2024/25

ANNUAL REPORT
PŪRONGO Ā-TAU















HAURAKI
DISTRICT COUNCIL

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A message from the Mayor and Chief Executive – He pito kōrero nā te Koromatua me te Tumu Whakarae.

E ngā mana, e ngā iwi, e ngā karangatanga maha

Greetings to everybody,
Tēnā koutou katoa

I am pleased to present the Hauraki District Council Annual Report for the 2024/25 financial year. This has been a year of both challenge and achievement, shaped by cost-of-living pressures and rising costs. Despite these constraints, we have worked hard to deliver on community expectations while keeping a close eye on financial sustainability.

This year marked the first of our 2024–34 Long Term Plan. Our focus has been on investing in essential infrastructure that supports our communities now and into the future. Key projects included significant progress on the new Paeroa wastewater treatment plant, the rehabilitation of Hauraki Road and Golden Valley Road, the Ngātea Service Centre and library upgrade, and important water resilience improvements such as the installation of a raw water tank and new raw water mains in Kerepēhi.

Alongside this investment in core services, we have continued to ensure that our libraries, pools, and community facilities remain available and welcoming for all. Our business support programmes have provided advice, networking opportunities, and access to funding for local enterprises, helping to strengthen our economy.

We are also focused on creating vibrant spaces that make Hauraki an attractive place to live, work, and play. This year saw the installation of the new pump track at Morgan Park, an upgraded basketball half court at Edwards Reserve, refurbished grandstand seating at Paeroa Domain, and an extension of the Hauraki Rail Trail in both Waihī and Pūkorokoro sections.

A significant milestone was the progress made through **Local Waters Done Well**. After careful evaluation of options, Council agreed to join six other Waikato councils in the Waikato Water Done Well collaboration. This decision, based on efficiency, economies of scale, and long-term stability, will help ensure affordable, high-quality water services for our communities. We will continue working with the new entity to transfer responsibilities over the next two years.

Sustainability and environmental stewardship remain priorities. The Hauraki Plains Adaptation Plan is advancing, our Biodiversity Strategy has been adopted, and changes to kerbside collections have already reduced waste going to landfill - evidence of positive shifts in reducing waste behaviour.

This year has required careful balancing of budgets against growing financial pressures, including inflation, compliance costs, and the ongoing renewal of core infrastructure. While difficult trade-offs were required, we remained focused on maintaining essential services and investing in water, wastewater, and roading assets that underpin our district's wellbeing.

In financial terms, Council recorded a net operating deficit of $7.0 million for the year ended 30 June 2025, compared to a budgeted deficit of $0.9 million. This result reflects the combined impact of higher costs, interest rate pressures, and a one-off increase in water revenue arising from estimated meter readings at year-end.

To ensure fairness and accuracy for ratepayers, Council recognised approximately $2.2 million in estimated water consumption not yet billed at balance date. The number of actual meter readings available was limited, prompting Council to bring this process in-house so staff can take direct responsibility for readings in future. This change coincided with system updates ahead of the introduction of wastewater charges into the water billing structure from 1 July 2025.

Higher financing costs also influenced the result, with average borrowings of $123 million compared with the $92 million assumed in the budget. This increase reflects the continued investment in key infrastructure and prefunding of future debt requirements to support long-term affordability.

Operating expenditure was also higher than planned, due to one-off factors such as asset disposals, non-cash derivative movements, transition costs for the new water reform programme, and updated landfill aftercare valuations.

While these factors contributed to a challenging financial year, many were timing-related, non-cash, or transitional in nature. Importantly, Council remained within all borrowing and debt affordability limits, maintaining a strong balance sheet that positions us well for future investment.

I would like to acknowledge the dedication of our outgoing councillors, whose passion and commitment to their communities continues to drive positive outcomes for our district.

Looking ahead, we remain focused on enhancing the quality of life in Hauraki, promoting sustainability, and supporting economic prosperity. Together, we are building a strong and resilient future for our district.

Hauraki District Council Statement of compliance and responsibility as at 30 June 2025

Statement of Compliance

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

Statement of Responsibility

The Council and Management of Hauraki District Council accept responsibility for the preparation of the Annual Report and the judgements used in it.

The Council and Management of Hauraki 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 financial reporting and non-financial reporting.

In the opinion of the Council and Management of Hauraki District Council, the Annual Report for the year ended 30 June 2025 fairly reflects the financial position and operations of Hauraki District Council.

Toby Adams
Mayor

David Speirs
Chief Executive

District Profile | Rohe Whakaritenga

The Hauraki District sits at the south of Te Tara o te Ika o Maui – the barb of the fish of Maui and contains a diversity of land, communities and economies. Our location puts us in the 'golden triangle' between Auckland, Tauranga and Hamilton, and provides for a number of potential business opportunities to within our district. Due to the flow on effects of the growth pressures facing Auckland, Hamilton and Tauranga, in the past five years we have seen more people moving into our district than previous years, and added demand for new houses. With our active support of economic development initiatives, we are expecting our local economy to continue to perform well and our local population to keep growing.

Our district is divided into three wards: Waihī, Paeroa, and the Plains. Each ward has a main town and surrounding rural land and smaller rural settlements[1]. These ward areas are shown on the map below. Our three most populated towns are Paeroa, Ngātea and Waihī.



Waihī the 'town with a heart of gold' features a large open cast gold mine and adjacent walking track right in the middle of town. The historic Cornish Pump House overlooks the main street where the annual Beach Hop warm-up party is held. The beach village of Whiritoa sits on the eastern coast of the Coromandel Peninsula.



Paeroa is 'world famous in New Zealand' as the home of the L&P soft drink and is also renowned as a great place to seek out antiques with many antique and op-shops lining the main street. Annual events such as the Highland Games and Tattoo attract thousands of visitors each year. The Ōhinemuri river flows through the Paeroa ward and joins to the Waihou river north of the town.



The **Hauraki Plains** also have a unique recent history as the area was drained and cleared of swamp lands through a huge land drainage programme which started in the early 1900's. Ngātea is the centre of hockey in the Thames Valley and is packed with people once a year for the Ngātea garage sale. The Wharekawa Coast is on the western side of Tikapa Moana and is home to 'famous' tiny arctic tern, which makes the longest migration of any animal in the world.



Our total area is

1,269

square kilometres



Estimated population

21,900

At June 2024



The Karangahake Gorge, is visited by over

130,000

people a year

[1] Statistics New Zealand use when grouping data.

A map of the Hauraki District



Introduction and overview

Your Elected Members 2024/25

The Hauraki District Council elected members include the Mayor and 13 Councillors - four elected from the Paeroa Ward, four from the Plains Ward and five from the Waihī Ward.

Mayor



District Mayor
Mr Toby Adams
027 808 4217
toby.adams@hauraki-dc.govt.nz

Waihī Ward



Councillor
Anne Marie Spicer
021 0253 6559
annemarie.spicer@hauraki-dc.govt.nz

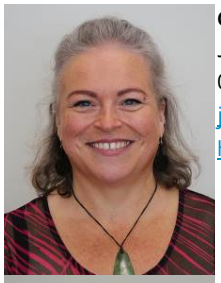
Paeroa Ward



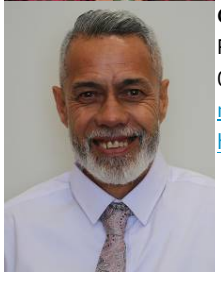
Councillor
Carole Daley
(07) 862 7253
carole.daley@hauraki-dc.govt.nz



Councillor
Paul Milner
(Deputy Mayor)
021 051 5799
paul.milner@hauraki-dc.govt.nz



Councillor
Jo Tilsley
027 330 3170
jo.tilsley@hauraki-dc.govt.nz



Councillor
Rino Wilkinson
021 937 138
rino.wilkinson@hauraki-dc.govt.nz

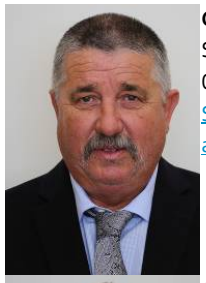
Plains Ward



Councillor
Phillip Buckthought
027 459 9143
Phillip.Buckthought@hauraki-dc.govt.nz



Councillor
Ray Broad
027 222 6080
raymond.broad@hauraki-dc.govt.nz



Councillor
Stephen Crooymans
027 467 3209
Stephen.Crooymans@hauraki-dc.govt.nz

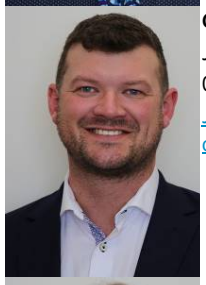


Councillor
Neil Gray
027 446 0067
neil.gray@hauraki-dc.govt.nz

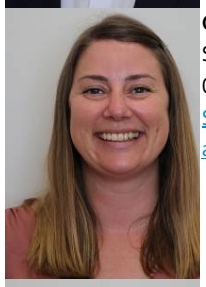
Waihī Ward



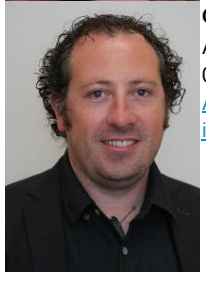
Councillor
Bhavesh Ranchhod
027 418 7712
Bhavesh.Ranchhod@hauraki-dc.govt.nz



Councillor
Josh Martyn
022 190 0850
Josh.Martyn@hauraki-dc.govt.nz



Councillor
Sarah Holmes
021 224 1466
Sarah.A.Holmes@hauraki-dc.govt.nz



Councillor
Austin Rattray
021 060 1742
Austin.Rattray@hauraki-dc.govt.nz

Hauraki District Council's Executive Leadership Team



Chief Executive
David Speirs

Group Manager Business Services
Duncan Peddie

Group Manager Service Delivery
Adrian de Laborde

Group Manager Community Development
Peter Thom

Mission Statement

It is the Council's mission to:

- actively provide leadership to and advocate for, our communities
- provide good quality infrastructure, services and regulatory functions
- foster open-minded and two-way communication with our communities
- ensure the sustainable use and management of resources

...for the benefit of all who live in, work in and visit the Hauraki District.

Customer Charter

Your rights as a customer are:

- to be treated with respect
- to receive a timely and accurate response
- to have access to relevant information.

Our commitment to you:

- We will respond to you promptly.
- Our staff will identify themselves.
- We will provide knowledgeable staff at first contact.
- We will fairly interpret and apply the laws, by-laws and regulations.
- Our services standards will be freely available.
- We will review feedback from our customers.

Customer feedback:

- We welcome feedback about our service.
- The Council has formal feedback procedures. Ask for an information brochure, or check out the "Suggestions" section on the website - www.hauraki-dc.govt.nz - to submit your feedback.

Community Outcomes

Our **community outcomes** express in more detail about what we'd like to see happen in our District. These outcomes continue to stay at the forefront of the decisions we make. During the development of the 2024-34 Long Term Plan we updated these community outcomes.



Healthy environment | Te Mauri o te Taiao

- Ecosystems are protected, restored and respected.
- We minimise waste.
- Our rivers, streams and wetlands are healthy and we use water carefully.
- We reduce our carbon footprint to minimise climate change.

Connected people | Tūhono

- We look after each other.
- We are partners with Hauraki Iwi and Hapū.
- We collaborate with our communities and all levels of government.
- Youth are engaged and supported.
- We're proud to live here.

Vibrant and safe communities | Te Oranga pai o te Hapori

- Public spaces are fun, inviting and reflect our local culture and heritage.
- Everyone has access to safe, healthy and affordable homes.
- Roads and bridges are safe and well-maintained.
- We have a reliable drinking water supply.
- We plan for and adapt to the effects of climate change.

Strong economy | Oranga Ōhanga

- Local business is supported – we can get what we need locally.
- There is opportunity for paid work and employment, and training.
- We are skilled and educated.

Legislative framework

All local authorities are required to work within many statutory frameworks. The key empowering act for local authorities is the Local Government Act 2002.

Purpose of local government

Section 10 of the Local Government Act 2002 defines the purpose of local authorities as being:

- to enable democratic local decision-making and action by, and on behalf of, communities
- to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Role of local government

Section 11 of the Local Government Act 2002 defines the role of local authorities as being to:

- give effect, in relation to its district or region, to the purpose of local government stated in section 10
- Perform the duties, and exercise the rights, conferred on it by or under this Act and any other enactment.

These legislative requirements set the broad framework within which every local authority must work.

Key principles

There is further direction for local authorities in relation to their status and powers, in particular the principles relating to local authorities, contained in sections 12-14 of the Local Government Act 2002. These can be viewed in full on the website www.legislation.govt.nz. All of Council's policy and strategic frameworks are developed to be in compliance with these requirements.

About this Annual Report and our planning cycle

In our key strategic planning document, the 2024-34 Long Term Plan (LTP), we set out what we aim to achieve each year for the next ten-year period and use measures and targets as a way of monitoring whether we are meeting our goals. The performance measures in the annual report are detailed in the 2024-34 Long term plan. These measures are developed to measure our progress against meeting our community outcomes. Some activities have mandatory performance measures these are intended to provide consistency across councils. The non-mandatory measures included cover all material aspects of performance and are developed based on judgements of public interest, community satisfaction levels, public safety and community wellbeing.

The LTP also details the projects we plan to undertake and when we expect those projects to be completed. We produce an annual report like this one every year, which we use to report back to the community the progress we've made towards achieving those targets. Our annual reports also outline some of the projects that we have completed during the year. Additionally, an annual plan is produced in years two and three of the LTP to update the projects and budgets for those years.

This annual report document presents our key achievements for the 2024/25 year (1 July 2024 to 30 June 2025).

Selection of measures

The performance measures were selected to provide both quantitative and qualitative feedback towards the key goals identified in the Long-Term Plan (LTP) 2024-34. The measures for the LTP were selected on a basis of reflecting the levels of service the community can expect to receive and how we measure if we are achieving these.

These measures include those mandated pursuant to the Local Government Act 2002.

What you'll find in this document

- An introduction and overview of this document, including a message from the Mayor and Chief Executive, the wider context, your current elected members, our community outcomes and more.
- Our progress against the goals we set in our Financial Strategy.
- For each of our activities, this annual report outlines:
  - What the activity cost and how it was funded
  - Our progress in 2024/25 against our intended level of service targets (including the results for the mandatory performance measures where applicable)
  - An outline of the projects that were completed in 2024/25
- Our financial statements for the 2024/25 year
- An overview of the achievements of our Council Controlled Organisations (CCOs) in the 2024/25 year.
- A list of all Council Committees and their members.
- A report from Audit New Zealand regarding this annual report

Satisfaction survey

Annually Council independently surveys our customers' satisfaction with our services. For the 2025 survey Key research were contracted to undertake the satisfaction survey. The methodology involved a postal to online survey. A sample of 625 was achieved. The sample was proportionate to each Ward to ensure the survey was representative of the Hauraki District overall. Age and gender weights were applied to the final dataset to ensure specific demographic groups were not under or overrepresented. The margin of error for the 2025 survey was +/- 3.92% at the 95% confidence interval. Every third year the survey is broadened to include additional areas of focus to aid the newly elected Council's strategic decision-making. The 2025 survey was the triennial survey and included additional areas of focus.

We also undertake an annual survey to measure applicants' perceptions and satisfaction of residents who have lodged a building or resource consent in the 2024/25 year. A sample of 136 was achieved.

Progress against our Financial Strategy

Council's financial strategy, as set in the 2024–34 Long-Term Plan (LTP), recognised the significant financial pressures we were facing at that time. Interest rates had risen to their highest levels in more than a decade, inflation was elevated, and the cost of complying with new environmental and drinking water standards was escalating. Alongside these challenges, we knew that household incomes in Hauraki were below the national average and that many ratepayers were already under pressure from the rising cost of living.

Since the strategy was adopted, interest rates have largely stabilised, and inflation has begun to ease back from the peaks of recent years. These shifts are welcome, but the overall cost of delivering Council services and upgrading our infrastructure remains high. Large investment is still required in our wastewater and drinking water networks, and this is reflected in the higher-than-usual rates increases seen in 2024/25.

