25.6b (2023/24 $23b).

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that the Council is 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

Riskpool

The 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 Riskpool scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance or where reinsurance is delayed), 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, following the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, which addressed the treatment of claims against Riskpool that involved a mixture of non-weathertightness and weathertightness defects (mixed claims), a number of proceedings against Riskpool, which were stayed pending the Supreme Court's decision in 2023, have since recommenced. Several member Councils have brought proceedings against Riskpool related to mixed claims. Two of these claims are currently listed for trial in September 2025. These cases are important in clarifying the scope of Riskpool's historical obligations and the interpretation of past Scheme terms. At this point the total potential liability of the outstanding claims against Riskpool is unable to be quantified.

Future calls may be required until the Riskpool Scheme is wound up. A call of $18,188 was made during the year to 30 June 2025 (2023/24: $96,314).

Easement Dispute

The Council currently has no easement issues with private landowners relating to water pipelines.

Note 19: Commitments Accounting Policy

Leases

Leases where the lessor substantially retains all of the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses in the periods in which they are incurred.

Leases that effectively transfer to the lessee most of the risks and benefits incidental to ownership of the leased item are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the Statement of Financial Position. The leased assets are depreciated over the period the Council is expected to benefit from their use.

Operating Leases

The Council leases office equipment and vehicles in the normal course of business. The future total minimum lease payments to be paid under non-cancellable operating leases are as follows:

Council 2024 *($,000)*	Consolidated 2024 *($,000)*		Council 2025 *($,000)*	Consolidated 2025 *($,000)*
11	11	Within 12 months	11	11
11	11	1 - 2 Years	4	4
4	4	2 - 5 Years	0	0
0	0	Over 5 Years	0	0
26	26		15	15

Capital Commitments

The Council has the following capital commitments at balance date:

Council 2024 *($,000)*	Consol-idated 2024 *($,000)*		Council 2025 *($,000)*	Consol-idated 2025 *($,000)*
2,367	2,367	Roading and Footpaths	166	166
0	0	Bridges	348	348
22	22	Community Facilities	28	28
2,132	2,132	Water	127	127
940	940	Wastewater	1,144	1,144
664	664	Stormwater	62	62
0	0	Solid Waste	38	38
4,518	4,518	District Economy	36	36
99	99	Coastal Structures	0	0
98	98	Corporate Activities	36	36
10,839	**10,839**		**1,985**	**1,985**

The above commitments represent expenditures on all contracts the Council is committed to at balance date for the future.

A breakdown of the commitments in terms of time periods is outlined below:

Council 2024 *($,000)*	Consol-idated 2024 *($,000)*		Council 2025 *($,000)*	Consol-idated 2025 *($,000)*
10,839	10,839	Within 12 months	1,985	1,985
0	0	1 - 2 Years	0	0
0	0	2 - 5 Years	0	0
0	0	Over 5 Years	0	0
10,839	10,839		1,985	1,985

Note 20: Capial Management

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

The Local Government Act 2002 [LGA 2002] 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. Ratepayer's funds are largely managed as a by-product of managing these items, and the objective of managing them is to achieve intergenerational equity, which is a principle promoted in the LGA 2002 and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets without expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the Council has asset management plans for major classes of assets that detail renewal and maintenance programmes, to ensure future ratepayers are not required to meet the costs of deferred renewals and maintenance.

The LGA 2002 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. It also sets out the factors the Council must consider when deciding on the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the LTP.

The Council's Accounting Policies detail the various components of Public Equity held and Note 14 shows movements during the year.

Note 21: Financial Instruments Accounting Policy

The Council undertakes financial instrument arrangements as part of normal operations. These financial instruments include cash and bank balances, investments, receivables, payables and borrowings. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Surplus/Deficit. Interest rate swaps are entered into to hedge against and manage exposure to risk on debt.

Council 2024 ($,000)	Consolidated 2024 ($,000)		Council 2025 ($,000)	Consolidated 2025 ($,000)
		Financial Assets		
		Fair Value through Surplus and Deficit		
2,300	2,300	Derivative Financial Instrument Assets	298	298
130,296	130,296	Long Term Investment Fund	135,810	135,810
132,596	**132,596**	**Fair Value through Surplus and Deficit**	**136,107**	**136,107**
		Financial Assets at Amortised Cost		
2,186	2,186	Cash and Cash Equivalents	4,234	4,234
13,000	13,000	Short Term Deposit	4,706	4,706
20,315	20,315	Accounts Receivable	19,703	19,703
2,854	2,854	LGFA Borrower Notes	3,119	3,119
1,751	1,751	Warmer Home Scheme Loans & Nukumaru Loans	1,352	1,352
40,106	**40,106**	**Total Financial Assets at Amortised Cost**	**33,114**	**33,114**
		Fair Value through Other Comprehensive Revenue and Expense		
412	412	Fonterra Shares	664	664
15	15	Ravensdown Shares	15	15
0	0	LIC Shares	0	0
453	453	LGFA Shares	487	487
126	126	The N.Z. Local Government Ins. Corporation Ltd.	128	128
0	0	Whanganui Forestry Committee	0	0
1,006	**1,006**	**Fair Value through Other Comprehensive Revenue and Expense**	**1,295**	**1,295**
		Financial Liabilities		
		Fair Value through Surplus and Deficit		
0	0	Derivative Financial Instrument Liabilities	1,460	1,460
0	**0**	**Fair Value through Surplus and Deficit**	**1,460**	**1,460**
		Financial Liabilities at Amortised Cost		
15,101	15,101	Creditors and other payables	9,879	9,879
		Borrowings		
1,012	1,012	Secured Loans	6,000	6,000
149,000	149,000	Debentures	154,000	154,000
165,114	**165,114**	**Total Financial Liabilities at Amortised Cost**	**169,879**	**169,879**

Liquidity Risk

Liquidity risk is the risk that the Council will not be able to raise funds to meet commitments as they fall due. This risk is managed by issuing debt when appropriate, use of uncommitted lines of credit facilities and the ability to liquidate investments.

In accordance with the Liability Management Policy, the Council ensures that sufficient available operating cashflow and committed facilities to meet cashflow requirements. External term debt plus unutilised portion of committed bank loan facilities plus available liquid cash/cash equivalents are maintained at an amount of at least 110% over existing external debt.

As at 30 June 2025 Council had committed Line of Credit arrangements totalling

$20 million (2024 $20 million) in place with TSB Bank and the ANZ Bank. A total of $6,000,000 (2024 $1,012,000) was drawn down as at balance date. Interest rates are related to the official 30-day bank bill mid-rate as quoted on Reuters Screen page BKBM at the time of draw down and depend on current market conditions and the term of the draw down. Drawdowns can be for a term ranging from overnight up to the length of the remaining term of the applicable facility.

Sensitivity Analysis

The following shows the impact of a 1% (100 basis point shift in interest rates) on the valuation of the swaps.

Fair Value	($1,162,734)
Upwards Shift in Zero Rate (100bp)	$2,949,837
Downwards Shift in Zero Rate (100bp)	($5,505,191)

Interest Rate Risk

Amounts available as a draw down under the lines of credit and debt facilities are subject to changes in market interest rates. This risk is actively managed in conjunction with PriceWaterhouseCoopers by transacting interest rate swaps in accordance with the Liability Management Policy. Interest rates are therefore converted to an effective fixed rate for amounts between 55% and 95% of projected debt.

Currency Risk

The Council incurs currency risk for its overseas equities as a result of investment transactions entered into by the Fund Managers.

Interest Rate Risk

The following Council investments are sensitive to changes in interest rates: bank balances, current term investments and securities held by the Fund Managers. The Council adopts a conservative risk profile, while aiming to maximise its returns. Note 6 and Note 13 document the interests for investments and borrowings.

The Council's Liability Management Policy limits financial guarantees to single organisations of no more than 10% of the total financial guarantees, which is capped at $500,000. The Council departed from this policy for the Ōpunakē Sports Centre Trust as multiple sporting organisations are catered for by this facility.

Market Risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Council is exposed to price risk through its equity securities, which are classified as financial assets held at fair value through equity. This price risk arose due to market movements in listed securities. It is managed by the diversification of the Council's investment portfolio, which is managed by the Fund Managers in accordance with the agreed Statement of Investment Policy and Objectives and the Council's Investment Policy.

Liquidity Risk

Liquidity risk is the risk that the Council will encounter difficulty in raising sufficient funds to meet financial commitments as they fall due. We manage this risk by maintaining adequate funds available to meet projected needs in conjunction with loans raised for capital projects. Funds are managed in conjunction with the funding and financial policies, which include the Liability Management Policy and the Investment Policy.

Credit Facilities

Other than day-to-day credit facilities with suppliers, the Council has credit facilities available through lines of credit and finance leases (see Note 13).

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the Statement of Financial Position.

Council 2024 ($,000)	Consolidated 2024 ($,000)		Council 2025 ($,000)	Consolidated 2025 ($,000)
		Financial Assets		
		Derivative Financial Instruments		
0	0	- Quoted Market Price	0	0
2,300	2,300	- Observable Inputs	298	298
0	**0**	- Significant Non-observable Inputs	**0**	**0**
		Cash Funds		
0	0	- Quoted Market Price	4,234	4,234
7,151	7,151	- Observable Inputs	0	0
0	0	- Significant Non-observable Inputs	0	0
		Short Term Deposit		
0	0	- Quoted Market Price	0	0
0	0	- Observable Inputs	4,706	4,706
0	**0**	- Significant Non-observable Inputs	**0**	**0**
		NZ Bonds		
0	0	- Quoted Market Price	0	0
13,714	13,714	- Observable Inputs	8,524	8,524
0	0	- Significant Non-observable Inputs	0	0
		Global Bonds		
0	0	- Quoted Market Price	0	0
22,087	22,087	- Observable Inputs	3,237	3,237
0	0	- Significant Non-observable Inputs	0	0
		Trans Tasman Equities		
412	412	- Quoted Market Price	664	664
18,447	18,447	- Observable Inputs	22,678	22,678
594	594	- Significant Non-observable Inputs	631	631

Council 2024 ($,000)	Consolidated 2024 ($,000)		Council 2025 ($,000)	Consolidated 2025 ($,000)
		Global Equities		
0	0	- Quoted Market Price	0	0
62,313	62,313	- Observable Inputs	61,799	61,799
0	0	- Significant Non-observable Inputs	0	0
		Low Volatility Equities		
0	0	- Quoted Market Price	0	0
0	0	- Observable Inputs	0	0
0	0	- Significant Non-observable Inputs	0	0
		Global Property Funds		
0	0	- Quoted Market Price	0	0
6,584	6,584	- Observable Inputs	8,989	8,989
0	0	- Significant Non-observable Inputs	0	0
		Global List Infrastructure		
0	0	- Quoted Market Price	0	0
0	0	- Observable Inputs	9,175	9,175
0	0	- Significant Non-observable Inputs	0	0
		Emerging Markets Equities		
0	0	- Quoted Market Price	0	0
0	0	- Observable Inputs	8,982	8,982
0	0	- Significant Non-observable Inputs	0	0
		Private Debt		
0	0	- Quoted Market Price	0	0
0	0	- Observable Inputs	7,720	7,720
0	0	- Significant Non-observable Inputs	0	0

Council 2024 ($,000)	Consol-idated 2024 ($,000)		Council 2025 ($,000)	Consol-idated 2025 ($,000)
		Financial Liabilities		
		Derivative Financial Instruments		
0	0	- Quoted Market Price	0	0
0	0	- Observable Inputs	1,460	1,460
0	0	- Significant Non-observable Inputs	0	0

There were no transfers between the different levels of the fair value hierarchy.

Fair Value Hierarchy Disclosures

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

Council 2024 ($,000)	Consol-idated 2024 ($,000)		Council 2025 ($,000)	Consol-idated 2025 ($,000)
594	594	Balance at 1 July	594	594
0	0	Purchase/(disposal) of New Investment	0	0
0	0	Gain and losses recognised in other comprehensive income	37	37
0	0	Transfers out of level 3	0	0
594	**594**	Balance at 30 June	**631**	**631**

** Prior year's amounts have been adjusted due to a correction. Previously disclosed Level 3 investments were incorrectly classified in this disclosure.*

Financial Instrument Risk

The Council's maximum credit exposure for each class of financial asset (excluding equities) is as follows:

Credit Risks

To the extent that another party has an amount payable to the Council, there is a credit risk in the event of non-performance by that party.

No collateral or other security is required to support financial instruments.

The Council has no significant concentrations of credit risk as it has a large number of customers, mainly ratepayers.

Financial instruments that subject the Council to potential credit risk mostly consist of the following bank balances, investments and receivables as at balance date:

Council 2024 ($,000)	Consol-idated 2024 ($,000)		Council 2025 ($,000)	Consol-idated 2025 ($,000)
7,151	7,151	Cash and Cash equivalents	4,234	4,234
13,000	13,000	Short Term Deposit	4,706	4,706
38,655	38,655	Bonds	14,880	14,880
1,751	1,751	Loans and Receivables	1,352	1,352
20,315	20,315	Accounts Receivable	19,703	19,703
80,871	**80,871**	**Total Financial Asset Credit Risk**	**44,875**	**44,875**
		Bonds		
23,144	23,144	AAA, Government & Agency	9,480	9,480
3,774	3,774	AA+/AA/AA-	1,387	1,387
5,963	5,963	A+/A/A-	1,890	1,890
5,089	5,089	BBB+/BBB	1,575	1,575
686	686	Sub Prime Grade	548	548
38,656	**38,656**		**14,880**	**14,880**

Council 2024 ($,000)	Consolidated 2024 ($,000)		Council 2025 ($,000)	Consolidated 2025 ($,000)
		Cash & Short Term Deposit		
0	0	AAA, Government & Agency	0	0
7,151	7,151	AA+/AA/AA-	8,940	8,940
0	0	A+/A/A-	0	0
0	0	BBB+/BBB	0	0
7,151	**7,151**		**8,940**	**8,940**
0	0	Derivatives	298	298
		Existing Counterparties with no defaults in the past		
1,751	1,751	Loans and Receivables	1,352	1,352
62,313	62,313	Global Equities	61,799	61,799
6,584	6,584	Global Property	8,989	8,989
0	0	Global Listed Infrastructure	9,175	9,175
18,447	18,447	Trans Tasman Equities	22,678	22,678
0	0	Emerging Markets Equities	8,982	8,982
0	0	Private Debt	7,720	7,720
1,006	1,006	Other shares and notes	1,295	1,295
90,101	**90,101**		**121,989**	**121,989**
135,908	**135,908**	**Total Financial Assets (excluding receivables)**	**145,809**	**145,809**

Financial Assets Sensitivity Analysis

Cash, Cash Equivalents and Term Deposits

As part of a diversified portfolio of investments the Council has an investment of $4.7m in a Term Deposit. The Council also has $4.22m available in Westpac current and on call accounts.

Additionally, the Council and its investment managers maintain cash amounts (liquidity) to manage their day-to-day cash requirements. This ensures that sufficient funds are available and enables the Council to allocate funds between investment asset classes to maintain its risk profile. Accordingly, amounts can fluctuate significantly and impact the potential level of income earned.

Interest Rate Risk

The wholesale cash fund and liquidity balances are subject to changes in market interest rates. This risk is actively managed by the fund managers and is spread across a range of investments and maturities. The amount of liquidity is managed between the Council and its investment managers and advisors. A 1% change in interest rates would have an impact of $68,915 over a one-year period if balances remained unchanged.

Credit Risk

The wholesale cash fund and liquidity balances are exposed to losses resulting from the failure of any bank or cash investment. This risk is managed by strict limits on the types and nature of permissible investments, and investments are spread across a range of counterparties and maturities. It is not possible to model the impact of a change in credit rating or a default event.

Liquidity Risk

There is a risk that funds do not have sufficient cash to meet a drawdown by the Council. This risk is not significant as sufficient liquidity is maintained through lines of credit facilities and units in the funds can be sold on demand. The Council is exposed to liquidity risk as a guarantor of all NZLGFA's borrowings. This guarantee becomes callable in the event of the NZLGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 23.

Bonds

As part of a diversified portfolio of investments we have an investment of $11.76m in bonds. This comprises an investment in Harbour Investments Bond Portfolio $8.5m and 3.2m with Salt Sustainable Global Fixed Income Bonds.

Interest Rate Risk

The global bond fund and NZ bond holdings are subject to changes in market interest rates. This risk is managed by the fund managers and is spread across a range of investments and maturities. A 1% change in interest rates would have an impact of $148,800 over a one-year period if balances remained unchanged.

Credit Risk

The wholesale cash fund and liquidity balances are exposed to losses resulting from the failure of any underlying investment. This risk is managed by strict limits on the types and nature of permissible investments and investments are spread across a range of counterparties and maturities. It is not possible to model the impact of a change in credit rating or default event. The Council is exposed to credit risk as guarantor of all NZLGFA's borrowings. Information about this exposure is explained in note 23.