Our financial strategy provides the framework for how we balance these competing pressures. It sets clear limits ("caps") on rates increases and borrowing levels to ensure affordability and financial prudence and requires Council to explain if those limits are ever exceeded.

Rates affordability benchmark

Council has separate caps for property rates and for water charges, reflecting the significant capital investment needed in water and wastewater services.

- **Property rates** may increase by no more than the forecast Local Government Cost Index (LGCI) plus 20% in the first four years of the LTP, and LGCI plus 5% in years five to ten.
- **Water charges** are capped at LGCI plus 30% in year one, LGCI plus 10% in years two and three, and LGCI plus 4% in years four to ten.

In 2024/25, property rates per property increased by 18.6% and water charges increased by 49.5%. Both increases are significant, and only the property rates remained within the limit set.

The main driver of the budgeted increases was the sharp rise in the cost of operating our infrastructure. When preparing the LTP, Council re-examined what it would realistically cost to deliver the services our communities rely on. We found that operating costs were forecast to increase by more than 71% over the next ten years, with inflation alone expected to more than double costs over a 30-year horizon.

Alongside these operating pressures, 2024/25 also reflected:

- the wastewater upgrade programme signalled in the LTP,
- the system updates required to meet new Taumata Arowai drinking water quality assurance rules, and
- ongoing inflationary pressures in construction and service delivery costs.

These investments are essential to protect public health and the environment and will benefit our communities for decades to come.

Debt affordability benchmarks

We also set limits on how much debt we can take on, and how much of our revenue can be used to service interest costs. These limits are consistent with those applied by the Local Government Funding Agency and the requirements of holding a credit rating. They are:

- Net external debt not exceeding 280% of total revenue
- Net interest expense no more than 30% of rates revenue
- Net interest expense no more than 20% of total revenue

At 30 June 2025, Council's net external debt was $126 million, equivalent to 181% of total revenue. Net interest expense was 12% of rates revenue and 9% of total revenue.

All measures were within the caps set in the financial strategy.

Annual report disclosure statement for year ending 30 June 2025

Purpose of this statement?

This statement sets out Council's performance against a series of financial benchmarks required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

The benchmarks are designed to help assess whether Council is prudently managing its revenues, expenses, assets, liabilities, and overall financial dealings.

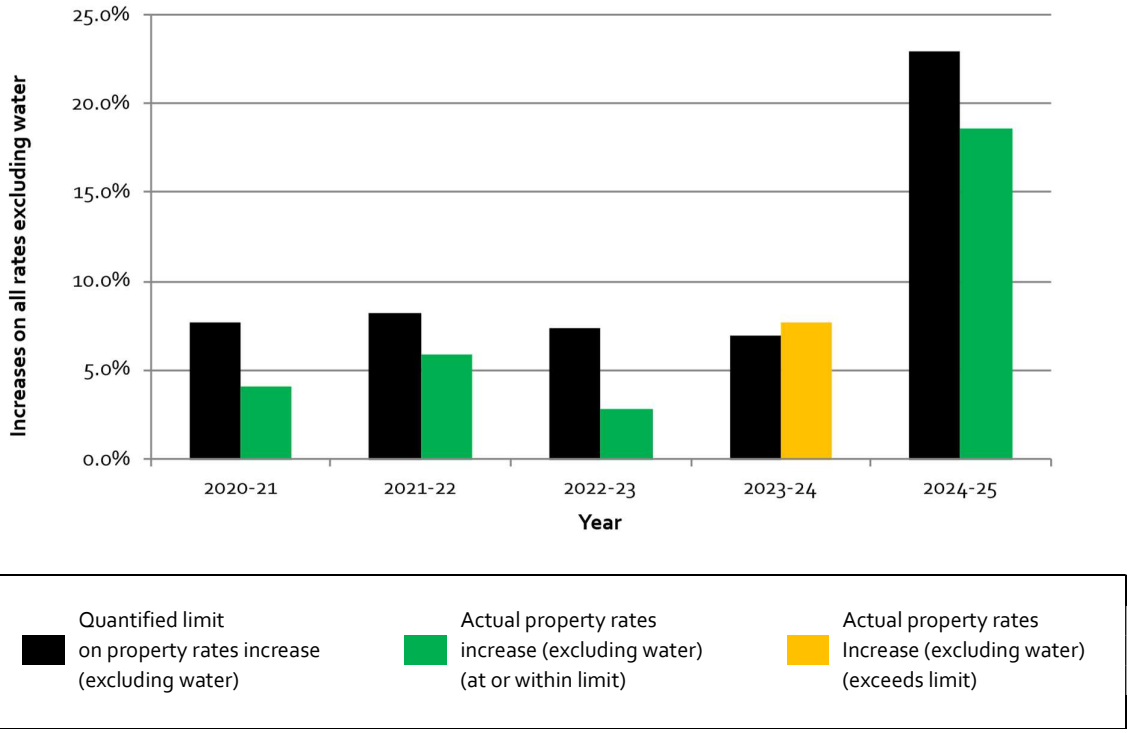
For definitions of the terms used and further detail on the requirements, refer to the Regulations.

Rates affordability benchmark

The rates affordability benchmark requires Council to compare its planned rates increase (excluding water) against the limit set in its Financial Strategy. The limits are intended to show whether Council is managing rates in a way that is affordable and sustainable for the community.

For 2024/25, the quantified limit was 22.9% (being the Local Government Cost Index plus 20%).

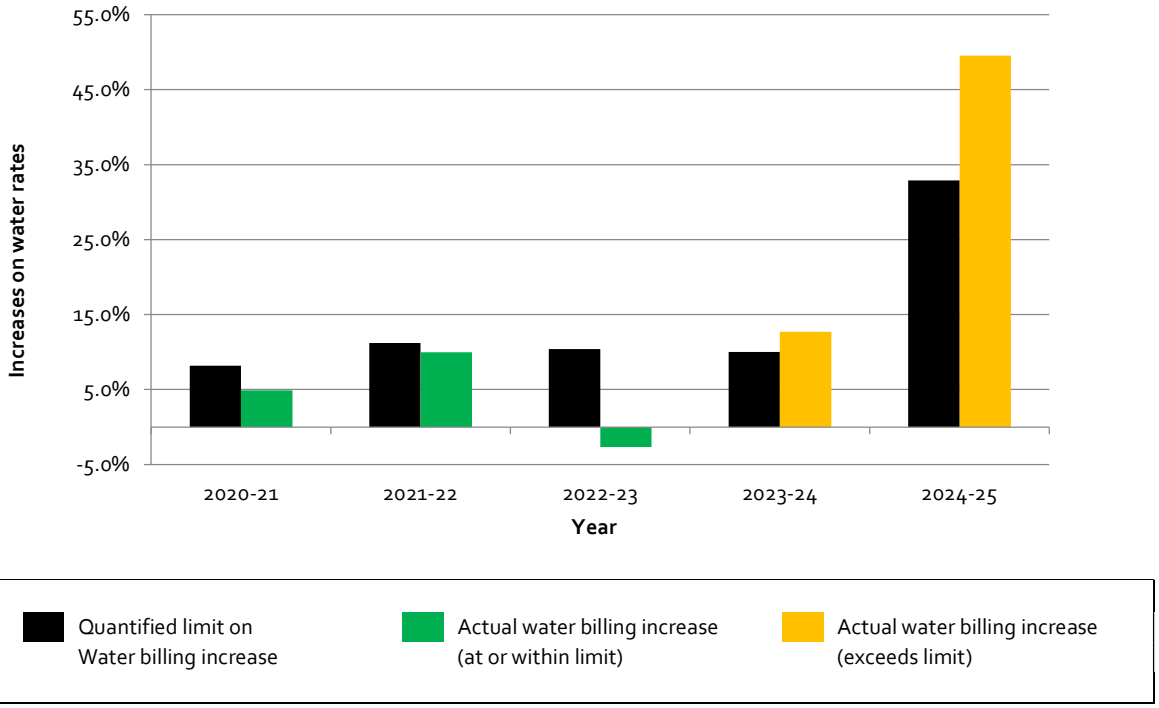
Council's actual rates increase for 2024/25 was 18.6%, which is within the limit.



Water rates affordability benchmark

The water rates affordability benchmark requires Council to compare its actual water rates increase for the year with the quantified limit set in its Financial Strategy. For 2024/25, the quantified limit was 32.9% (being the Local Government Cost Index plus 30%).

Council's actual water rates increase was 49.5%, meaning the limit was not met.



The main reason for exceeding the benchmark was a higher level of water rates revenue recognised at year-end. This reflected an accrual of approximately $2.2 million for estimated water consumption not yet billed as at 30 June 2025. During the year, a number of water meter readings were based on estimates rather than actual data, and the year-end accrual was calculated using the average daily consumption from the most recent actual and estimated readings. Because the number of actual readings was limited, Council made the decision to bring the meter reading process in-house, with Council staff now responsible for obtaining readings directly.

This timing issue was further influenced by the transition to a new water billing structure from 1 July 2025, under which wastewater rate charges will be (from 1 July 2025) included in water invoices. To support this system change, staff undertook additional meter readings ahead of schedule to ensure as much consumption data as possible was captured before the new billing system went live.

Together, these factors resulted in a higher level of water rates revenue being recognised in 2024/25, which in turn caused the water rates increase to exceed the affordability benchmark limit. It should also be noted that actual water rate movements can be affected by year-to-year weather patterns, which influence overall water consumption and revenue.

Debt affordability benchmarks

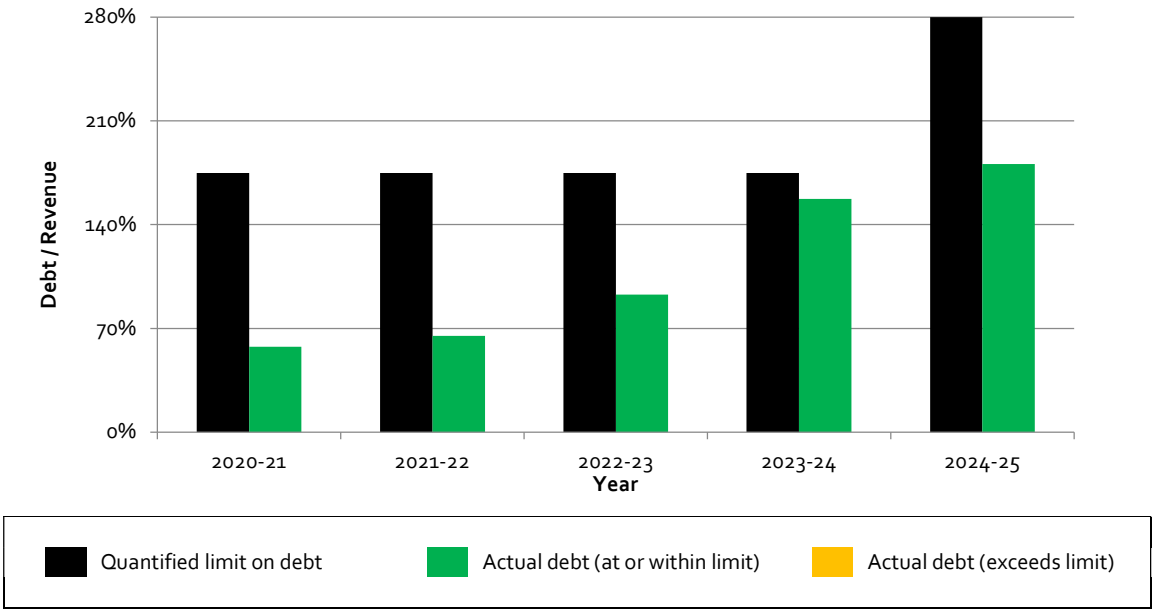
The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The Council has three quantified limits on borrowing:

- Net external debt not exceeding 280% of total revenue
- Net interest expense no more than 30% of rates revenue
- Net interest expense no more than 20% of total revenue

Debt (debt to total revenue) affordability

The following graph compares Council's actual net debt with the borrowing limit set in its Financial Strategy. The quantified limit requires that net debt must not exceed 280% of total revenue.

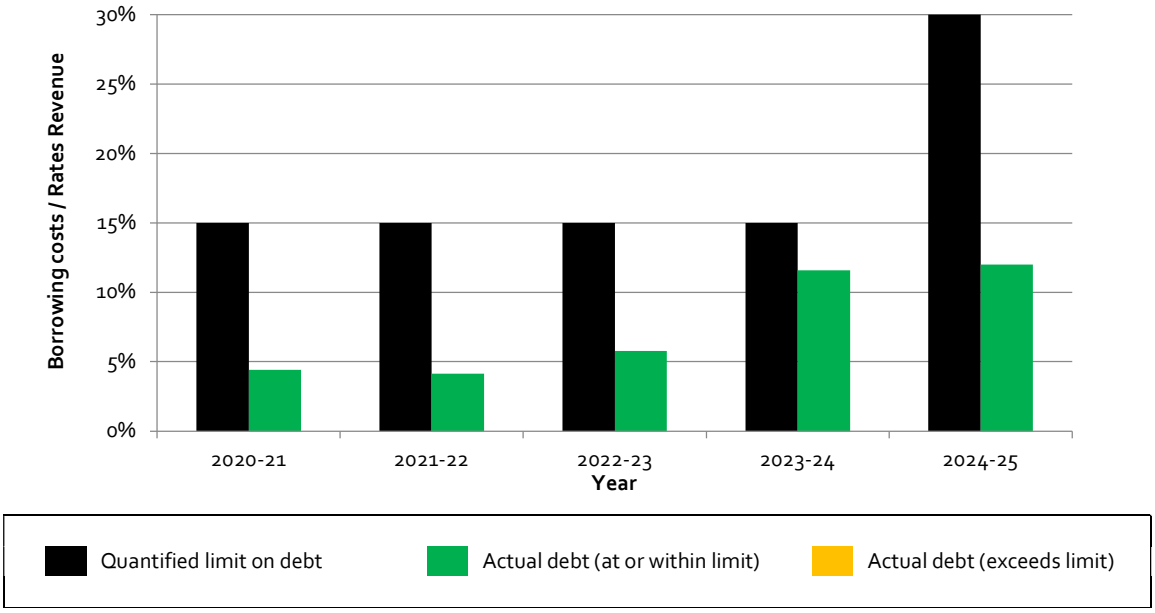
At 30 June 2025, Council's net debt was 181% of total revenue, which is within the limit.



Debt (net interest expense to rates revenue) affordability

The debt servicing benchmark requires Council to compare its net interest expense for the year with the borrowing limit set in its Financial Strategy. The quantified limit requires that net interest expense is no more than 30% of rates revenue.