Currency Risk

The global bond portfolio is subject to changes in foreign currency. The largest non-NZD exposure is to the US dollar, and a 10% change in currency would have an impact of $478,020.

Loans and Receivables

All loans and receivables due to the Council that are liable to earn interest are charged based on an agreed commercial schedule. Such items are intended to be held through to maturity with interest rates reviewed as required in the terms of the advance.

Interest Rate Risk

All loans and receivables due to the Council are subject to changes in market interest rate. A 1% change in interest rate would result in an impact of $13,520.

Credit Risk

All loans and receivables are exposed to losses resulting from the failure of the entity to which a loan has been made. No formal credit monitoring procedures exist.

Accounts Receivables

All counterparties within the accounts receivable mainly arise from the Council's statutory functions or a community development decision the Council has made. The Council has no significant concentration of credit risk in relation to debtors and has power under the Local Government Rating Act 2002 to recover money from ratepayers.

Credit Risk

Other than standard internal credit monitoring procedures there are no cost-effective measures available to monitor the credit quality of such counterparties.

Equities

As part of a diversified portfolio of investments the Council has an investment of $93.5m in equity funds, Global Property of $9m and Global Listed Infrastructure of $9.2m.

Market Price Risk

Equity investments are subject to equity price risk. A 1% change in the value of equities would have a maximum unhedged impact of $934,588.

Currency Risk

Trans-Tasman Equities are mainly held in New Zealand and Australian dollars. The currency risk of this portfolio is accepted as part of the overall investment strategy. The global equity portfolio is 56% hedged by foreign exchange contracts executed by the fund manager. Property investments are via New Zealand denominated indices.

Foreign Currency Exposure

Total foreign currency exposure before hedging is as follows:

Council 2024 ($,000)	Consolidated 2024 ($,000)		Council 2025 ($,000)	Consolidated 2025 ($,000)
1,826	1,826	Australian Dollar	2,010	2,010
174	174	Brazilian Real	1,105	1,105
0	0	Belize Dollar	0	0
1,590	1,590	Canadian Dollar	1,839	1,839
3,300	3,300	Swiss Franc	200	200
30	30	Chilean Peso	226	226
1	1	Czech Koruna	0	0
14,147	14,147	Euro	7,518	7,518
5,450	5,450	British Pound	2,574	2,574
532	532	Hong Kong Dollar	1,329	1,329
17	17	Hungarian Forint	0	0
3,321	3,321	Japanese Yen	2,505	2,505
833	833	Danish Krona	312	312
13	13	Polish Zloty	0	0
462	462	Mexican Peso	1,092	1,092
59	59	Norwegian Krone	0	0
38,411	38,411	New Zealand Dollar	59,787	59,787
527	527	Swedish Krona	304	304
225	225	Singapore Dollar	275	275
57,197	57,197	United States Dollar	47,802	47,802
0	0	Japanese Yen	0	0
931	931	Chinese Yuan	115	115
0	0	Indian Rupee	1,898	1,898
110	110	Indonesian Rupiah	515	515
334	334	South Korean Won	253	253
40	40	Thai Baht	190	190
111	111	Malaysian Ringgit	112	112
294	294	Taiwanese Dollar	1,545	1,545
17	17	South African Rand	637	637
0	0	Russian Ruble	0	0
93	93	Turkish Lira	0	0
143	143	Peruvian Sol	50	50
75	75	Israeli Shekel	0	0
23	23	Colombian Peso	0	0
8	8	Romania Leu	0	0
0	0	Philippine Peso	776	776
0	0	Saudi Riyal	87	87
0	0	Vietnamese Dong	314	314
0	0	Chinese Yuan (offshore)	440	440
0	0	United Arab Emirates Dirham	0	0
130,296	**130,296**		**135,810**	**135,810**

Te Kaupapa Here o Ngā Tauāki Pūtea | *Statement of Accounting Policies*

Financial Instrument Risk

The table below analyses the Council and subsidiary's financial liabilities into relevant maturity groupings based on the remaining period at 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 undiscounted cash flows and include interest payments.

Liabilities	Carrying Amount	Contractual Cash flows	Less than 1 Year	1 - 2 Years	2 - 5 Years	More than 5 Years
Council 2025						
Creditors and Other Payables	9,879	9,879	9,879	0	0	0
Secured Loans	6,000	6,358	215	6,170	(27)	0
Debentures	136,000	157,031	19,481	31,798	85,761	19,991
Finance Leases	984	1,006	90	70	115	731
Net Settled Derivative Liabilities	1,460	2,132	482	486	1,138	25
Total	**154,323**	**176,405**	**30,147**	**38,524**	**86,987**	**20,748**
Consolidated 2025						
Creditors and Other Payables	9,879	9,879	9,879	0	0	0
Secured Loans	6,000	6,358	215	6,170	(27)	0
Debentures	136,000	157,031	19,481	31,798	85,761	19,991
Finance Leases	984	1,006	90	70	115	731
Net Settled Derivative Liabilities	1,460	2,132	482	486	1,138	25
Total	**154,323**	**176,405**	**30,147**	**38,524**	**86,987**	**20,748**
Council 2024						
Creditors and Other Payables	15,101	15,101	15,101	0	0	0
Secured Loans	1,012	1,087	8	8	1,070	0
Debentures	149,000	241,504	31,715	21,786	91,921	96,083
Finance Leases	1,060	1,079	85	85	140	769
Net Settled Derivative Liabilities	0	0	0	0	0	0
Total	**166,174**	**258,772**	**46,910**	**21,879**	**93,131**	**96,852**
Consolidated 2024						
Creditors and Other Payables	15,101	15,101	15,101	0	0	0
Secured Loans	1,012	1,087	8	8	1,070	0
Debentures	149,000	241,504	31,715	21,786	91,921	96,083
Finance Leases	1,060	1,079	85	85	140	769
Net Settled Derivative Liabilities	0	0	0	0	0	0
Total	**166,174**	**258,772**	**46,910**	**21,879**	**93,131**	**96,852**

The table below analyses the Council and subsidiary's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

Assets	Carrying Amount	Contractual Cash flows	Less than 1 Year	1 - 2 Years	2 - 5 Years	More than 5 Years
Council 2025						
Cash and Cash equivalents	4,234	4,234	4,234	0	0	0
Loans and Receivables	1,352	1,611	202	196	553	660
Accounts Receivable	19,703	19,703	19,703	0	0	0
Net Settled Derivative Asset	298	106	(44)	4	43	103
Total	**25,586**	**25,654**	**24,095**	**200**	**596**	**763**
Consolidated 2025						
Cash and Cash equivalents	4,234	4,234	4,234	0	0	0
Loans and Receivables	1,352	1,611	202	196	553	660
Accounts Receivable	19,703	19,703	19,703	0	0	0
Net Settled Derivative Asset	298	106	(44)	4	43	103
Total	**25,586**	**25,654**	**24,095**	**200**	**596**	**763**
Council 2024						
Cash and Cash equivalents	15,186	15,186	15,186	0	0	0
Loans and Receivables	1,751	2,087	262	254	716	855
Accounts Receivable	20,315	20,315	20,315	0	0	0
Net Settled Derivative Asset	2,300	(5,633)	(1,527)	(1,188)	(2,682)	(236)
Total	**39,552**	**31,955**	**34,236**	**(934)**	**(1,966)**	**619**
Consolidated 2024						
Cash and Cash equivalents	15,186	15,186	15,186	0	0	0
Loans and Receivables	1,751	2,087	262	254	716	855
Accounts Receivable	20,315	20,315	20,315	0	0	0
Net Settled Derivative Asset	2,300	(5,633)	(1,527)	(1,188)	(2,682)	(236)
Total	**39,552**	**31,955**	**34,236**	**(934)**	**(1,966)**	**619**

MATURITY TERM OF LTIF BONDS

Council 2024 *($,000)*	Consolidated 2024 *($,000)*		Council 2025 *($,000)*	Consolidated 2025 *($,000)*
259	259	Less than one year	337	337
12,413	12,413	One to five years	4,393	4,393
23,129	23,129	Greater than five years	7,031	7,031
35,801	**35,801**		**11,761**	**11,761**

Note 22: Derivative Financial Instruments

Council 2024 *($,000)*	Consol-idated 2024 *($,000)*		Council 2025 *($,000)*	Consol-idated 2025 *($,000)*
		Current Asset Portion		
419	419	Interest rate swaps	52	52
419	419	Total current asset portion	52	52
		Non-current asset portion		
1,881	1,881	Interest rate swaps	246	246
1,881	1,881	Total non-current asset portion	246	246
2,300	2,300	Total derivative financial instrument assets	298	298
		Current liability portion		
0	0	Interest rate swaps	3	3
0	0	Total current liability portion	3	3
		Non-current liability portion		
0	0	Interest rate swaps	1,457	1,457
0	0	Total non-current liability portion	1,457	1,457
0	**0**	**Total derivative financial instrument liabilities**	**1,460**	**1,460**

Fair Value

The fair value of interest rate swaps has been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value.

Interest Rate Swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were $130 million (2024 $120 million). As at 30 June 2025, the fixed interest rates for cash flow hedge interest rate swaps varied from 1.45% to 4.44% (2024 1.45% to 5.19%).

The Council acts as a prudent financial manager by maintaining an interest rate policy framework to protect against all potential interest rate scenarios (not simply a sharply declining environment), which requires a minimum level of interest rate fixing. It enters into interest rate hedging contracts on a regular basis to lock in interest rates on the debt portfolio. This supports statutory and financial objectives of achieving a level of certainty in interest costs over time. Interest rate hedging contracts reduce the impacts of changes in interest rates on our interest expense, helping to provide certainty on rates and deliver to budgeted and planned expenditure.

Accounting standards require the reporting of the fair value (mark to market) of interest rate hedging contracts each financial year. Changes in fair values reflect movements in interest rates. This is a non-cash adjustment and the mark to market gains will not be realised as the interest rate hedging contracts are generally held to maturity.

Note 23: New Zealand Local Government Funding Agency

The Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA), which was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. The 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 the financial year, the Council has 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 has not recognised a liability.

Uncalled capital

As at 30 June 2025, the Council is one of 30 local authority shareholders and 72 local authority shareholders of the NZLGFA. In that regard it has uncalled capital of $100,000. When aggregated with the uncalled capital of other shareholders, $20m is available if an imminent default is identified. Together with the other shareholders and guarantors, the Council is also a guarantor of NZLGFA's borrowings. At 30 June 2025, NZLGFA had borrowings totalling $25.6b (2024: $23b).

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.

Note 24: Explanations of Major Variances against Budget

Explanations for major variations from the Council's budget figures in its 2024/25 Annual Plan are as follows:

Statement of Comprehensive Revenue and Expense

- Revenue was $6.8m below budget, primarily due to lower-than-expected subsidies and grants of $4.9m. This variance reflects lower than expected NZTA roading funding, because of fewer weather related events.
- User fees and charges are $1.2 million below budget, with the variance primarily occurring within Solid Waste and Regulatory services.
- Targeted rate income is $0.98m below budget, with the variance primarily occurring within Urban Water activity.
- Total expenditure exceeded budget by $0.35m, driven by unbudgeted losses of $3.5m on derivatives and $2.3m on asset disposals. These were partially offset by lower roading costs due to fewer weather related events and $1.1m lower depreciation, reflecting delays in the capital works programme.

Statement of Financial Position

- Current Assets are $22.9m above budget primarily due to higher than anticipated accounts receivables and current portion of investments.
- Non-Current Assets are $18.1m above budget primarily due to higher than anticipated Property, Plant and Equipment values of $33.9m and lower than expected Investments of $15.6m.
- Current Liabilities are $9.1m above budget. This variance reflects a $16.1m increase in Current Portion of Term Liabilities and lower than expected Accounts Payable of $8.3m.
- Non-Current Liabilities were $15.0m below budget, mainly due to Term Liabilities being $16.5m lower than budgeted. This was partially offset by a $1.4m increase in Derivative Financial Instruments.

Note 25: Insurance Information

	2024 *($,000)*	2025 *($,000)*
The total value of all Council assets covered by insurance contracts (Material Damage cover)	306,505	411,416
Total value of all assets covered by financial risk sharing arrangements (Local Authority Protection Programme)	537,304	594,254
Total value of all assets self-insured (Self-insurance)	118,045	149,209
Value of funds maintained for self-insurance*	100	225
Total	**961,953**	**1,155,104**

**The Council has "ring fenced" $10 million from the Long-Term Investment Fund to be used to fund the Councils self-insured portion of a claim should a significate event occur until the "Disaster Recovery Fund" reaches $10m and will be treated as internal loan.*

As guardians of community assets with a gross current replacement cost of $2.1 billion. the Council is responsible for ensuring that it is adequately protected from a range of perils so critical assets can be repaired or replaced as soon as possible after an event and service delivery is disrupted as little as possible. Those perils include volcanic, earthquake, flood, storm, fire and tsunami hazards.

The optimised depreciated replacement cost of those assets is $1.5 billion. Of that amount, $0.8 billion is not insured as it is the roading network. The recovery from widespread damage to the network is expected to be assisted by central government

Note 26: Rating Base Information

	30/06/2024	30/06/2025
Number of rating units	14,558	14,806
Total capital value of rating units	$13,581,408,050	$13,990,137,050
Total land value of rating units	$9,093,136,750	$8,674,356,150

Note 27: Items Subsequent to Balance Date

STDC has undertaken a comprehensive review of water service delivery options in response to the Local Water Done Well framework. Following public consultation and detailed analysis, Council resolved on 21 July 2025 to establish an in-house business unit as the future model of delivering water and wastewater services in the district as part of the government's Local Water done Well reforms.

This approach aligns with statutory requirements and supports the development of a financially sustainable Water Services Delivery Plan (WSDP), which was adopted by the Council on 21 July 2025 and submitted to central government on 30 July 2025.

Community feedback was considered as part of the decision-making process, and Council's approach balances these preferences with the need for financial sustainability and compliance. The financial implications of the proposed model have been thoroughly assessed through Council's financial modelling. While the overall impacts are well understood and indicate that the model is financially sustainable and within Council's expectations.

On 17 September 2025, the Department of Internal Affairs approved the Council's Water Services Delivery Plan, enabling an in-house business unit to deliver South Taranaki's water services into the future.

Te Pūtea Pae Matawhāiti | Financial Prudence Benchmarks

Annual Report Disclosure Statement for 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 we are prudently managing revenue, 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. Refer to the Regulations for more information, including definitions of some of the terms used in this statement.

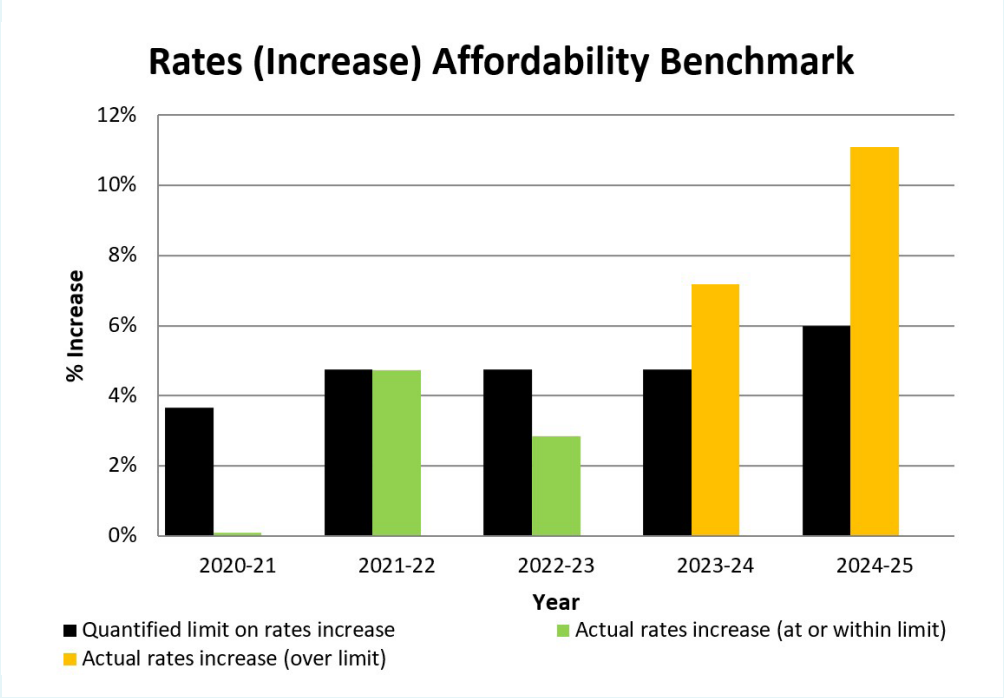
Rates affordability benchmark

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 rate increases equal or are less than each quantified limit on rates increases.

RATES (INCREASE) AFFORDABILITY

The following graph compares the Council's actual rates increases with a quantified limit on rates in the Financial Strategy included in the Long Term Plan. The quantified limit is 6%.