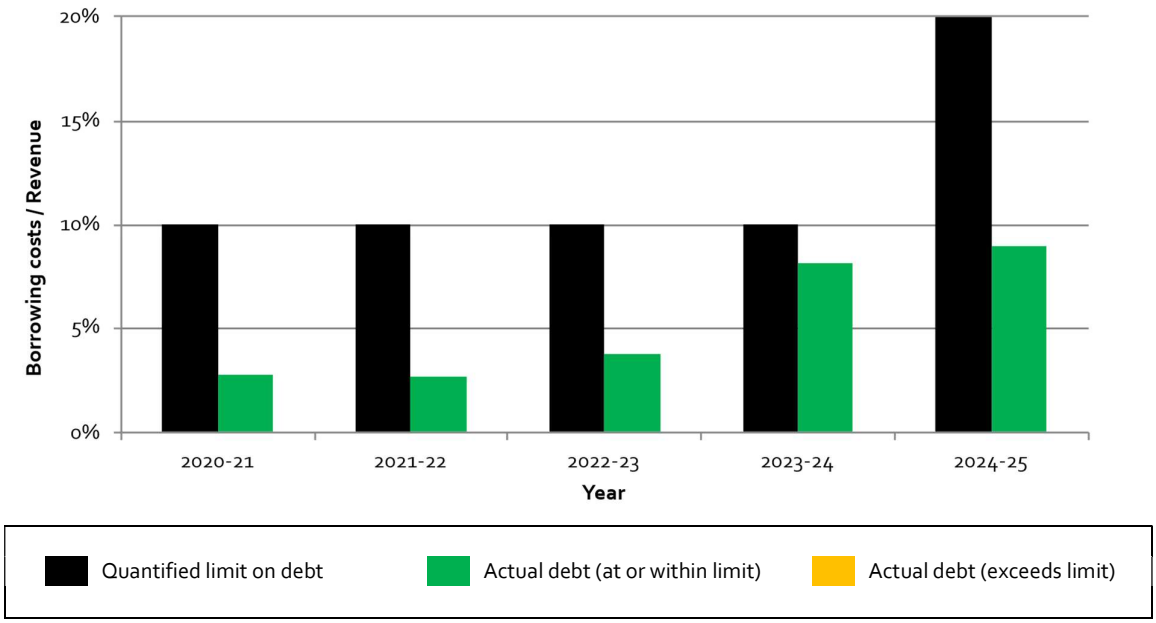
For 2024/25, Council's net interest expense was 12% of rates revenue, which is within the limit.



Debt (net interest expense to total revenue) affordability

This benchmark requires Council to compare its net interest expense for the year with total revenue, against the limit set in its Financial Strategy. The quantified limit requires that net interest expense is no more than 20% of total revenue.

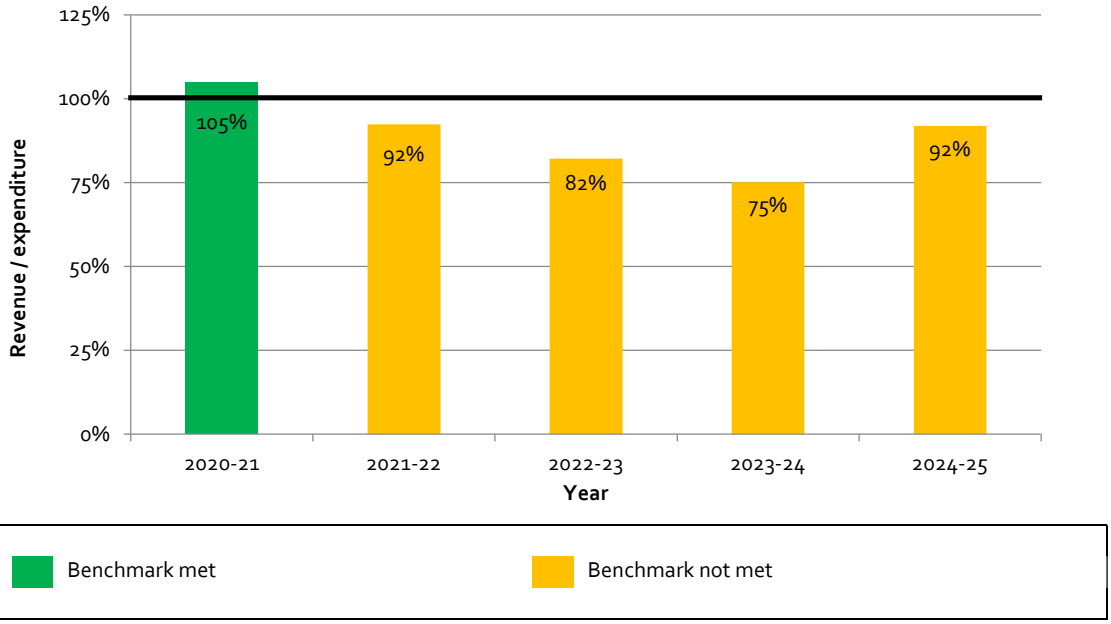
For 2024/25, Council's net interest expense was 9% of total revenue, which is within the limit.



Balanced budget benchmark

The balanced budget benchmark requires Council to compare its revenue (excluding development and financial contributions, vested asset income, gains on derivative financial instruments, and revaluations of property, plant, or equipment) with its operating expenses (excluding losses on derivatives and revaluations). Council meets the benchmark if its revenue is equal to or greater than operating expenses.

For 2024/25, Council's revenue was 92% of its operating expenses, meaning the benchmark was not met.



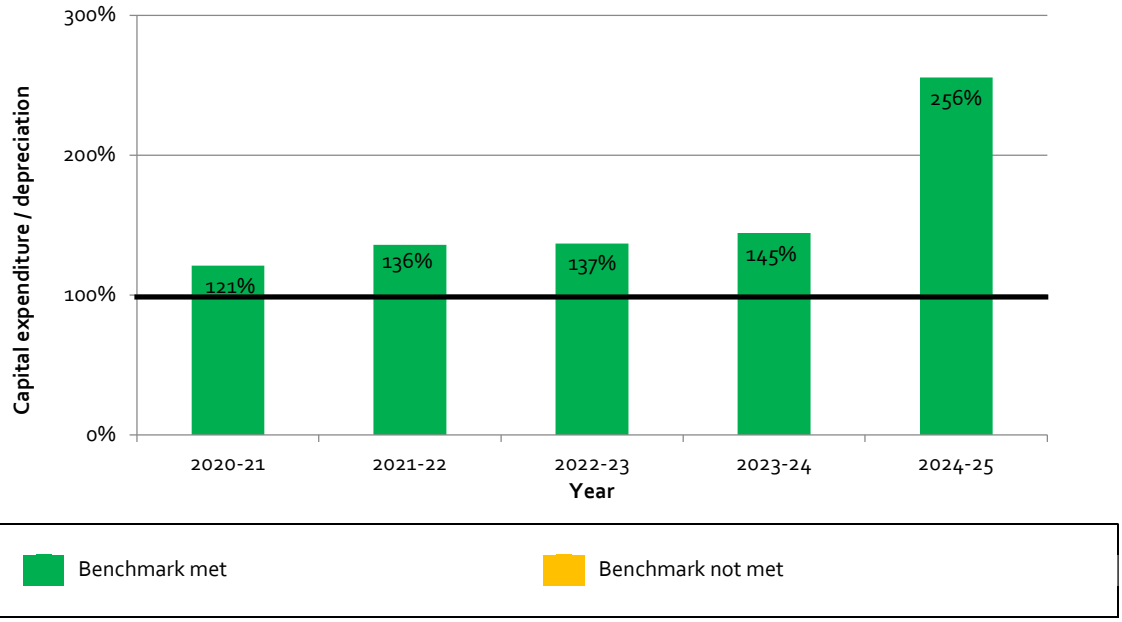
The shortfall primarily reflects higher-than-budgeted operating expenditure, particularly in finance costs and other expenses.

- Finance costs were $6.0 million, which was $1.4 million higher than budget. Borrowing 'averaged' $123 million (compared with $92 million assumed in the budget) and a closing debt balance of $140 million increased interest expenses.
- Other expenses totalled $30.9 million, were $6.6 million above budget, driven by:
  - Losses on disposal of assets ($2.45 million) - which were unbudgeted and difficult to forecast.
  - Derivative fair value losses ($2.19 million) - these non-cash, accounting-only adjustments are excluded from the benchmark calculation but still reduce Council's reported surplus for the year.
  - Three Waters transition costs ($0.5 million) - not budgeted due to uncertainty at the time of the LTP but partly offset by government funding.
  - Landfill aftercare provision remeasurement ($0.3 million) – which reflect updated valuation assumptions.
  - Additional regulatory services costs for building inspections ($0.3 million) and resource consents ($0.2 million), due to greater reliance on contractors to maintain statutory timeframes due to unfilled vacancies within this team.

While operating revenues remained relatively stable, these expenditure pressures collectively resulted in an operating deficit for 2024/25 and non-compliance with the balanced budget benchmark.

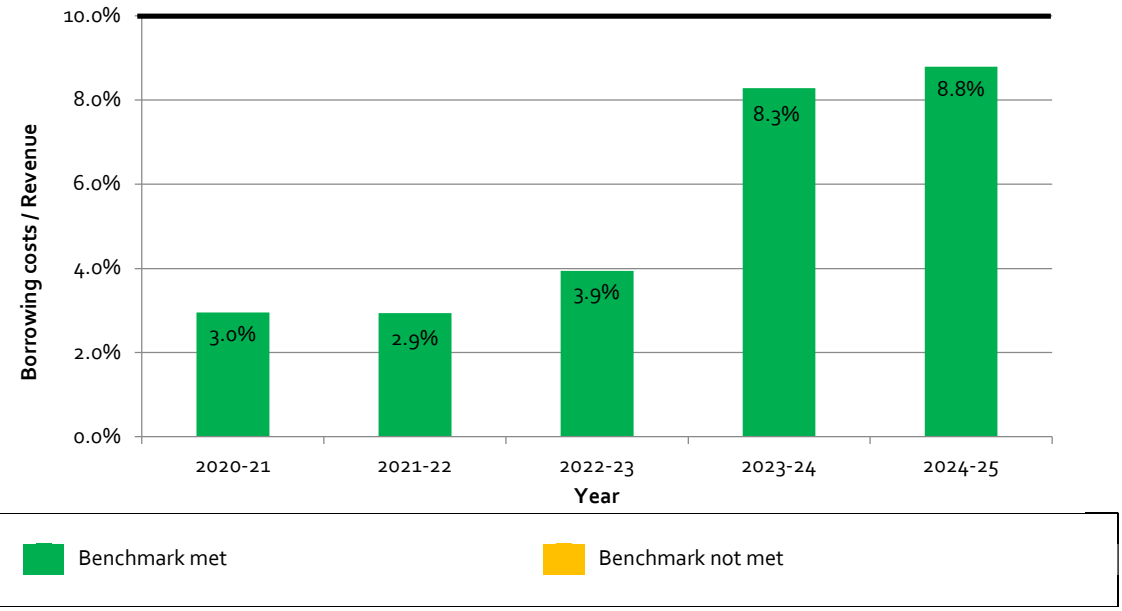
Essential services benchmark

The essential services benchmark requires Council to compare its capital expenditure on network services with the expected depreciation on those assets. Council meets the benchmark if its capital expenditure is equal to or greater than depreciation, indicating that it is maintaining and renewing its essential infrastructure. For 2024/25, Council's capital expenditure on network services was 256% of expected depreciation, which is well above the benchmark. This outcome was primarily driven by the wastewater treatment plant upgrade in Paeroa, a significant capital project signalled in the Long-Term Plan.



Debt servicing benchmark

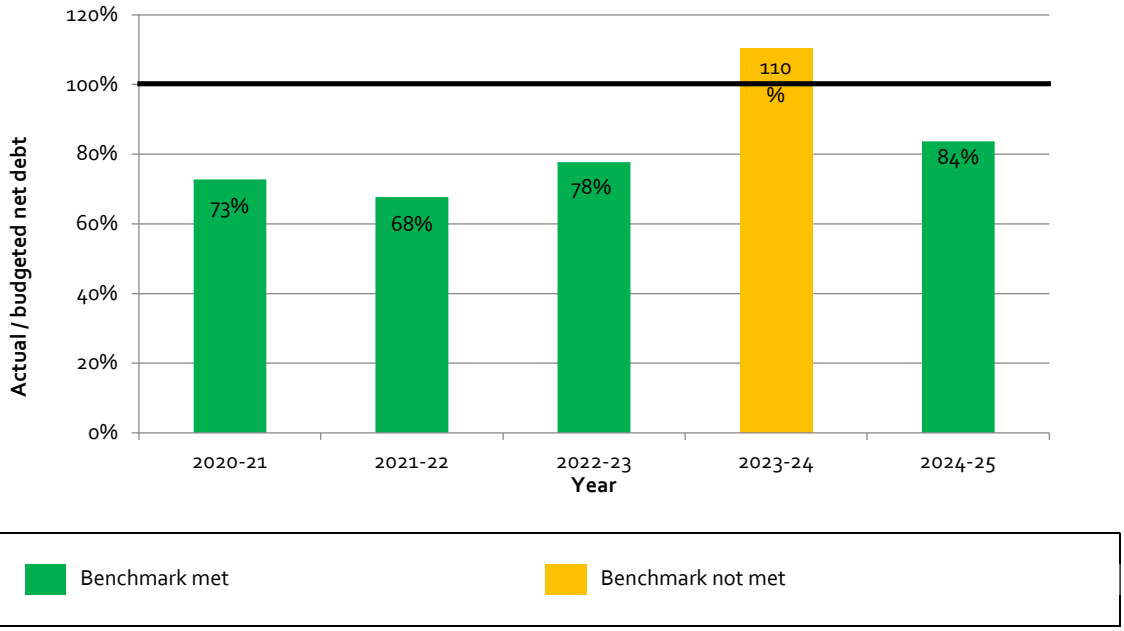
The debt servicing benchmark compares Council's borrowing costs with its revenue (excluding development and financial contributions, vested asset income, derivative gains, and revaluations). Council meets the benchmark if borrowing costs are less than or equal to 10% of revenue. For 2024/25, Council's borrowing costs were 8.8% of revenue, which is within the limit.



Debt control benchmark

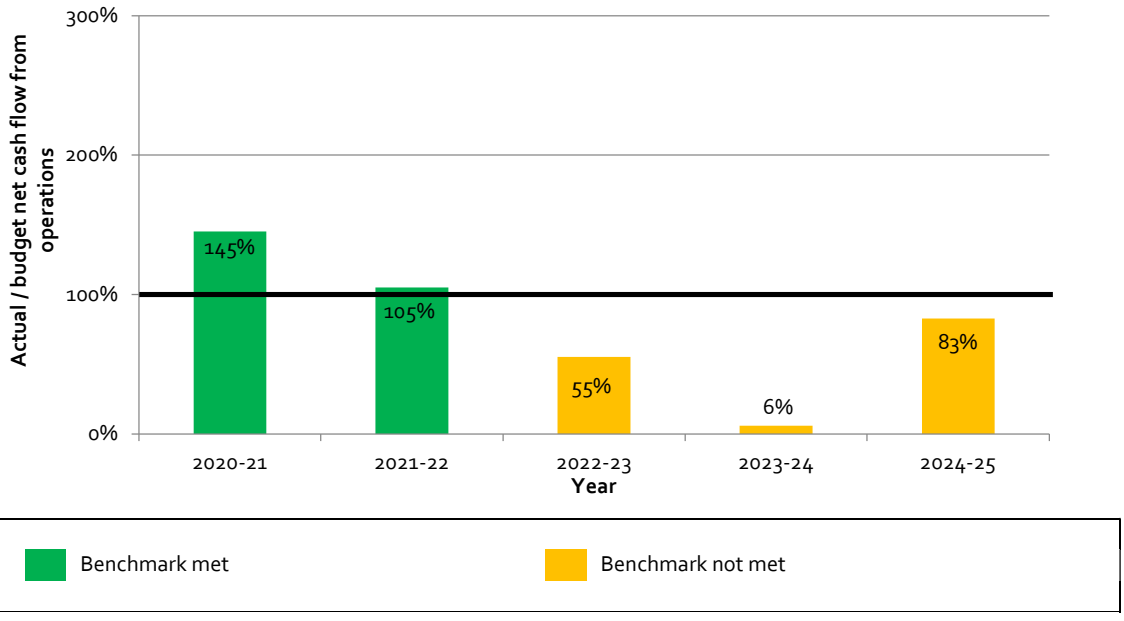
The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). The council meets the debt control benchmark if its actual net debt equals or is less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

For the year ended 30 June 2025, the Council's actual net debt was 84% of its planned net debt, meaning the benchmark was achieved.



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.



For the year ended 30 June 2025, the Council's actual net cash flow from operations was 83% of its planned net cash flow, meaning the benchmark was not achieved.

The main drivers were

- Finance costs $1.3 million higher than budget, and
- Payments to suppliers and employees $2.0 million higher than budget.