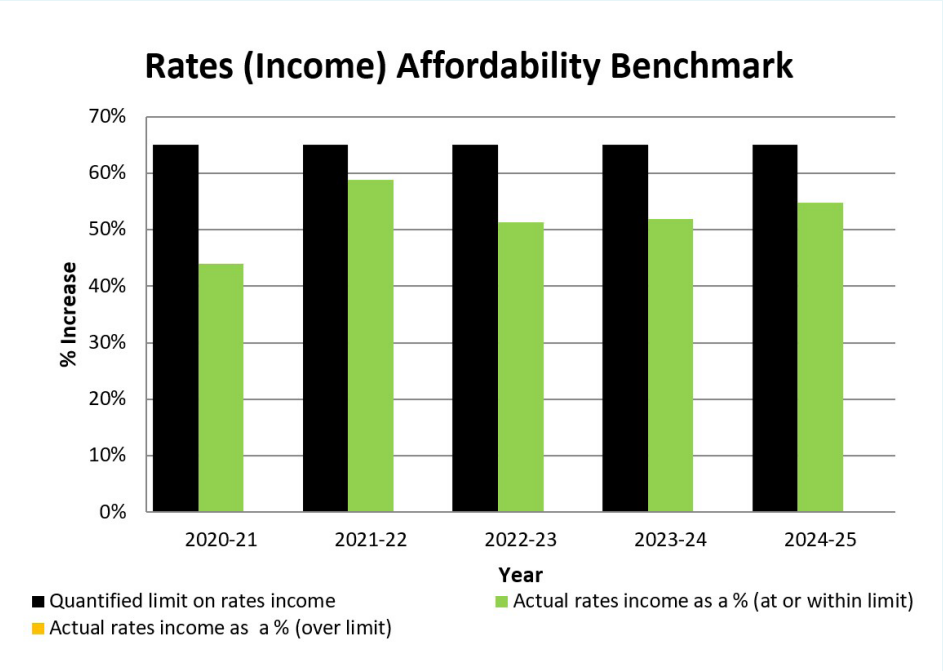


The overall rate increase in 2023/24 and 2024/25 exceeded the budgeted amount due to inflation factors being significantly higher than previously forecast.".

Te Pūtea Pae Matawhāiti | Financial Prudence Benchmarks

RATES (INCOME) AFFORDABILITY

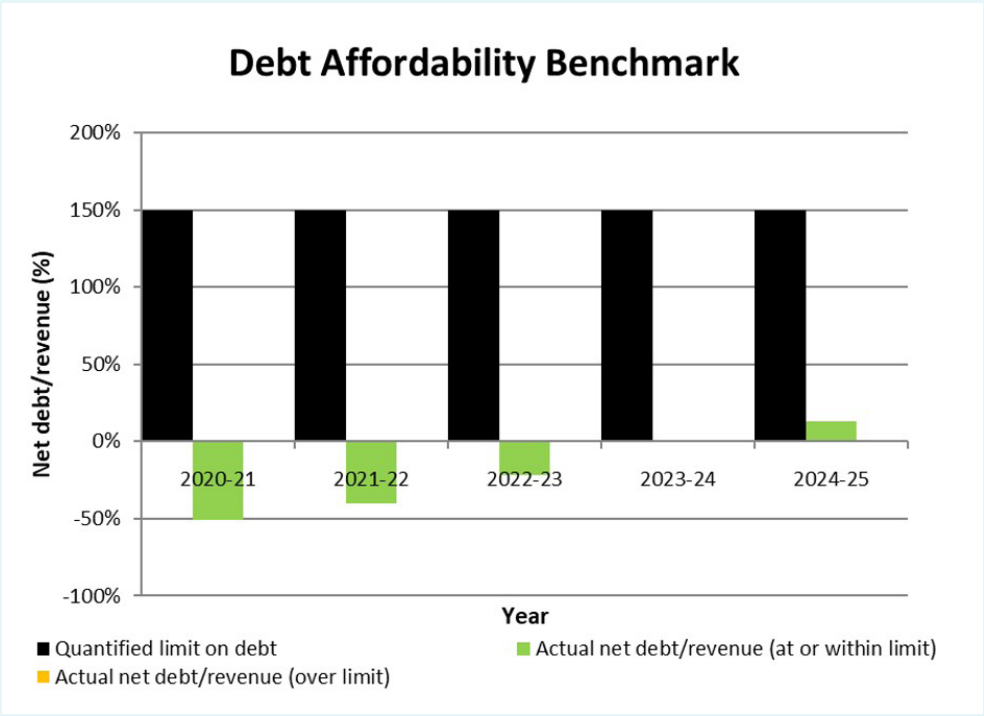
The following graph compares the Council's actual rates income with a quantified limit on rates in the Financial Strategy included in the Long Term Plan. The quantified limit is rates income is up to 65% of total projected revenue.



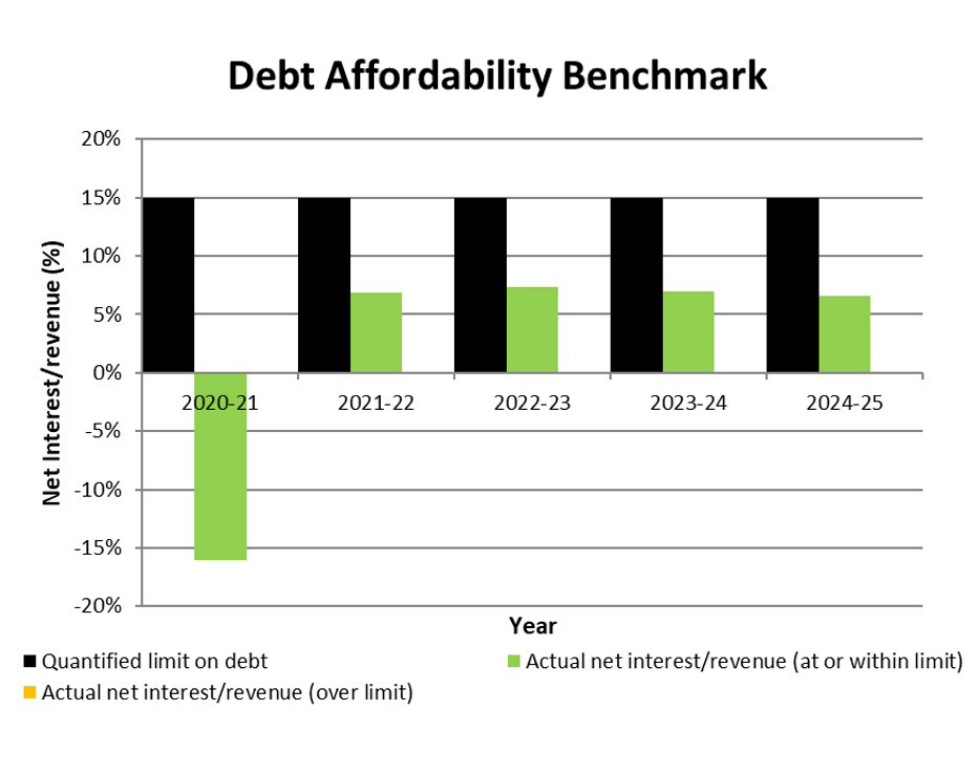
DEBT AFFORDABILITY

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The following five graphs compare the Council's actual borrowing stated in the Financial Strategy included in the Long Term Plan. These graphs are based on the Council's definitions and not the legislation.