Statement of Service Performance| Tauākī whai mahi ratongae

We provide the residents and ratepayers of our communities with a wide range of services. Some services are provided as it is a requirement to do so by law, others our community have chosen to have. For each of our services shown below, we have provided documents intended to explain those services and how we prepared our plans for 2024-34. These documents are provided in the following sections.

The services you can expect us to provide are:



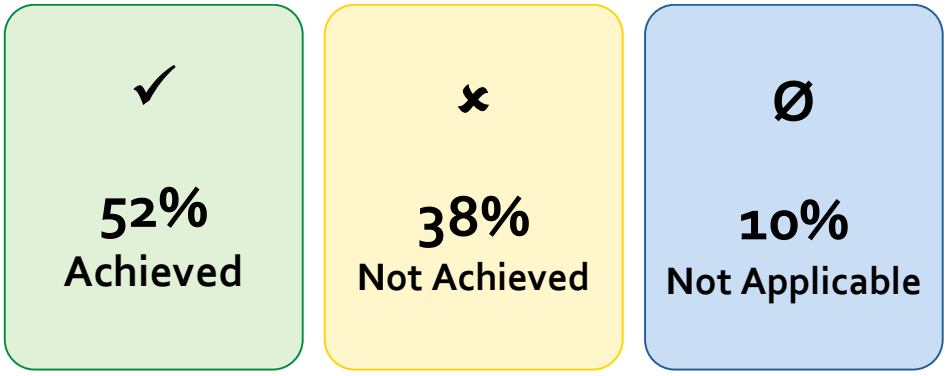
Statement of compliance

The service performance information in this report is compliant with New Zealand generally accepted accounting practice (NZ GAAP).

Our Council Activities section of this document (from pages 20-97 (for the Council Activities and the Funding Impact Statements) and provides a detailed assessment of how well Council's activities performed during 2024/25.

Summary of our performance

We have 63 service targets listed in the 2024-34 Long Term Plan, for 2024/25 here is a summary of the results:



Council achieved strong results in several activity areas with achievement at 100%, particularly regulatory compliance, water and wastewater consent compliance, cemeteries, halls and governance and leadership. However, challenges remained in areas such as land transport safety, water supply continuity and quality and some timeliness of responding to requests for community protection activities.

Overall, there were mixed results, with good achievement, close to achievement and areas requiring improvement. Several measures were not applicable due to the absence of flooding events.

Some key achievements of our performance;

- 100% of Council agendas were published within statutory timeframes.
- 100% of non-urgent LIMS were completed within statutory timeframes.
- There were no fatalities or serious crashes contributed to by council-controlled road conditions.
- Elderly persons housing reported a 95% tenant satisfaction.
- Animal control met all targets with 98% of dogs registered and 100% response to dog attack and wandering stock complaints.
- Kerbside collection complaints remained low with 0.2 per 1,000 customers.

Service targets not achieved

Of the 63 service targets 38% were not achieved.

Of the nine roading performance targets seven measures were not achieved due to varying cost factors and resourcing .

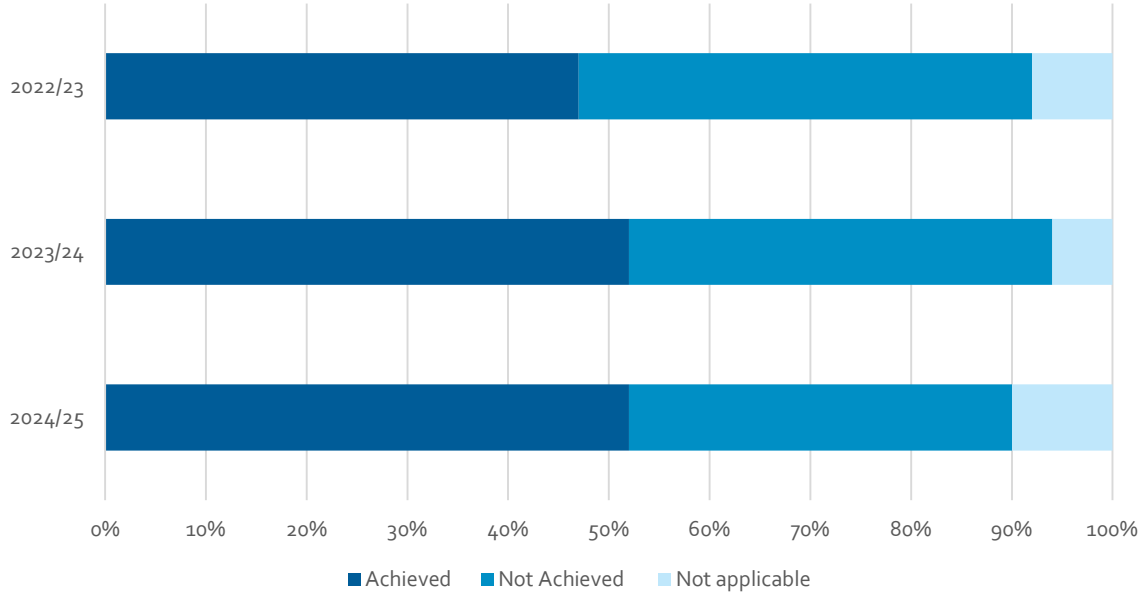
Of the 19 performance measures included for our three waters and land drainage activities four were not achieved. Some were affected by unplanned interruptions across the network.

Other factors that contributed to some measures not being achieved were due to staff resourcing, operational and compliance challenges.

We are using these results to inform and improve our service delivery in the future. For further non-financial performance results see the *Meeting our Service Targets* tables below.

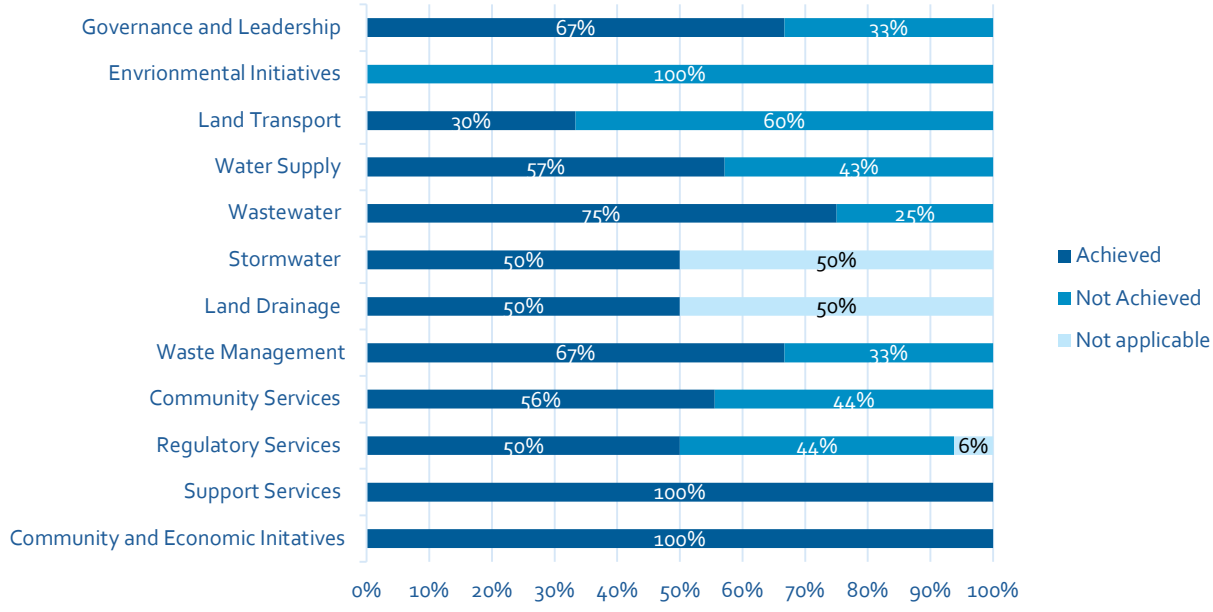
Overall service performance by year

The following graphs summarise our overall performance by year and by activity. Further explanation is provided in the Groups of Activities sections.



For more detail on each activity that we provide, refer to the 2024-2034 Long Term Plan document available on our website www.hauraki-dc.govt.nz

Overall service performance by activity



Overall service performance by activity group

Activity	Achieved	Not achieved	Not applicable
Governance and leadership	67%	33%	0%
Land transport	30%	60%	10%
Water Supply	57%	43%	0%
Wastewater	75%	25%	0%
Stormwater	50%	0%	50%
Land Drainage	50%	0%	50%
Waste management	67%	33%	0%
Environmental Initiatives	0%	100%	0%
Community Services	56%	44%	0%
Community and Economic Initiatives	100%	0%	0%
Regulatory	50%	44%	6%
Support services	100%	0%	0%

Our activities in this report

For each group of activities within this annual report document you will find:

- a brief overview of the group (where applicable).
- an explanation of the identified effects that the provision of the group of activities has on the community.
- the *effects on the community* section includes how the group of activity effects the social, economic, environmental or cultural wellbeing of the community.
- the community outcomes that the group primarily contributes to.
- an overview of what the group of activities cost and how it was paid for.

For every activity the following further information is provided:

<Activity name>

This section provides an overview of the activity where there is more than one activity within a group. It includes the purpose of the activity, the rationale for our involvement and what is involved in us delivering that activity.

Meeting our service targets

The levels of service, measures and targets for groups of activities or activities, as detailed in the 2024-2034 Long Term Plan for the 2024/25 year, are detailed in the 'meeting our service targets' table. The table for each group of activities or activity also includes progress indicator icons to show the achievement of each measure. The icons are as follows:

 Achieved  Not Achieved  Not Applicable

Within this table, the previous year's results are shown to provide a comparison between years. Additionally, the mandatory performance target results are also included for roads and footpaths, water supply, wastewater, stormwater, and flood protection and control works (land drainage) activities.

Note that the results of some measures are based the annual satisfaction survey. This was undertaken in July/August 2025, to record customers' satisfaction with our services and facilities in the 2024/25 year.

What else happened in 2024/25?

This section details the projects that were completed in the 2024/25 year; this includes projects that were scheduled for 2024/25 in the Long Term Plan, or other projects or achievements completed. That had been carried over from previous years.

What these activities cost and how they were paid for

This section includes the operating statement which shows how much it cost to operate the activity, and the funding impact statement for the group of activities. The funding impact statement also includes the budgeted capital expenditure for the activity and the actual amount spent, split into: what was spent on meeting additional demand, improved levels of service, or replacement of existing assets.

Our easy reference stamp

A lot more information on our activities can be found in the LTP; this annual report is a summary of our performance against what we said we would do in the LTP. This reference stamp placed throughout this report will let you know where you can find out more in the LTP which is available at each Council service centre, or library, or you can download an electronic copy from www.hauraki-dc.govt.nz.



Governance and Leadership
Kāwangatanga me te rangatiratanga

- Democracy | Te Manapori
- Iwi liaison | Kaitakawaenga Iwi
- Policy development | Whanaketanga kaupapa here

Governance and leadership | Kāwangatanga me te rangatiratanga

Overview | Tiro whānui

Our governance and leadership group includes our local democratic system which represents the residents of our district, our relationships with Māori, and the development of policies and plans – including those required by law and other voluntary local policies.

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Our Long-Term Plan

Community outcomes | Ngā huanga hapori

The governance and leadership group mainly contributes to the following community outcomes:

- Connected people | Tūhono
- Vibrant and safe communities | Te Oranga pai o te Hapori

Democracy | Te Manapori

Local government in New Zealand receives its mandate from the government through legislation. We provide democracy services to provide representative and accountable governance, provide local leadership, assess issues that affect the district and local communities and responses, and make informed decisions on local services and funding on behalf of our communities.

Iwi liaison | Kaitakawaenga Iwi

We provide iwi liaison services to fulfil the particular responsibilities the Council has to Hauraki Iwi and Māori in general, acknowledge the cultural and spiritual relationships that iwi and Māori have with ancestral lands, taonga and issues that are relevant and important to Māori. And to acknowledge and engage with the Kaitiaki (leadership) role that iwi have.

Policy development | Whanaketanga kaupapa here

This activity includes:

- development of policy relating to our strategic intentions, particularly under the Local Government Act 2002
- development of local bylaws and other regulatory policy
- development of policy and plans relating to resource management under the Resource Management Act 1991.

We provide policy development services to develop appropriate responses to community needs, ensure a consistent approach to decision-making and action across the Council, and sometimes the sub-region or Waikato region as a whole, meet our many statutory requirements, and provide accountability back to residents and ratepayers through reporting mechanisms.

Effects on the community

Our governance and leadership group of activities work towards achieving a consistent policy approach for the community through leadership, governance and advocacy.

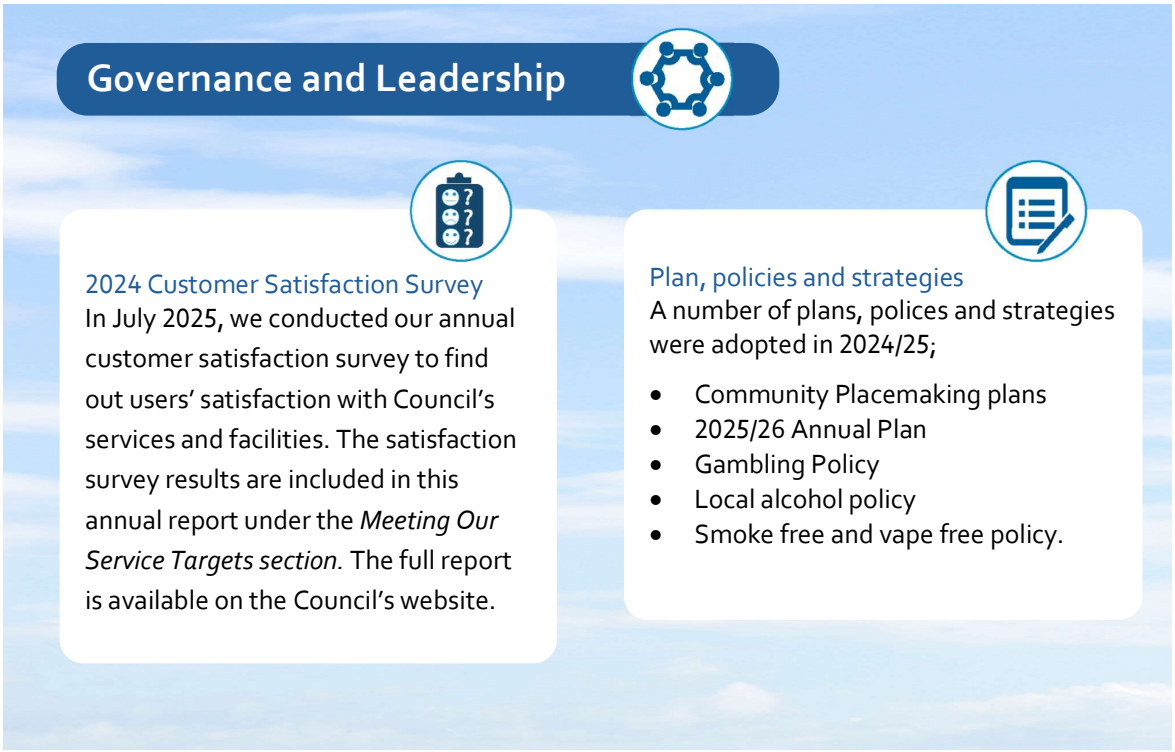
The promotion of the district and advocacy roles that the Mayor and councillors undertake, including at a national and regional level, are often not evident as far as reporting goes, but it is fair to say that it is instrumental to their roles as elected members. This work ensures that the qualities the public agree are important for a person's happiness, quality of life and welfare, are addressed. The advocacy and decision-making undertaken by elected members helps to promote the district, and to provide the infrastructure and services that support its service delivery and economic growth.

Meeting our service targets

How we measure our performance	Result 2024/25▼ **Key:** Achieved Not Achieved Not Applicable	
What we said we would do:		
Measure: Agendas for meetings (other than extraordinary meetings) of the Council and its Committees are publicly available at least two clear working days prior to the meeting date. **Target:** 100%	2024/25 Achieved	100% (32/32) agendas available at least two days prior to the meetings for the 2024/25.
	2023/24 Achieved	100% (59/59) agendas were publicly available at least two working days prior to the meeting in 2023/24.
Measure: All legislatively required policies, bylaws, plans and strategies are adopted within statutory timeframes. Target: 100%	2024/25 Achieved	100% (5/5) There were five legislatively required documents adopted this year.
	2023/24 Not achieved	80% (4/5) There were five legislatively required documents adopted within 2023/24. Council resolved to delay (by 1 year) the legislatively required 3-yearly review of the Gambling Policy 2020 during the first quarter.
Measure: Percentage of customers satisfied with the Council's consultation and	2024/25	The 2025 customer satisfaction survey results showed that 42% of

How we measure our performance	Result 2024/25▼ Key: Achieved Not Achieved Not Applicable	
engagement regarding major policies and strategies. Target: ≥65%	Not achieved	customers are satisfied with the Council's consultation and engagement regarding major policies and strategies
	2023/24 Not achieved	The 2024 customer satisfaction survey results showed that 45% of customers are satisfied with the Council's consultation and engagement regarding major policies and strategies

What we achieved in 2024/25



What it cost and how it was paid for?

Cost of operating Governance and Leadership

	LTP 2025 $000	Actual 2025 $000	Actual 2024 $000
Expenditure			
Democracy	2,651	2,555	2,467
Iwi Liaison	297	123	139
Policy development	1,730	1,390	1,910
Total expenditure	**4,677**	**4,068**	**4,516**
Revenue			
Fees, charges and other revenue	290	4	5
External subsidies	166	327	277
Targeted rates	0	0	0
General rates	4,088	4,176	3,927
Total revenue	**4,544**	**4,507**	**4,209**
Operating surplus / (deficit)	**(133)**	**439**	**(307)**

Hauraki District Council: Funding impact statement for the year ended 30 June 2025 for Governance and Leadership

	Long-Term Plan 2024 $000	Long-Term Plan 2025 $000	Actual 2025 $000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	3,719	4,088	4,176
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	166	327
Fees and charges	0	290	4
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	3,719	4,544	4,507
Applications of operating funding			
Payments to staff and suppliers	1,475	1,912	1,302
Finance costs	0	0	0
Internal charges and overheads applied	2,543	2,766	2,765
Other operating funding applications	0	0	0
Total applications of operating funding (B)	4,018	4,677	4,067
Surplus / (deficit) of operating funding (A - B)	**(299)**	**(133)**	**440**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital expenditure	0	0	
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase (decrease) in reserves	(300)	(133)	440
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	(300)	(133)	440
Surplus / (deficit) of capital funding (C - D)	**299**	**133**	**(440)**
Funding balance ((A - B) + (C - D))	**0**	**0**	**0**



Land transport | Te kawa o ngā waka whenua

Overview | Tiro whānui

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Our Long Term Plan

The land transport activity is responsible for the planning, provision, development, operation and maintenance of the district's land transportation network and facilities. It enables economic activity and growth by allowing for the efficient transport of goods and services, and by promoting access into and across the Hauraki network.

The activity includes the maintenance of our sealed and unsealed roads, bridges, streetlights, and road drainage. It includes the clearing of roads after weather events such as slips or flooding, providing and maintaining footpaths, road safety and some public transport coordination. It also includes street cleaning, vegetation control for improved visibility for users and mobility purposes, and noxious weed control on road sides.

Effects on the community

The land transport group focuses primarily on the provision of safe and reliable local roading networks for district communities, ensuring people (and those with limited transport options) are able to move freely around the district in an efficient manner and have appropriate links with national state highways. This in turn contributes to economic viability and social wellbeing for all people.

Community outcomes | Ngā huanga hapori

The land transport group mainly contributes to the following community outcomes

- Healthy environment | Te Mauri o te Taiao
- Connected people | Tūhono
- Vibrant and safe communities | Te Oranga pai o te Hapori
- Strong economy| Oranga Ōhanga

Meeting our service targets

How we measure our performance ▼	Result 2024/25▼ Key: Achieved Not Achieved Not Applicable	
What we said we would do: provide a safe transport network for users and the community.		
Measure: The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.* **Target 1:** Reduce fatalities and serious injury crashes from the previous financial year. **Target 2:** Reduce fatalities and serious injury crashes attributable to council managed road conditions, to 0.	2024/25 Not Achieved	Target 1: There is no reduction from the previous year. There were eleven serious injury crashes and no fatalities in the Hauraki District, compared to 2023/24, there were seven serious injury crashes and one fatality.
	Achieved	Target 2: There were no fatalities or serious injuries because of Council managed road conditions.
	2023/24 Not Achieved	Target 1: No reduction in fatalities and serious injuries. There was 1 fatality and 7 serious injury crashes in 2023/24.
	Achieved	Target 2: There were zero fatalities and zero serious injury crashes attributed to Council managed road conditions in 2023/24.
What we said we would do: footpath assets to be fit for purpose.		
Measure: The percentage of footpaths within the district that fall within the level of service or service standard for the condition of footpaths that is set out in the Council's relevant documents (e.g. the annual plan, asset management plan, annual works programme or long term plan).* **Target:** 80% of trip hazards (>10mm displacement) on footpaths as identified in the triennial condition survey to be remedied over a three year period All other trip hazards identified to be isolated for safety within 2 days and remedied within a month.	2024/25 Not achieved	0% of trip hazards (>10mm displacement) as identified in the triennial condition survey were remedied in the current year. Due to the NZTA decrease in budget allocation. Hazards are first identified and made safe. Then put onto a program to be fixed once budget allows.
	Not Achieved	82% (37/45) of all other trip hazards identified were isolated for safety within 2 days, and 36% (16/45) were remedied within a month.
	2023/24 Achieved	80% (524/653) of trip hazards (>10mm displacement) as identified in the triennial condition survey have been remedied at the end of 2023/24 of the final year of the three-year period.

How we measure our performance ▼	Result 2024/25▼ Key: Achieved Not Achieved Not Applicable	
	Not achieved	56% (32/57) of all other trip hazards identified were isolated for safety within 2 days, and 98% (44/45) were remedied within a month.
What we said we would do: provide a roading network that addresses safety and amenity issues		
Measure: All reported potholes are repaired on District roads within specified timeframes. **Target:** 85% within 5 days for Arterial and Collector roads and within 14 days for Access and Low Volume Roads.	2024/25 Not Achieved	81% (63/78) completed within timeframes. Resourcing contractor improvement.
	2023/24 Not achieved	81% (110/135) of potholes on arterial and collector roads were repaired within five days or repaired within fourteen days on access and low volume roads in 2023/24.
Measure: The average quality of ride on a sealed local road network, measured by smooth travel exposure.* **Target:** ▪ 85% for urban low speed roads, ▪ 93% for rural high speed roads	2024/25 Not Achieved	82% Smooth Travel Exposure on our urban low speed roads
	Achieved	97% Smooth Travel Exposure on our rural high-speed roads
	2023/24 Not achieved	The smooth travel exposure for 2023/24 is 84% for urban low speed roads. Note; this target is not achievable under current budget constraints.
	Achieved	The smooth travel exposure for 2023/24 is 97% for rural high speed roads.
What we said we would do: preserve the pavement life of sealed roads.		
Measure: The percentage of the sealed local road network that is resurfaced.* **Target:** 6% of the local road network resealed per year	2024/25 Achieved	6.5% of the local road network resealed.
	2023/24: Not achieved	5.0% (25.6 km) of the local road network was resealed in 2023/24. Note: Target not achievable under current budget constraints.
Measure: The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan.*	2024/25 Not achieved	97% (732/754) of customer service requests were responded to within 10 working days. The number of customer service requests include all individual requests, including multiple entries associated with a

How we measure our performance ▼	Result 2024/25▼ Key: Achieved Not Achieved Not Applicable	
Target: 100% of maintenance related service requests are responded to within 10 working days		single fault. Delays were primarily due to resourcing constraints and requests being initially directed to the incorrect team.
	2023/24 Not Achieved	93% (1,028/1,100) of maintenance related customer service requests were responded to within 10 working days in 2023/24.
What we said we would do: access to be provided to the network of local roads.		
Measure: Time for road access to be restored to communities following a 1 in 10 year climatic event.	2024/25 Not applicable	No road closures because of a 1:10 year event.
Target: 100% of Arterial and Collector roads open within 24 hours, all other roads within 72 hours.	2023/24 Achieved	There was one, 1 in 10 year event in the year, but no roads were closed due to the event
* Mandatory performance measure under section 261B of the Local Government Act 2002.		

What we achieved in 2024/25

Land Transport

District-wide resealing - $2.1 million- Approximately 33 kms of road across the district was resealed.



Tūrua – Hauraki Road main street rehabilitation - $1.5M
A portion of Hauraki Road through Tūrua has been upgraded, this includes upgrades of concrete footpaths, driveways and chipseal surfacing.



Ridgeview Place, Waihī upgrade - $271,000
This upgrade includes stormwater drainage, kerb & channel, concrete footpaths, swales, driveways and chipseal surfacing.

Golden Valley Road rehabilitation - $828,000 (61% NZTA fund)
Golden Valley Road reopened to through traffic on the 16 May 2025 after storm damage washed a large chunk of the road away. This very technical project came in on budget and on time. Future proofing the road includes a 125-metre road alignment with retaining walls, backfilling and earthworks.



Front Miranda Road footpath renewal - $132,238 – final cost to ratepayers $85,000
Upgrades include improved footpaths, access from Hauraki Rail Trail to the public toilets, shared space signage for cyclists and a crossing point a safe distance from the intersection.

Kaiaua Road slip
Slip repair cost $351,000 (80% funded by NZTA)
A slip on Kaiaua Road was repaired following storm damage. A twin culvert headwall on East Road was fixed and rock armouring of the footpath was undertaken.

What it cost and how it was paid for?

Operating statement for Land Transport

	LTP 2025 $000	Actual 2025 $000	Actual 2024 $000
Expenditure			
Amenity	169	153	174
Carriageways and Bridges	7,013	5,865	5,856
Footpath Maintenance	122	42	135
Lighting	215	439	545
Network Management	1,597	1,541	1,304
Other	1,192	778	835
Depreciation/Assets written off	5,482	6,232	6,688
Interest	604	552	597
Total expenditure	**16,393**	**15,602**	**16,134**
Revenue			
Fees, charges and other revenue	179	182	316
External subsidies	12,584	9,093	7,530
Targeted rates	7,698	7,790	6,670
General rates	0	0	0
Total revenue	**20,461**	**17,065**	**14,516**
Operating surplus / (deficit)	**4,068**	**1,463**	**(1,618)**

Hauraki District Council: Funding impact statement for the year ended 30 June 2025 for Land Transport

	Long-Term Plan 2024 $000	Long-Term Plan 2025 $000	Actual 2025 $000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	0	0	0
Targeted rates	6,249	7,698	7,790
Subsidies and grants for operating purposes	3,270	5,498	4,454
Fees and charges	64	60	1
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	13
Total operating funding (A)	9,583	13,256	12,257
Applications of operating funding			
Payments to staff and suppliers	5,844	9,573	8,082
Finance costs	387	604	552
Internal charges and overheads applied	540	734	734
Other operating funding applications	0	0	0
Total applications of operating funding (B)	6,771	10,911	9,368
Surplus / (deficit) of operating funding (A - B)	**2,812**	**2,345**	**2,889**
Sources of capital funding			
Subsidies and grants for capital expenditure	2,370	7,086	4,639
Development and financial contributions	158	119	153
Increase (decrease) in debt	629	9,836	192
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	3,156	17,041	4,984
Applications of capital funding			
Capital expenditure	0	0	
- to meet additional demand	0	0	0
- to improve the level of service	1,196	4,528	1,737
- to replace existing assets	3,339	10,789	5,586
Increase (decrease) in reserves	1,433	4,068	550
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	5,968	19,386	7,873
Surplus / (deficit) of capital funding (C - D)	**(2,812)**	**(2,345)**	**(2,889)**
Funding balance ((A - B) + (C - D))	**0**	**0**	**0**



Water supply | Te Waipuna

Overview | Tiro whānui

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Our Long Term Plan

The water supply activity provides domestic, commercial, industrial and agricultural water to our communities. We currently service our three main urban communities of Paeroa, Waihī and Ngātea, as well as six smaller communities, and the rural areas of Hauraki Plains, Kaimanawa and Ōhinemuri. Nearly 65% of the water treated by the Council is consumed by rural communities for agriculture.

There are four water treatment plants with approximately 592km of pipes supplying 7,579 residential properties and 1,023 non-residential properties (as at 2023).

Community outcomes | Ngā huanga hapori

The water supply group mainly contributes to the following community outcomes:

- Healthy environment | Te Mauri o te Taiao
- Connected people | Tūhono
- Vibrant and safe communities | Te Oranga pai o te Hapori

Effects on the community

The water supply group provides for the sustainable supply of safe, clean water as needed by the community to support a good quality of life and physical and mental wellbeing. The provision of a reliable water supply also supports local businesses to enable them to continue their operation - knowing water is available to them as they require it.

Meeting our service targets

How we measure our performance ▼	Result 2024/25 ▼	
	Key: ✅ Achieved ❌ Not Achieved ⛔ Not Applicable	
What we said we would do: provide water that is safe to drink.		
Measure: The extent to which the Council's drinking water supply complies with the Drinking Water Standards for New Zealand and the Drinking Water Quality Assurance Rules: Bacterial Compliance Criteria. Protozoal Compliance Criteria. **Target:** 100% compliance for: a) Bacteria b) Protozoa The Department of Internal Affairs (DIA) updated this mandatory performance measure after the Council had published the 2024-34 LTP, which sets our statement of service. The updated measure still covers the bacterial and protozoal compliance of water supplies but now is directly referenced to the relevant rules in the Drinking Water Quality Assurance Rules 2022. Our reporting is, therefore, against those rules	2024/25 ❌ Not achieved	Bacteria: / Protozoa Kerepēhi ☒ ☒ Waitakaruru ☒ ☒ Paeroa ☒ ☒ Waihi ☒ ☒ Water supply experienced short term protozoal and bacterial compliance failures across treatment plants.
	2023/24 ❌ **Not achieved**	Supply: / Bacteria: / Protozoa: Kerepēhi ☑ ☒ Waitakaruru ☑ ☑ Paeroa ☑ ☒ Waihī ☒ ☒ The non-compliances in 2023/24 were due to high turbidity readings through the membrane cells (Kerepēhi, Waihī and Paeroa). Low chlorine residual in the reservoir due to peroxide dosing for taste and odour (Waihī), high turbidity readings in the reservoir (Waihī) and running the membrane cells after a failed pressure decay test (Kerepēhi, Paeroa and Waihī).
Compliance with Drinking Water Quality Assurance Rules (DWQAR) 1. Bacterial compliance 2. D.329 Microbiological Monitoring 3. Protozoal compliance The result has been calculated in accordance with the methodology and calculations indicated in DIA supporting guidance for drinking water (which includes a link to the DWQAR and the aggregate compliance methodology).		