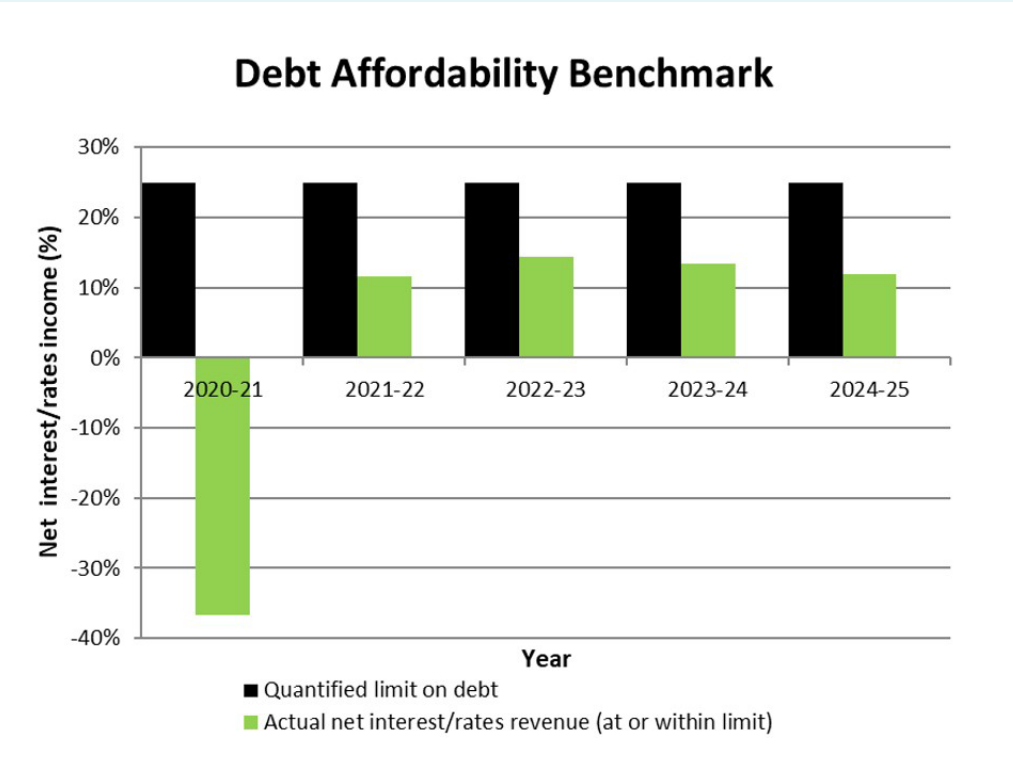
1 – The quantified limit is net debt less than 150% of revenue.



2 - Net interest expense as a percentage of total annual income of not more than 15%.

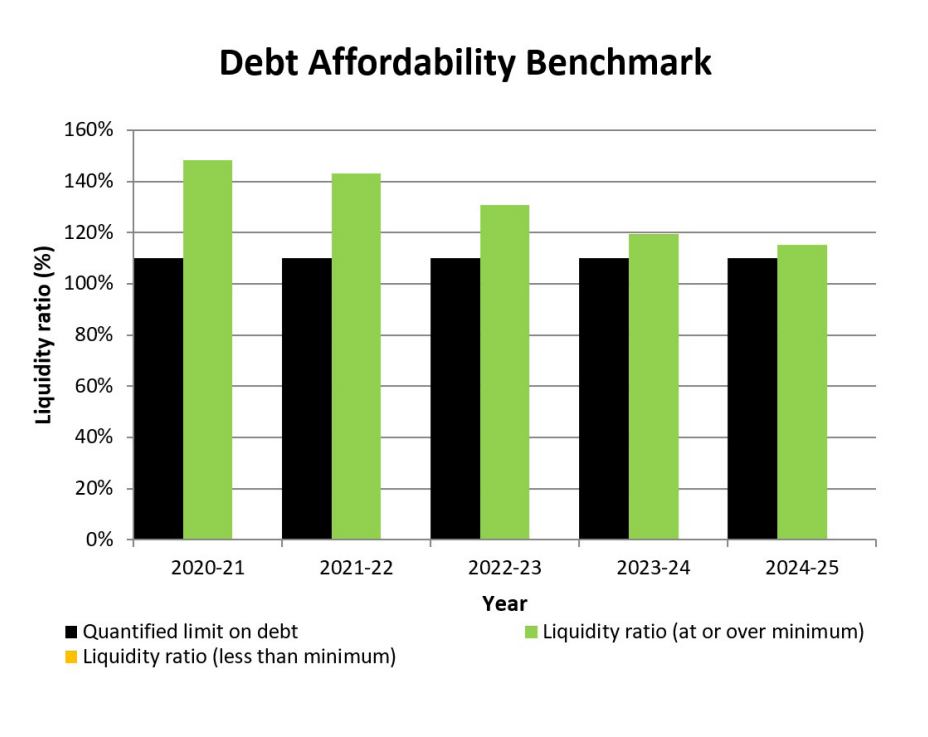


3 - Net interest expense as a percentage of total annual rates income of not more than 25%.

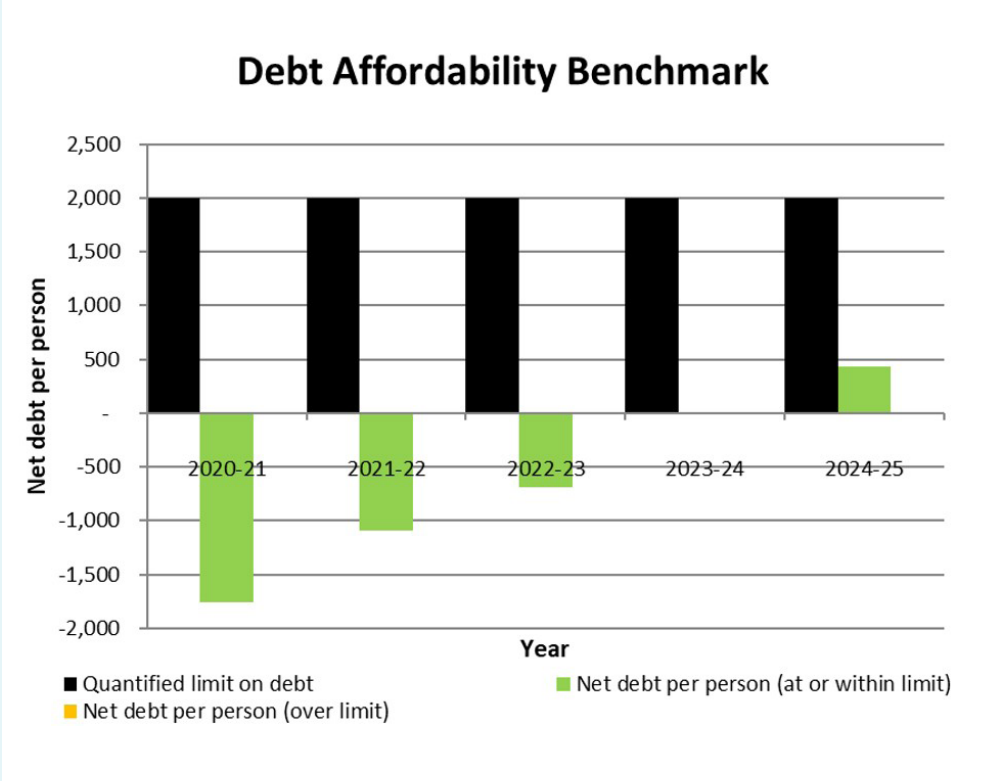


Te Pūtea Pae Matawhāiti | Financial Prudence Benchmarks

4 - Liquidity Ratio; external term debt plus committed bank loan facilities plus liquid assets/cash equivalents maintained at an amount of at least 110% over existing external debt.



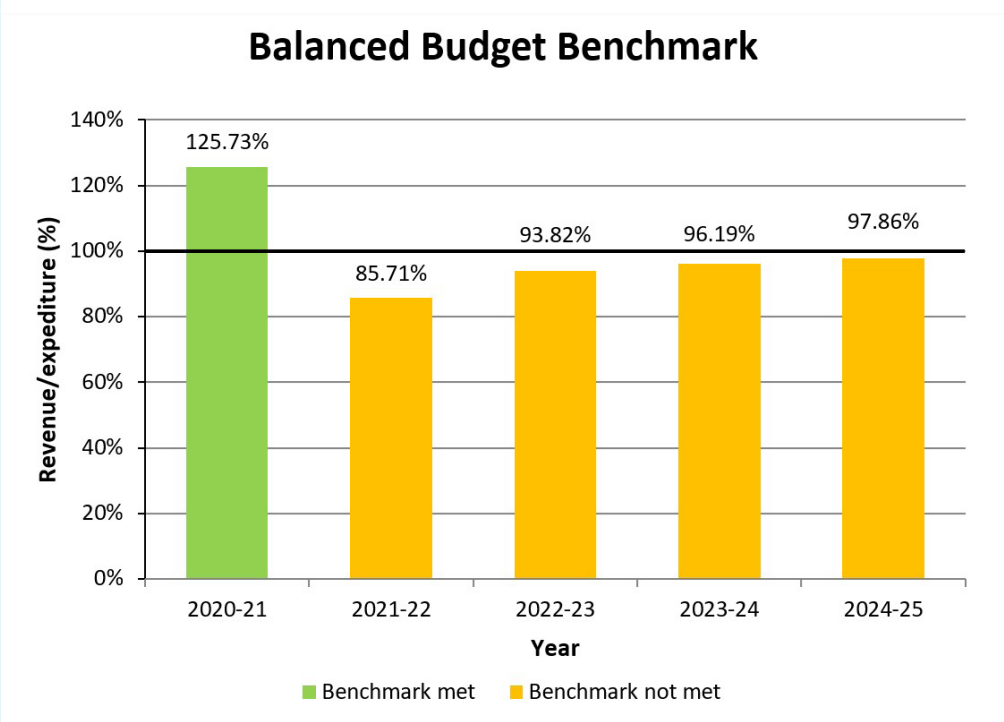
5 - Net debt per capita is less than $2,000 per person.