	T3 Bacterial rules	Distribution zones D.329 Microbiological Monitoring Rule	T3 Protozoal rules
Kerepēhi/Waitakaruru	Almost met	All met	Almost met
Paeroa	Almost met	All met	Almost met
Waihī	Almost met	All met	Almost met

An external assessment of compliance was undertaken by 3 Waters Consulting Limited (3WC), as the independent external

How we measure our performance ▼	Result 2024/25 ▼ **Key:** Achieved Not Achieved Not Applicable	
For the link refer to DIA Supporting guidance for drinking water - June 2025 All met (100%) Almost met (95-99%) Partially met (1-94%), None met (0%).	expert. The assessment found that the supplies were all able to meet the performance rating of almost met, with compliance rates for both T3 Bacterial and T3 Protozoal to above 99%. The area that prevented compliance was largely technical, with loss of compliance data.	
What we said we would do: losses from the water supply network to be minimised		
Measure: The percentage of real water loss from the Council's networked reticulation system[2] measured by real losses through leaks in the network and apparent losses through metering inaccuracies or water theft.* **Target**: 30%. The methodology used to calculate water losses within Council's water supply network was based on the calculation on non-revenue water (NRW)in the prior year, which included all water that was produced but not billed. This did not separately identify real losses (from leaks) or apparent losses (e.g. metering inaccuracies and unauthorised consumption). Following sector guidance as outlined in the New Zealand Water Loss Guidelines (2nd Edition,2023) the Council has refined its calculation method to align with these guidelines and therefore restated the prior year measure. The change in methodology provides a more accurate estimate of true network leakages.	2024/25 Achieved	The percentages of real water lost from Council's networked reticulation system was 29%
	2023/24 Achieved	The percentage of real water lost from Council's networked reticulation system was 30% in 2023/24. Water loss (previous method): 35 % Water loss (restated – new method): 30%

[2] Mandatory requirement includes a description of the methodology used to calculate this.

How we measure our performance ▼	Result 2024/25 ▼	
	Key: Achieved Not Achieved Not Applicable	
For transparency, comparative information for 2023/24 has been supplied in the table using the revised methodology.		
What we said we would do: provide a reliable water supply		
Measure: The number of unplanned interruptions to the water supply system per 1000 properties per year. **Target**: <10	2024/25 Not achieved	There were 19.07 unplanned interruptions to the water supply system per 1000 properties in the first quarter. Total of 172 (8802 properties connected)
	2023/24 Not achieved	There were 25.50 unplanned interruptions to the water supply system per 1000 properties in 2023/24. Note: The current service request system enables single events to be reported multiple times. Without an upgraded system, some requests will continue to be counted more than once.
Measure: The average consumption of drinking water per day per resident within the Hauraki District, measured by litres consumed per person, per day.* **Target**: <250 litres per resident per day	2024/25 Achieved	The average consumption of drinking water was 170 litres per person per day in 2024/25
	2023/24 Achieved	The average consumption of drinking water was 163 litres per person per day in 2023/24.
What we said we would do: customer service requests will be dealt with promptly and appropriately		
Measure: Where the Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:* **Urgent Call-outs:** ▪ Attendance (from the time that the Council receives notification to the time that service personnel reach the site) ▪ Resolution (from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption)	2024/25 Achieved	Urgent: Median attendance = 0 hours 16 minutes Median resolution = 2 hour 1minutes Non-Urgent: Median attendance = 2 hours 9 minutes Median resolution = 21 hours 57 minutes
	2023/24 Achieved	Urgent: Median attendance = 0 hours 27 minutes Median resolution = 1 hours 47 minutes Non-Urgent: Median attendance = 2 hours 26 minutes

How we measure our performance ▼	Result 2024/25 ▼	
	Key: ✓ Achieved ✗ Not Achieved ⊖ Not Applicable	
Non-Urgent Call-outs: ▪ Attendance ▪ Resolution **Target:** **Urgent call-outs:** ▪ Median attendance = 1 hour ▪ Median resolution = 3 hours **Non-urgent call-outs:** ▪ Median attendance = 3 hours ▪ Median resolution = 72 hours		Median resolution = 19 hours 39 minutes
What we said we would do: potable water will be supplied to consumers		
Measure: The total number of complaints received by Council about any of the following: ▪ drinking water clarity; ▪ drinking water taste; ▪ drinking water odour; ▪ drinking water pressure or flow; ▪ continuity of supply; and the Council's response to any of these issues, expressed per 1000 connections to the Council's networked reticulation system.* **Target**: ≤ 22 complaints per 1000 connections.	2024/25 ✗ Not Achieved	38.14 complaints per 1000 connections r received about drinking water clarity, taste, odour, pressure or flow, and continuity of supply in 2024/25 Total of 344
	2023/24 ✗ Not achieved	55.56 complaints per 1000 connections received about drinking water clarity, taste, odour, pressure or flow, and continuity of supply in 2023/24.
What we said we would do: water supplies to be operated in compliance with regulatory requirements		
Measure:	2024/25 ✓ Achieved	There were no abatement notices, infringement notices, or enforcement orders and prosecutions received in 2024/25 in relation to resource consents.

How we measure our performance ▼	Result 2024/25 ▼	
	Key: Achieved Not Achieved Not Applicable	
Achieve a high level of compliance at all water treatment plants, as measured by the number of: ▪ abatement notices; and ▪ infringement notices; and ▪ enforcement orders; ▪ and prosecutions received by Council in relation those resource consents. **Target**: 0	2023/24 Achieved	There were no abatement notices, infringement notices, or enforcement orders and prosecutions received in 2023/24 in relation to resource consents.
* Mandatory performance measure under section 261B of the Local Government Act 2002.		

What we achieved in 2024/25

Water Supply



Waihī Water Treatment Plant upgrade - $3.7M
Completed in October 2024, this project was delivered on time with no disruption to the main water supply to residents. It provides a backup filtration membrane for water supply resilience in Waihī and the ability to respond seamlessly in the event of a failure of one of the membranes. This upgrade has reduced the ongoing operating costs.

Tūrua – Hauraki Road watermain upgrades - $1.3M
Two sections of watermain were renewed on Hauraki Rd and within Tūrua township.

District water meter renewals - $323,600
As part of our ongoing meter upgrade programme, we replaced 10% of water meters in 2024/25

District wide pipe renewal programme (service continuity) - $1.6M
As part of the ongoing pipe renewals programme water pipe renewals were progressed throughout the year.

Raw water tank Kerepēhi - $1.8M
The raw water pipeline and raw water reservoirs are nearing completion and will add around 4 million litres of additional raw (untreated) water storage to our Kerepēhi site. Once commissioned they'll increase our water supply resilience and enable future growth.

What it cost and how it was paid for?

Operating statement for Water Supply

	LTP 2025 $000	Actual 2025 $000	Actual 2024 $000
Expenditure			
Treatment	2,813	2,844	3,181
Reticulation	1,252	1,826	1,980
Intakes and Headworks	1,351	886	969
Fixed costs	326	394	333
Overheads	1,644	1,644	1,652
Pumpstations	75	75	109
Major Maintenance	31	35	136
Other	525	881	947
Depreciation/Assets written off	3,836	4,418	3,663
Interest	2,398	2,039	1,517
Total expenditure	**14,251**	**15,042**	**14,487**
Revenue			
Fees, charges and other revenue	243	316	146
External subsidies	0	446	215
Targeted rates	11,737	14,045	9,388
General rates	0	0	0
Total revenue	**11,980**	**14,807**	**9,749**
Operating surplus / (deficit)	**(2,271)**	**(235)**	**(4,738)**

Hauraki District Council: Funding impact statement for the year ended 30 June 2025 for Water Supply

	Long-Term Plan 2024 $000	Long-Term Plan 2025 $000	Actual 2025 $000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	0	0	0
Targeted rates	8,946	11,737	14,045
Subsidies and grants for operating purposes	0	0	446
Fees and charges	0	0	2
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	6
Total operating funding (A)	8,946	11,737	14,498
Applications of operating funding			
Payments to staff and suppliers	3,741	6,194	6,735
Finance costs	1,201	2,398	2,039
Internal charges and overheads applied	1,357	1,823	1,850
Other operating funding applications	0	0	0
Total applications of operating funding (B)	6,299	10,415	10,624
Surplus / (deficit) of operating funding (A - B)	**2,647**	**1,322**	**3,874**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	286	184	238
Increase (decrease) in debt	1,935	5,003	4,595
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	2,221	5,187	4,833
Applications of capital funding			
Capital expenditure	0	0	
- to meet additional demand	0	0	0
- to improve the level of service	281	2,551	2,002
- to replace existing assets	4,283	6,230	5,574
Increase (decrease) in reserves	304	(2,271)	1,131
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	4,868	6,510	8,707
Surplus / (deficit) of capital funding (C - D)	**(2,647)**	**(1,322)**	**(3,874)**
Funding balance ((A - B) + (C - D))	**0**	**0**	**0**



Wastewater | Te wai ururua

Overview | Tiro whānui

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Our wastewater activity involves the collection, treatment and disposal of wastewater for seven urban townships in the district. At our treatment plants the wastewater is treated to clean it up before releasing it – mostly to waterways. We also make sure that trade wastes are appropriately collected and treated.

We provide this service to protect public health, to mitigate the risks of pollution and disease associated with wastewater and to protect the receiving environments from the effects of wastewater products and by-products. We operate seven wastewater schemes in the District, which services approximately 5,720 properties.

Community outcomes | Ngā huanga hapori

The wastewater group mainly contributes to the following community outcomes:

- Healthy environment | Te Mauri o te Taiao
- Connected people | Tūhono
- Vibrant and safe communities | Te Oranga pai o te Hapori

Effects on the community

The wastewater group ensures the collection, treatment and disposal of wastewater is done in a way that ensure a safe standard of living for our district residents. Our communities are kept healthy and free from disease and our environment is protected (especially our waterways) from pollution.

Meeting our service targets

How we measure our performance ▼	Result 2024/25▼ Key: Achieved Not Achieved Not Applicable	
What we said we would do: the risk of environmental and public health impacts to be mitigated.		
Measure: The number of dry weather wastewater overflows from the Council's wastewater system, expressed per 1000 wastewater connections to that wastewater system. * **Target:** <2 per 1000 connections.	2024/25 Achieved	There were 1.24 dry weather overflows per 1000 wastewater connections in 2024/25. Total of 9.
	2023/24 Achieved	There were 1.86 dry weather overflows per 1000 wastewater connections in 2023/24.
What we said we would do: the community and the environment will be provided with protection.		
Measure: Compliance with the Council's resource consents for discharge from its wastewater system, as measured by the number of: ▪ abatement notices; and ▪ infringement notices; and ▪ enforcement orders; and ▪ prosecutions received by Council in relation to those resource consents.* **Target:** 0	2024/25 Achieved	There were no abatement notices, infringement notices, or enforcement orders and prosecutions received in 2024/25 in relation to resource consents.
	2023/24 Achieved	There were no abatement notices, infringement notices, or enforcement orders and prosecutions received in 2023/24 in relation to resource consents.
What we said we would do: customer service requests to be dealt with promptly and appropriately.		
Measure: Where the Council attends to wastewater overflows[3] resulting from a blockage or other fault in the Council's wastewater system, the following median response times measured: * ▪ attendance time[4] ▪ resolution time[5] **Target:**	2024/25 Achieved	Median Attendance time = 0 hours 53 minutes. Median Resolution time = 3 hours 54 minutes.
	2023/24 Achieved	Median Attendance time = 0 hours 45 minutes. Median Resolution time = 3 hours 29 minutes.

[3] An overflow means sewage that escapes our wastewater system and enters the environment. It includes blockages and chokes.

[4] Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site.

[5] Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault

How we measure our performance ▼	Result 2024/25▼ Key: Achieved Not Achieved Not Applicable	
Median attendance time = 1 hour Median resolution time = 12 hours.		
What we said we would do: a safe and reliable wastewater service.		
Measure: The total number of complaints received by Council about any of the following: ▪ wastewater odour; ▪ wastewater system faults; ▪ wastewater system blockages; and ▪ the Council's response to any of these issues, expressed per 1000 connections to Council's wastewater system.* **Target:** ≤12 per 1000 connections	2024/25 Not achieved	Total of 13.26 per 1000 connections (96 complaints) in 2024/25
	2023/24 Achieved	The total number of complaints received was 1.18 per 1000 connections in 2023/24.
* Mandatory performance measure under section 261B of the Local Government Act 2002.		

What we achieved in 2024/25

Wastewater



Paeroa Wastewater Treatment Plan upgrade – Forecast total spend for 2024/25 $18.7M

Work is progressing well on site and will continue into 2025/26. This upgrade is the biggest single project that Council has undertaken. The upgrade will improve water treatment and environmental outcomes while future proofing the district for growth and the new discharge standards.

District wide reactive renewals plants pumpstations - $293,000

Every year we replace the aging or failing aerators or other components at the Wastewater Treatment Plants.

District wide sewer pump renewals - $103,000

Every year we replace aging or failing wastewater pumps in the network to ensure we can manage wastewater.

Paeroa resource consent renewal - $110,000

We are working with Waikato Regional Council to renew our resource consent for wastewater discharge. This will ensure we are meeting environmental standards when discharging wastewater

What it cost and how it was paid for?

Operating statement for Wastewater

	LTP 2025 $000	Actual 2025 $000	Actual 2024 $000
Expenditure			
Treatment	1,343	1,176	1,218
Reticulation	177	254	251
Intakes and Headworks	0	0	0
Fixed costs	240	320	281
Overheads	765	765	790
Pumpstations	495	470	516
Major Maintenance	19	33	2
Other	228	288	229
Depreciation/Assets written off	3,544	2,619	2,421
Interest	1,137	973	765
Total expenditure	**7,947**	**6,898**	**6,473**
Revenue			
Fees, charges and other revenue	416	650	342
External subsidies	0	0	0
Targeted rates	4,586	5,046	3,950
General rates	0	0	0
Total revenue	**5,003**	**5,696**	**4,292**
Operating surplus / (deficit)	**(2,944)**	**(1,202)**	**(2,181)**

Hauraki District Council: Funding impact statement for the year ended 30 June 2025 for Wastewater

	Long-Term Plan 2024 $000	Long-Term Plan 2025 $000	Actual 2025 $000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	0	0	0
Targeted rates	3,766	4,586	5,046
Subsidies and grants for operating purposes	0	0	0
Fees and charges	156	153	173
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	3,922	4,739	5,219
Applications of operating funding			
Payments to staff and suppliers	2,426	2,389	2,437
Finance costs	306	1,137	973
Internal charges and overheads applied	757	878	868
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,489	4,403	4,277
Surplus / (deficit) of operating funding (A - B)	**433**	**336**	**942**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	276	148	289
Increase (decrease) in debt	5,028	23,586	18,729
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	5,303	23,733	19,018
Applications of capital funding			
Capital expenditure	0	0	
- to meet additional demand	0	0	0
- to improve the level of service	6,024	26,280	19,062
- to replace existing assets	384	734	569
Increase (decrease) in reserves	(672)	(2,944)	140
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	5,736	24,069	19,771
Surplus / (deficit) of capital funding (C - D)	**(433)**	**(336)**	**(942)**
Funding balance ((A - B) + (C - D))	**0**	**0**	**0**



Stormwater | Wai āwhātanga

Overview | Tiro whānui

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The stormwater activity involves collecting and disposing of excess rainfall runoff from urban areas using various drainage systems. These services are provided in Paeroa, Waihī, Ngātea, Tūrua, Kerepehī, Whiritoa, Mackaytown, Karangahake, Waikino and Kaiaua. Stormwater assets include open drains, piped network, manholes and pump stations which operate in combination to remove surface water runoff. All stormwater systems eventually discharge into the Waihou or Piako Rivers, with the exception of the Kaiaua and Whiritoa systems which discharge directly to sea.

Effects on the community

The stormwater group helps ensure the safety of people's lives and property in times of rainfall, by ensuring runoff is efficiently and effectively dealt with, to assist in achieving social and commercial certainty and avoiding the risk of flooding.

Community outcomes | Ngā huanga hapori

The Stormwater activity mainly contributes to the following community outcomes:

- Healthy environment | Te Mauri o te Taiao
- Connected people | Tūhono
- Vibrant and safe communities | Te Oranga pai o te Hapori

Meeting our service targets

How we measure our performance ▼	Result 2024/25 ▼ **Key:** Achieved Not Achieved Not Applicable	
What we said we would do: provide stormwater systems to protect houses from flooding in urban areas.		
Measure: The number of flooding events that occur in the Hauraki District. For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the Council's stormwater system).* **Target:** Number of habitable floors affected <2 per 1000 connections.	2024/25 Not applicable	There were no flooding events affecting habitable floor space in 2024/25
	2023/24 Achieved	There was 1 flooding event in the district in 2023/24. The number of habitable floors affected by flooding events that occurred in 2023/24 was 0.1 per 1000 properties connected to the stormwater system.
What we said we would do: provide a stormwater network that is reliable.		
Measure: The number of complaints received by Council about the performance of the stormwater system. Expressed per 1000 properties connected Council's stormwater system.* **Target:** <8/1,000 connections.	2024/25 Achieved	The number of complaints received about the performance of the stormwater system in 2024/25 was 6.84 per 1000 properties connected to the stormwater system. Total of 49.
	2023/24 Achieved	The number of complaints received about the performance of the stormwater system in 2023/24 was 5.6 per 1000 properties connected to the stormwater system.
What we said we would do: provide the community and the environment with protection.		
Measure: Compliance with the Council's resource consents for discharge from its stormwater system. Measured by the number of: ▪ abatement notices ▪ infringement notices ▪ enforcement orders	2024/25 Achieved	There were no abatement notices, infringement notices, or enforcement orders and prosecutions received in 2024/25 in relation to stormwater discharge resource consents.
	2023/24 Achieved	There were no abatement notices, infringement notices, or enforcement orders and prosecutions received in

How we measure our performance ▼	Result 2024/25▼ Key: Achieved Not Achieved Not Applicable	
▪ prosecutions received by Council in relation those resource consents.* **Target:** 0		2023/24 in relation to stormwater discharge resource consents.
What we said we would do: customer service requests will be dealt with promptly and appropriately.		
Measure: The median response time to attend a flooding event (A flooding event means an overflow of stormwater from the Council's stormwater system that enters a habitable floor.), measured from the time that the Council receives notification to the time that service personnel reach the site.* **Target:** Median attendance time <2 hours.	2024/25 Not applicable	There were no flooding events to attend to.
	2023/24 Achieved	There was 1 flooding event threatening habitable floor space. The median time to attend a flooding event in 2023/24 was 0 hours 5 minutes.
* Mandatory performance measure under section 261B of the Local Government Act 2002.		

What we achieved in 2024/25

Stormwater

Stormwater pipe renewals in Tūrua – $8,400
As part of the ongoing renewals program stormwater pipes were renewed and replaced in 2024/25.

Criterion Bridge stormwater pump station upgrade - $51,000
The stormwater pumpstation at Criterion Bridge has been upgraded to better accommodate the pumps.

What it cost and how it was paid for?

Operating statement for Stormwater

	LTP 2025 $000	Actual 2025 $000	Actual 2024 $000
Expenditure			
Vegetation control	31	14	72
Reticulation	60	89	160
Maintenance/fencing/culverts	10	2	3
Mechanical cleaning	22	18	26
Floodgates	2	2	14
Pumps	11	5	9
Overheads	300	300	292
Other	246	265	254
Depreciation/Assets written off	1,035	1,223	934
Interest	(74)	(82)	(81)
Total expenditure	**1,643**	**1,836**	**1,683**
Revenue			
Fees, charges and other revenue	147	188	30
External subsidies	0	0	0
Targeted rates	1,256	1,274	1,012
General rates	222	227	179
Total revenue	**1,625**	**1,689**	**1,221**
Operating surplus / (deficit)	**(18)**	**(147)**	**(462)**

Hauraki District Council: Funding impact statement for the year ended 30 June 2025 for Stormwater

	Long-Term Plan 2024 $000	Long-Term Plan 2025 $000	Actual 2025 $000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	175	222	227
Targeted rates	991	1,256	1,274
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	1,166	1,478	1,500
Applications of operating funding			
Payments to staff and suppliers	301	382	394
Finance costs	(43)	(74)	(82)
Internal charges and overheads applied	256	300	300
Other operating funding applications	0	0	0
Total applications of operating funding (B)	515	608	613
Surplus / (deficit) of operating funding (A - B)	**651**	**870**	**887**
Sources of capital funding			
Subsidies and grants for capital expenditure	26	0	0
Development and financial contributions	33	31	29
Increase (decrease) in debt	84	(690)	(780)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	144	(659)	(751)
Applications of capital funding			
Capital expenditure	0	0	0
- to meet additional demand	0	0	0
- to improve the level of service	198	168	10
- to replace existing assets	287	61	117
Increase (decrease) in reserves	310	(18)	10
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	796	211	137
Surplus / (deficit) of capital funding (C - D)	**(651)**	**(870)**	**(887)**
Funding balance ((A - B) + (C - D))	**0**	**0**	**0**



Land Drainage | Te rerenga whenua me te aukatinga ō ngā waipuke

Overview | Tiro whānui

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Our land drainage activity involves collecting runoff from the rural catchment areas of the district and leading it to the primary flood protection assets which discharge it directly to river or sea outlets. Additional drainage assets include stopbanks, floodgates and pumps. Land drainage services are provided in four drainage districts – Western Plains, Eastern Plains, Paeroa Rural and Taramaire districts. Flood protection is provided by the Waikato Regional Council's river schemes except in the northwest part of the District (Waitakaruru to Pūkorokoro / Miranda) where it is provided by the Hauraki District Council. Flood protection assets include stopbanks, floodgates and pump stations that provide direct protection from river and tidal flooding. .

Effects on the community

The provision of services within the land drainage group is positive and essential for those communities where the preservation and protection of the land's farming capacity is required. Both assets and stock require protection against high water tables, extreme weather events, high tides and river floods which is essential for land productivity and protecting the livelihood of those in affected areas.

Community outcomes | Ngā huanga hapori

The land drainage group mainly contributes to the following community outcomes:

Vibrant and safe communities | Te Oranga pai o te Hapori

Meeting our service targets

How we measure our performance ▼	Result 2024/25 ▼ Key: Achieved Not Achieved Not Applicable	
What we said we would do: quality land drainage and flood protection to be provided to all Drainage Districts.		
Measure: The major flood protection and control works that are maintained, repaired and renewed to the key standards defined in the Council's relevant planning documents (such as this plan, annual works program or long-term plan). **Target:** 100%.	2024/25 Achieved	100% of floodgates and pump stations were maintained, repaired and/or renewed to their full-service potential in 2024/25.
	2023/24 Achieved	100% of floodgates and pump stations were maintained, repaired and/or renewed to their full-service potential in 2023/24.
Measure: Number of rural properties still ponding after 3 days from a 10% AEP[6] event or less (impacting the pasture). **Target:** 0 rural properties ponding for more than three days following a 10% AEP event or less.	2024/25 Not applicable	There were no 10% AEP events or less impacting rural properties for 2024/25.
	2023/24 Achieved	No rural properties had ponding occur for more than 3 days following a 10% AEP (1 in 10 year) event or less during 2023/24.
What we said we would do: reliable land drainage and flood protection networks.		
Measure: The number of failures of stopbanks and floodgates in a 2% AEP tidal surge event. **Target:** 0 failures in a 2% AEP tidal surge event.	2024/25 Not applicable	There were no 2% AEP tidal surge events in 2024/25.
	2023/24 Not applicable	There were no 2% AEP tidal surge events throughout the 2023/24 year.
What we said we would do: efficient response to drainage problems and emergencies.		
Measure: Where the Council responds to a service request regarding the Council's land drainage and flood protection systems, the following median response times measured for: ▪ **Urgent**[7] service requests and ▪ **Non-urgent**[8] service requests	2024/25 Achieved	There were no urgent requests and non-urgent response was 19 hours 22 minutes.
	2023/24 Achieved	There were no urgent and 16 non-urgent requests in 2023/24.

[6] Annual Exceedance Probability – the probability of a storm exceeding a certain intensity in any one year.

[7] Urgent requests are requests when emergency actions are required to protect people from injury and/or adverse health and safety consequences and assets from serious damage.

[8] Non urgent requests are all other service requests apart from urgent ones, where the response required are not that immediate e.g. normal maintenance or corrective action required.

How we measure our performance ▼	Result 2024/25 ▼	
	Key: Achieved Not Achieved Not Applicable	
Target: Median response times: ▪ Urgent: 2 hour ▪ Non-urgent: 2 working days		• Urgent: median response time = 0 hours 0 minutes for urgent requests. • Non-urgent: median response time = 1 hours 12 minutes for non-urgent requests.
* Mandatory performance measure under section 261B of the Local Government Act 2002.		

What we achieved in 2024/25

Land drainage

Vegetation control & Machine cleaning -$205,000
We sprayed 437km of drains to control vegetation in 2024/25. We also spent about $137,000 to machine-clean drains.

Pump overhauls - $ 15,000
The second pump at the Martinovich Pump Station was overhauled.

Maukoro Canal left stopbank reconstruction
Design of the next stage of the project has been undertaken for a construction contract to be undertaken in 2024/25. This work is done to reduce the risk of flooding during storm events.

What these activities cost and how they were paid for?

Operating statement for Land Drainage

	LTP 2025 $000	Actual 2025 $000	Actual 2024 $000
Expenditure			
Vegetation control	180	205	214
Maintenance/fencing/culverts	18	4	3
Mechanical cleaning	271	145	226
Floodgates	35	48	50
Pumps	280	317	379
Overheads	321	321	324
Other	91	117	157
Depreciation/Assets written off	172	135	414
Interest	(86)	(117)	(131)
Total expenditure	**1,284**	**1,175**	**1,636**
Revenue			
Fees, charges and other revenue	0	0	0
External subsidies	0	0	0
Targeted rates	1,289	1,331	1,294
General rates	228	232	227
Total revenue	**1,517**	**1,563**	**1,521**
Operating surplus / (deficit)	**233**	**388**	**(115)**

Hauraki District Council: Funding impact statement for the year ended 30 June 202 for Land Drainage

	Long-Term Plan 2024 $000	Long-Term Plan 2025 $000	Actual 2025 $000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	214	228	232
Targeted rates	1,214	1,289	1,331
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	1,428	1,517	1,563
Applications of operating funding			
Payments to staff and suppliers	910	876	836
Finance costs	(31)	(86)	(117)
Internal charges and overheads applied	258	321	321
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,137	1,112	1,041
Surplus / (deficit) of operating funding (A - B)	**290**	**405**	**522**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(201)	567	(331)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	(201)	567	(331)
Applications of capital funding			
Capital expenditure	0	0	
- to meet additional demand	0	0	0
- to improve the level of service	0	0	85
- to replace existing assets	112	739	82
Increase (decrease) in reserves	(22)	233	24
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	90	972	192
Surplus / (deficit) of capital funding (C - D)	**(290)**	**(405)**	**(522)**
Funding balance ((A - B) + (C - D))	**0**	**0**	**0**



Waste Management Whakahaere ururua

- kerbside collection of refuse and recyclables
- waste minimisation promotion and education
- landfill aftercare
- litter bin, loose litter and illegal dumping collections
- refuse transfer stations at Paeroa and Waihī

Waste Management | Whakahaere ururua

Overview | Tiro whānui

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Our Long Term Plan

Our waste management services include:

- kerbside collection of refuse and recyclables
- waste minimisation promotion and education including promoting activities such as worm farming
- landfill aftercare
- litter bin, loose litter and illegal dumping collections
- refuse transfer stations at Paeroa and Waihī.

Effects on the community

The aim of the waste management group is to ensure the sanitary and safe collection and disposal of recycling and solid waste, to help protect the social and environmental wellbeing of our communities, and to implement recycling initiatives to ensure environmental sustainability. The provision of services within the waste management activity assists in enabling communities to function in a healthy, comfortable and safe environment, with appropriate mechanisms for solid waste disposal in an environmentally appropriate manner.

Community outcomes | Ngā huanga hapori

The waste management group mainly contributes to the following community outcomes:

Healthy environment | Te Mauri o te Taiao

Vibrant and safe communities | Te Oranga pai o te Hapori

Meeting our service targets

How we measure our performance ▼	Result 2024/25 ▼ Key: Achieved Not Achieved Not Applicable	
What we said we would do: minimise the adverse effects of waste on the environment.		
Measure: The quantity of organic waste going to landfill is decreasing. **Target:** An overall reduction of 72% over the three years.	2024/25 Not achieved	The 2025 SWAP audit estimated a 42.2% increase in organic waste found in kerbside waste bins, rising from 1,402 MT to 1,921 MT. However, kerbside organic collections have also increased over the same period. This indicates that, while more organics are appearing in general waste bins, a larger quantity is also being captured through dedicated collection services, potentially reducing the volume of organics sent to landfill.
	2023/24 New measure	No SWAP Audit was undertaken in 2023/24.
Measure: The total quantity of waste sent to landfill per person per annum is reducing. **Target:** a further 12% reduction	2024/25 Achieved	The volume of household waste collected from the kerbside and transfer stations going to landfill was 10% less than 2023/24 (4,348.38MT in 2024/25)
	2023/24 New measure	The volume of household waste collected from the kerbside and transfer stations going to landfill was 4,853.86MT in 2023/24
What we said we would do: provide a reliable solid waste collection		
Measure: Number of justified[9] complaints that collection is not completed on the scheduled day. **Target:** ≤3 justified complaints (that collection was not completed) per 1000 customers per annum.	2024/25 Achieved	0.2 complaints received for the 24/25 financial year
	2023/24 Not achieved	There were 7.2 justified complaints that kerbside collection was not completed on

[9] Where there is a reasonable case for the complaint.

How we measure our performance ▼	Result 2024/25 ▼	
	Key: Achieved Not Achieved Not Applicable	
		the scheduled day in 2023/24 (per 1000 customers per annum).

What we achieved in 2024/25

Waste Management

Paeroa Transfer Station
New boundary fence, safety barriers and weighbridge installed.



Waihī Transfer Station
Several improvements have been made including the installation of a weighbridge, fencing and extension of concrete area for recycling. These have been to improve user safety and create a better ease of use area.

Waste minimisation education programmes
We have been developing and delivering a range of waste minimisation education programmes aimed at schools, businesses, clubs and the wider community. These initiatives are designed to build awareness, encourage behaviour change, and support better waste practices across various sectors. Kaicare – reducing food waste, kerbside collection education and no time to waste schools programme.

What these activities cost and how they were paid for?

Operating statement for Waste Management

	LTP 2025 $000	Actual 2025 $000	Actual 2024 $000
Expenditure			
Refuse collection	1,946	1,948	1,903
Closed tip sites	139	487	525
Transfer stations	1,990	1,975	2,052
Other	236	395	299
Total expenditure	**4,311**	**4,805**	**4,779**
Revenue			
Fees, charges and other revenue	1,675	1,651	1,361
External subsidies	100	480	403
Targeted rates	1,075	1,252	709
General rates	1,315	1,344	869
Total revenue	**4,165**	**4,727**	**3,342**
Operating surplus / (deficit)	**(147)**	**(78)**	**(1,437)**

Hauraki District Council: Funding impact statement for the year ended 30 June 2025 for Waste Management

	Long-Term Plan 2024 $000	Long-Term Plan 2025 $000	Actual 2025 $000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	911	1,315	1,344
Targeted rates	587	1,075	1,252
Subsidies and grants for operating purposes	79	100	480
Fees and charges	1,196	1,675	1,281
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	363
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	5
Total operating funding (A)	2,773	4,165	4,725
Applications of operating funding			
Payments to staff and suppliers	2,555	3,561	4,124
Finance costs	8	(6)	44
Internal charges and overheads applied	179	548	467
Other operating funding applications	0	0	0
Total applications of operating funding (B)	2,742	4,102	4,636
Surplus / (deficit) of operating funding (A - B)	**30**	**62**	**89**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	2	0	2
Increase (decrease) in debt	(59)	764	39
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	(57)	764	41
Applications of capital funding			
Capital expenditure	0	0	
- to meet additional demand	0	0	0
- to improve the level of service	0	773	843
- to replace existing assets	0	200	13
Increase (decrease) in reserves	(27)	(147)	(725)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	(27)	826	131
Surplus / (deficit) of capital funding (C - D)	**(30)**	**(62)**	**(89)**
Funding balance ((A - B) + (C - D))	**0**	**0**	**0**



Community Services | Ratonga Hapori

Overview | Tiro whānui

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Our Long Term Plan

Our community services group involves the provision of recreation services and facilities intended to meet our district's recreational, sporting and educational expectations. We do this to help make our community a healthy, vibrant place to live and visit, and to ensure our public spaces reflect our local culture and heritage.