Te Pūtea Pae Matawhāiti | Financial Prudence Benchmarks

BALANCED BUDGET BENCHMARK

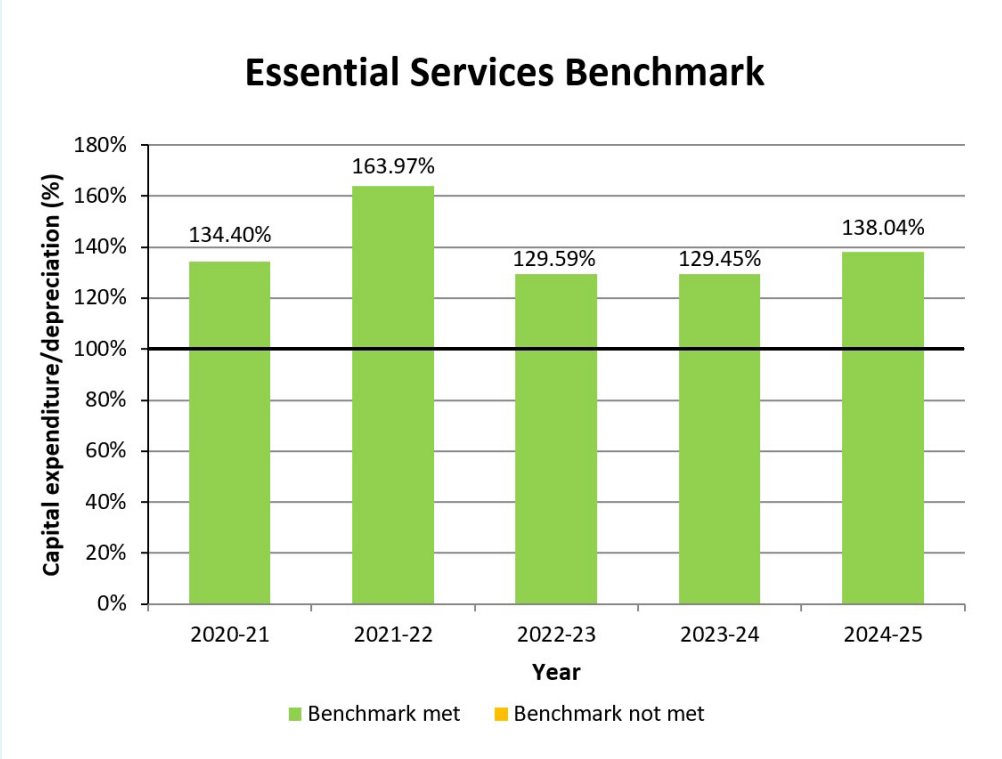
The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial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



Since 2021-22 to 2024-25 the balance budget requirement has not been met due to unbudgeted (non-cash) loss on disposal of assets.

ESSENTIAL SERVICES BENCHMARK

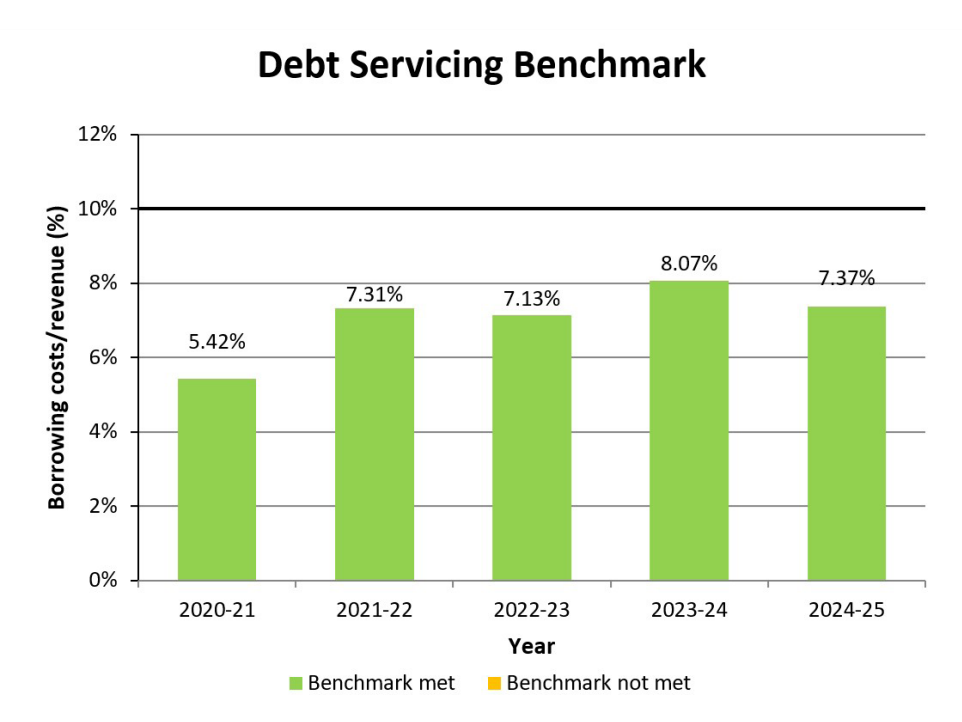
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. We meet this benchmark if our capital expenditure on network services equals or is greater than depreciation on network services.



Te Pūtea Pae Matawhāiti | Financial Prudence Benchmarks

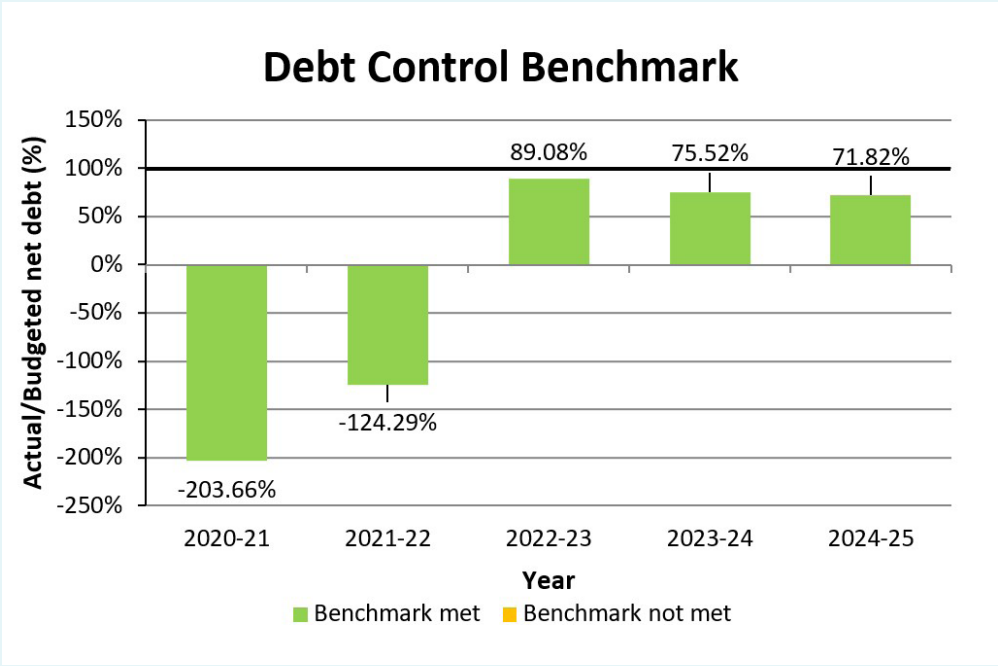
DEBT SERVICING BENCHMARK

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 our population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs are equal to or less than 10% of its revenue.



DEBT CONTROL BENCHMARK

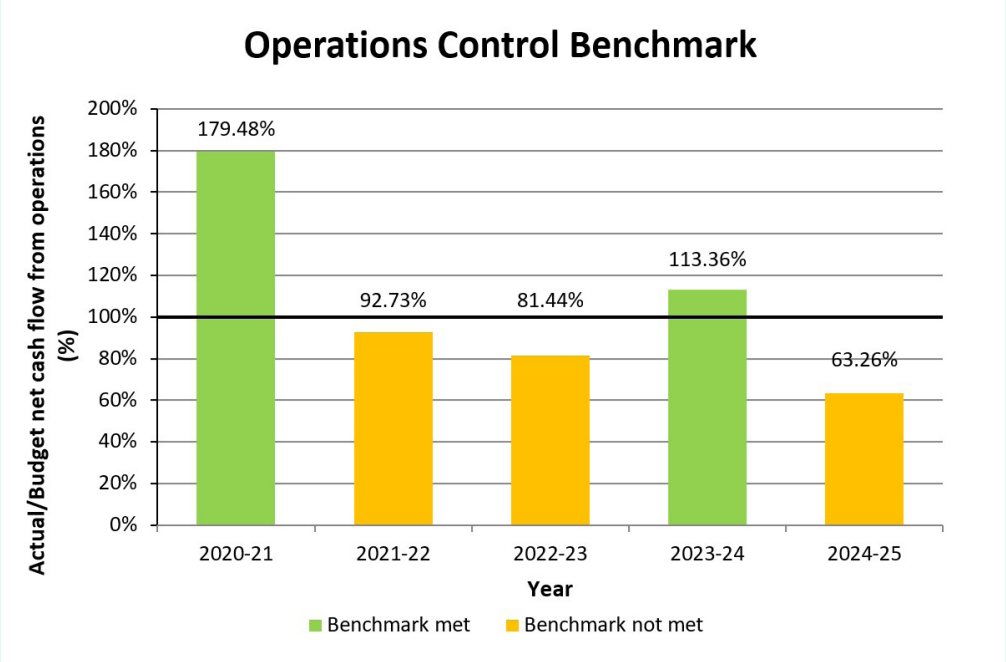
The following graph displays the Council's actual net debt as a proportion of planned **net debt**. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). The Council meets the debt control benchmark if its actual net debt equals or is less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



Te Pūtea Pae Matawhāiti | Financial Prudence Benchmarks

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.



In three of the five years shown in the chart, the operational control benchmark requirement was not met, primarily due to grants and subsidies falling short of projections—particularly from Waka Kotahi. For 2021–22 and 2022–23, this was largely due to the timing of certain projects. In 2024–25, Waka Kotahi did not approve the requested funding, resulting in significantly lower subsidies than budgeted. However, this was offset by a reduction in capital expenditure.

Te Hanga Tōrangapū | *Political Structure*



Mayor
Phil Nixon



Deputy Mayor
Robert Northcott

Policy and Strategy Committee ⟷ ***Council*** ⟷ ***Community Boards***

Environment and Hearings Committee

Chair - Andy Beccard

Deputy Chair - Steffy MacKay

Committee - Robert Northcott, Leanne Horo, Aarun Langton, Diana Reid

Iwi Representative - Tane Houston

Te Kāhui Mataurarua

Chair - Phil Nixon

Deputy Chair - Robert Northcott

Committee - Ngapari Nui, Turangapito Parata, Graham Young, Peter Moeahu, Mark Wipatene, Renee Bradley, Michael Neho, Ngaraina Brooks, Ferinica Hawe-Foreman, Andy Beccard, Aarun Langton, Tuteri Rangihaeata.

Risk and Assurance Committee

Chair - Phillip Jones

Committee - Andy Beccard, Phil Nixon, Te Aroha Hohaia, Celine Filbee, Racquel Cleaver

Iwi Representative - Marie Broughton

External Member - Phillip Jones

Personnel Committee
District Licensing Committee
Eltham Drainage Committee

Community Services Portfolio Group
Infrastructure Portfolio Group

Ō KOUTOU KAIKAUNIHERA

Your Councillors


Mayor Phil Nixon


Andy Beccard


Mark Bellringer


Racquel Cleaver-Pittams


Tuteri Dal Rangihaeata


Celine Filbee


Te Aroha Hohaia


Leanne Kuraroa Horo


Aarun Langton


Steffy Mackay


Robert Northcott


Diana Reid


Bryan Roach


Brian Rook

Ō KOUTOU POARI HAPORI

Your Community Boards


Eltham - Kaponga


Pātea


Taranaki Coastal


Te Hāwera

Kāhui Kahika me ngā Kaimahi | Management and Staff

The Chief Executive's role and responsibilities

The Council's governance policies and legislation determine the Chief Executive's role and responsibilities. All delegations are from the Council to the Chief Executive except for certain provisions in the Resource Management Act 1991 where there is clear direction to delegate to the relevant staff member. The Chief Executive employs all staff and acts on the Council's behalf.

The Chief Executive has approval to commit the Council to any approved expenditure contained in the Long Term Plan or Annual Plan or over-expenditure within the following thresholds:

- Up to 15% above a budgeted expenditure item greater than $1 million;
- Up to 20% above a budgeted expenditure item greater than $250,000 but less than $1 million,
- Up to 20% (maximum $50,000) for items less than $250,000;
- Up to $100,000 for net unbudgeted expenditure (gross unbudgeted amount not to exceed $1 million);
- All works necessary in the case of an emergency (with no financial limit).

Monitoring of Chief Executive's Performance

The Personnel Committee's primary function is to oversee the relationship between the Council and the Chief Executive and monitor their performance. The Committee consists of the Mayor, the Deputy Mayor, the Chairman of the Environment and Hearings Committee and two councillors.

SENIOR LEADERSHIP TEAM

Fiona Aitken	Chief Executive
Rob Haveswood	Group Manager Community Services
Herbert Denton	Group Manager Infrastructure Services
Liam Dagg	Group Manager Environmental Services

Our Staff

The table below shows changes in staff numbers across departments.

	2024			2025		
	Fulltime	Part-time	Fixed Term	Fulltime	Part-time	Fixed Term
Office of the Chief Executive	8	1	0	10	2	0
Community	37	47	7	49	46	8
Infrastructure	52	2	1	45	0	0
Environmental	25	5	0	27	4	4
Corporate	45	2	3	42	5	3
Totals	167	57	11	173	57	15

Council-Controlled Organisations

The Council has no council-controlled organisations. It owns 100% of Novus Contracting Ltd, which is exempt from being a Council Controlled Organisation under Section 7 (3) of the Local Government Act 2002.

Office Locations

The main Council Administration Building is in Albion Street, Hāwera and we provide an extensive combined library and Council service at locations throughout the District known as LibraryPlus centres in Ōpunakē, Eltham, Hāwera, Kaponga, Manaia, Pātea and Waverley. The services available at each LibraryPlus include payment of rates and accounts, dog registration, housing for the elderly enquiries, burials, building consent applications, property file requests and community facility bookings. Six of the LibraryPlus centres are agencies for visitor information.

Kāhui Kahika me ngā Kaimahi | Management and Staff

Hāwera Administration Centre	105-111 Albion Street Hāwera 4610 **Telephone:** (06) 278 0555 / 0800 111 323 **Website:** www.southtaranaki.com **Postal Address** South Taranaki District Council Private Bag 902 Hāwera 4640
Te Ramanui o Rupūtahanga **Hāwera LibraryPlus**	121-127 High Street Hāwera **Telephone:** 0800 111 323 **Fax:** (06) 278 9407
Eltham LibraryPlus	High Street Eltham **Telephone:** 0800 111 323 **Fax:** (06) 764 8857
Kaponga LibraryPlus	42 Victoria Street Kaponga **Telephone:** 0800 111 323 **Fax:** (06) 764 6088
Manaia LibraryPlus	22 South Road Manaia **Telephone:** 0800 111 323 **Fax:** (06) 274 8374
Ōpunakē LibraryPlus	45 Tasman Street Ōpunakē **Telephone:** 0800 111 323 **Fax:** (06) 761 7039
Pātea LibraryPlus	128 Egmont Street Pātea **Telephone:** 0800 111 323 **Fax:** (06) 2273 8340
Waverley LibraryPlus	58 Weraroa Road Waverley **Telephone:** 0800 111 323 **Fax:** (06) 346 6052
isite	121-127 High Street Hāwera **Telephone:** 0800 111 323 **Fax:** (06) 278 5699
TSB HUB	17 Camberwell Road Hāwera 4610 **Telephone:** (06) 278 0646
Hāwera Aquatic Centre	66 Waihi Road Hāwera **Telephone:** (06) 278 0021 **Fax:** (06) 278 0022

General Information

Bankers

Westpac Trust
PO Box 83
Hāwera 4640

Auditors

Audit New Zealand, Wellington
on behalf of the Auditor-General

Solicitors

Auld Brewer Mazengarb and McEwen
9 Vivian Street
New Plymouth

C & M Legal – The Litigation Experts
9 Vivian Street
New Plymouth

Simpson Grierson
HSBC Tower 195 Lambton Quay
Wellington 6011

Brookfields Lawyers
Tower One, 205 Queen Street
Auckland

Te Kaunihera ō Taranaki ki Te Tonga
South Taranaki
District Council

www.southtaranaki.com