We provide a number of services such as libraries, parks, reserves, and facilities like public conveniences, cemeteries, elderly persons housing, halls and the Waihī events centre.

Effects on the community

The provision of services within the community services group of activities primarily focuses on improving the social and cultural wellbeing of the community. Recreational facilities, such as parks and reserves, have a positive impact in the community and relate to aspects of life that are important for a person's happiness, quality of life and welfare. Libraries also service the educational and cultural needs of the community, at a low cost to the user, making historical, cultural, educational and electronic resources accessible for all. Other facilities such as pensioner housing give people in the community the opportunity to have access to basic housing needs in an affordable way, creating a positive impact in the lives of those who utilise these facilities.

Community outcomes | Ngā huanga hapori

The community services group mainly contributes to the following community outcomes:

- Connected people | Tūhono
- Vibrant and safe communities | Te Oranga pai o te Hapori

What these activities cost and how they were paid for?

Operating statement for Community Services

	LTP 2025 $000	Actual 2025 $000	Actual 2024 $000
Expenditure			
Recreation			
Libraries	1,479	1,438	1,419
Sportsfields	1,134	1,134	954
Recreation reserves	2,491	2,488	2,365
Cycleway	918	1,796	1,777
Events centre	194	245	302
Swimming pools	1,016	1,144	1,013
Sports-coordinator	94	94	94
Facilities			
Cemeteries	548	619	557
Community halls	364	521	640
Pensioner housing	641	988	1,021
Public conveniences	692	821	915
Rural halls	21	175	15
Interest	415	374	387
Total expenditure	**10,008**	**11,837**	**11,459**
Revenue			
Fees, charges and other revenue	960	951	970
External subsidies	1,355	1,368	1,352
Targeted rates	3,702	3,762	3,490
General rates	5,222	5,282	4,421
Total revenue	**11,239**	**11,363**	**10,233**
Operating surplus / (deficit)	**1,232**	**(474)**	**(1,226)**

Hauraki District Council: Funding impact statement for the year ended 30 June 2025 for Community Services

	Long-Term Plan 2024 $000	Long-Term Plan 2025 $000	Actual 2025 $000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	4,117	5,222	5,282
Targeted rates	3,357	3,702	3,762
Subsidies and grants for operating purposes	5	5	915
Fees and charges	852	812	829
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	13
Total operating funding (A)	8,331	9,741	10,801
Applications of operating funding			
Payments to staff and suppliers	4,576	5,808	6,716
Finance costs	300	415	374
Internal charges and overheads applied	1,643	1,973	1,966
Other operating funding applications	0	0	0
Total applications of operating funding (B)	6,520	8,196	9,056
Surplus / (deficit) of operating funding (A - B)	**1,811**	**1,545**	**1,745**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	1,350	453
Development and financial contributions	97	148	109
Increase (decrease) in debt	(893)	4,110	(53)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	(796)	5,608	510
Applications of capital funding			
Capital expenditure	0	0	
- to meet additional demand	0	0	0
- to improve the level of service	181	3,218	1,472
- to replace existing assets	626	2,704	1,838
Increase (decrease) in reserves	208	1,232	(1,056)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	1,015	7,153	2,255
Surplus / (deficit) of capital funding (C - D)	**(1,811)**	**(1,545)**	**(1,745)**
Funding balance ((A - B) + (C - D))	**0**	**0**	**0**



Community Recreation | Ngā hapori rēhia

Overview | Tiro whānui

Our community recreation services include libraries, halls, pools, sports and recreation reserves, playgrounds, walkways and the Waihī events centre.

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Our Long Term Plan

Libraries

We provide public libraries in Ngātea, Paeroa and Waihī, which lend a variety of resources, deliver education programmes and provide free internet access. We also provide support to three community operated libraries at Kaiaua, Tūrua and Whiritoa.

Swimming pools

We operate three community pools in Ngātea, Paeroa and Waihī. These are open during the summer months with lifeguards at each pool.

Sports and recreation reserves

We provide six sportsgrounds across the district, that cater for organised sport, including rugby, touch, hockey, netball, soccer, tennis, athletics, lawn bowls, cricket, croquet, skateboarding and petanque.

We provide recreation reserves to create opportunities for impromptu active and passive recreation and to support social interactions and connections within our community. Our recreation reserves include playgrounds, furniture, walkways and other amenities.

We also have two jetties on the Waihou River available for community use.

Waihī event centre

The Waihī event centre provides for a range of indoor sports such as inline hockey, basketball, badminton, netball and martial arts. Other community use of the centre is encouraged. The centre is managed by Sport N Action.

Sports co-ordination

To support sports and participation council provides funding to Sport Waikato that provides a sports coordinator who facilitates sports in the district.

Meeting our service targets

How we measure our performance	Result 2024/25 ▼ Key: Achieved Not Achieved Not Applicable	
Libraries		
What we said we would do: modern and relevant library spaces to support community needs.		
Measure: Percentage of library users satisfied with library services. **Target:** ≥90% of customers satisfied	2024/25 Not achieved	The 2025 customer satisfaction survey results showed that 88% of customers were satisfied with library services.

How we measure our performance	Result 2024/25 ▼ Key: Achieved Not Achieved Not Applicable	
	2023/24 Not achieved	The 2024 customer satisfaction survey results showed that 88% of customers were satisfied with library services.
Measure: The number of visitors (including members) to the libraries is stable or increasing. **Target:** Number of visitors increases 2% annually.	2024/25 Not achieved	In 2024/25, a total of 88,749 went through the electronic gates. To achieve a 2% increase over the previous figure of 92,335, the target was set at 94,181.7. The actual result reached 94% of this target
	2023/24 New measure	The total gate count for 2023/24 is 92,335
Swimming Pools		
What we said we would do: Council operated swimming pool facilities to be safe for users and staff.		
Measure: Daily safety and maintenance audits are carried out at each Council pool during the public swimming season **Target:** 100% of safety and maintenance audits completed during swimming season All identified safety and maintenance issues are actioned. 100% safety and maintenance issues addressed, investigated and actioned within: High risk addressed within 24 hours. Medium risk addressed within one week. Low risk addressed as soon as is practical.	2024/25 Achieved	100% (385/385) of safety and maintenance audits were completed during 2024/25 1. 1/1 high risk occurrences – addressed within 24 hours. 2. 9/9 medium risk occurrences – addressed within one week. 3. 18/18 low risk occurrences - addressed as soon as is practical.
	2023/24 Achieved	100% (389/389) of safety and maintenance audits were completed during 2023/24. 1. 3/3 high risk occurrences – addressed within 24 hours. 2. 9/9 medium risk occurrences – addressed within one week. 3. 19/19 low risk occurrences - addressed as soon as is practical.
Measure: Percentage of pool users satisfied with the operation of Council swimming pools. **Target:** ≥85% of customers satisfied.	2024/25 Not achieved	The 2025 annual satisfaction survey showed 83% of users were satisfied with the operation of Council swimming pools.
	2023/24 Not achieved	The 2024 annual satisfaction survey showed 83% of users were satisfied with operation of Council swimming pools.
Sports fields and recreation reserves		
You can expect: sports fields and recreational reserves that meet the requirements of users.		
Measure: Percentage of reserve users satisfied with reserves services.	2024/25 Not achieved	The 2025 annual satisfaction survey showed 88% of users were satisfied

How we measure our performance	Result 2024/25 ▼ **Key:** Achieved Not Achieved Not Applicable	
Target: ≥90% of customers satisfied.		with the services provided at district's sports fields, parks and reserves.
	2023/24 Not achieved	The 2024 annual satisfaction survey showed 88% of users were satisfied with the services provided at district's sports fields, parks and reserves.
You can expect: safe playground facilities.		
Measure: Playground facilities are regularly inspected to ensure they are safe, and compliant with national playground safety standards. **Target:** 100%	2024/25 Achieved	100% (265/265) of safety and maintenance audits were completed during 2024/25
	2023/24 Achieved	100% (244/244) of playground inspections were completed in 2023/24.

What we achieved in 2024/25

Community Recreation



Library 'Reading to Kuri' programme

This year we introduced a 'Reading to Kurī' programme to support learning and literacy. Connie, the specially trained dog, came with her owner each week and patiently listened to various stories. This has increased children's reading confidence and engagement at the libraries.

Library book collections

We spent $135,000 in 2024/25 on renewing our library book



Training lights

Towers have been installed at the Hugh Hayward Domain - $214,000



Paeroa Domain improvements - $ 39,000

Various improvements at the grandstand in Paeroa Domain including stair replacement, seat installation and re-painting of the interior, and re-surfacing the floor in the changing rooms and steps.

Swimming pools - $36,000

The pools across the district had renewals including water pump, lane rope and cover replacements.

Seating

As part of a Council led initiative, seven seats have been installed at various locations throughout Ngātea. The purchase cost of each seat was paid for by the following organisations:
Lions Club of Ngātea (3 seats), The Masonic Charitable Trust (2 seats), Thrifters (1 seat), Gary & Barbara Townshend (1 seat).

Playgrounds

Tūrua playground was replaced at a cost of $46,000

Community Recreation

Ngātea netball courts resurfacing

We worked closely with the Hauraki Netball Association by providing Project Management and Engineering services, with some funding also covering the cost of line markings to make the courts multipurpose. All construction costs were covered by the Hauraki Netball Association. A great collaboration and end result for the community- $52,000

Edwards Reserve basketball hoop

The hoop was replaced for $10,000

Fencing

The fencing around Victoria Park, Waihī (Rocket Park) was completed - $14,000

Fence enclosure for the Turua off-leash dog exercise area has been installed - $12,000

Hauraki Rail Trail

<u>Waihī Hauraki Rail Trail extension</u>

The construction of a new shared concrete path alongside the Ōhinemuri river has been completed. This year we extended the trail from Wellington Street to Silverton Road, giving a continuous walking and cycling route from Gilmour Reserve to Victoria Street. $431,000

The Victoria Street concrete path will eventually extend to the Goldfields Train Station to connect the Hauraki Rail Trail to the town centre via Victoria Street, Silverton Road, along the Ōhinemuri River and up Gilmour Road.

<u>Waitakaruru to Kōpū section upgrade</u>

An innovative resurfacing technique to reduce maintenance costs along the top of the stop bank has this section of the trail back in action after an extended closure due to important stopbank upgrades $501,000

<u>Hauraki Rail Trail Pūkorokoro to Kaiaua (P2K) extension</u>

The carpark opposite the Pink Shop was upgraded to improve the drainage off the carpark. Signage was installed to mark the start of Hauraki Rail Trail. Additional road markings were applied to each approach to the County Bridge to improve safety for cyclists and motorists.



Community Facilities | Ngā wharenui o te hāpori

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Our Long Term Plan

Our community facilities activity provides a range of facilities to meet public health needs (public toilets, cemeteries), social and cultural needs (public halls, housing for the elderly) and amenity needs (non-recreation reserves). Our halls sub-activity consists of three memorial halls (Paeroa, Ngātea and Waihī) which are owned and operated by the Council, and 11 community halls which are owned and managed by hall committees or incorporated societies (those being Kaihere, Kerepēhi, Karangahake, Netherton, Kaiaua, Mangatarata, Tūrua, Waikino and Waitakaruru halls). We own or manage 22 public conveniences, three cemetery sites (Waihī, Paeroa, and Miranda) and one ashes memorial wall site

We also own and administer 57 elderly persons housing units within nine individual complexes. In Waihī, Paeroa and Ngātea.

Meeting our service targets

How we measure our performance	Result 2024/25 ▼ **Key:** Achieved Not Achieved Not Applicable	
Halls		
What we said we would do: Council-managed halls to be clean and well maintained to meet the needs of the community.		
Measure: Number of justified complaints from hall users regarding the cleanliness and maintenance standard of the halls, **Target:** ≤3 complaints per 100 bookings per year.	2024/25 Achieved	1.88 complaints per 100 bookings in 2024/25. 796 bookings in total.
	2023/24 Achieved	There were 2.33 complaints per 100 bookings in 2023/24.
Elderly Persons Housing		
What we said we would do: pensioner units to be maintained to a comfortable and safe standard.		
Measure: Percentage of tenants satisfied with the comfort and safety of the unit. **Target:** ≥85%	2024/25 Achieved	95% of tenants were satisfied with the comfort and safety of the units.
	2023/24 Achieved	93% of tenants were satisfied with the comfort and safety of the units.
Cemeteries		
You can expect: efficiently serviced and well maintained cemeteries.		
Measure: Number of justified complaints regarding grounds maintenance at all Council cemeteries.	2024/25 Achieved	One justified complaint was received.

How we measure our performance	Result 2024/25 ▼	
	Key: Achieved Not Achieved Not Applicable	
Target: ≤10	2023/24 Achieved	2 justified complaints received regarding cemeteries in 2023/24.

What we achieved in 2024/25

Community Facilities



Cemeteries

Waihī Cemetery - $27,000
The maintenance shed was replaced after it was vandalised.

Miranda Ashes Berm - $16,000



Elderly Persons Housing - $80,000

Housing units received renewals across Paeroa, Plains and Waihī including kitchen benchtop replacements, shower replacements, handrails, concrete footpath patching and an entire kitchen refitted with new bench top and cupboards.



Community and Economic Initiatives

Overview | Tiro whānui

Page 218 Our Long-Term Plan

Our community and economic initiatives group is focused on supporting people from the Hauraki District to thrive economically and socially. The ways we are planning to do this is outlined in the Manaaki Toiora strategy, particularly in the healthy people, business attraction and supporting local, and growing skills and the local workforce, priority areas.

The community and economic initiatives activity consists of:

- Economic project assistance;
- Social project assistance;
- Promotions (Whakatairanga); and
- Donations and grants.

Our activity also includes managing agreements with a number of different organisations that we fund, including our visitor information service providers, town promotion agencies, our Regional Tourism Organisation, Citizens Advice Bureau, Coromandel Heritage Trust, Life Education Trust, Age Concern Hauraki-Coromandel, Hauraki Plains Community Hub and Creative Waikato.

Effects on the community

The Community and Economic Initiatives group is primarily focused on encouraging economic and social growth for our District communities. This group celebrates and promotes the Hauraki District as a great environment to live, work and experience life, with opportunities for all. Besides strongly supporting economic development initiatives, the community development group provides an avenue for Council to support community initiatives focused on social well-being.

Community outcomes | Ngā huanga hapori

The community and economic initiatives group mainly contributes to the following community outcomes:

Connected people | Tūhono

Vibrant and safe communities | Te Oranga pai o te Hapori

Strong economy| Oranga Ōhanga

Meeting our service targets

How we measure our performance	Result 2024/25 ▼	
	Key: Achieved Not Achieved Not Applicable	
What we said we would do: strong support of our business community.		
Measure: Support existing businesses through the growth of business promotional initiatives. **Target:** 8 promotional communications are distributed annually.	2024/25 Achieved	There were thirteen events (industry networking, two Chat GPT workshops, leadership course, Business Awards, three BA5 attendances, four further events, three AI workshops, a business breakfast with Craigs Investment Partners and Business Connect) along with four specific promotional activities for Soda INC sessions.
	2023/24 New measure	This measure was not calculated in 2023/24, there is no comparative data to report.

What we achieved in 2024/25

Community and Economic Activities

Community Recovery Programme

The Council continued to provide the Community Recovery Programme funded through the Mayors Taskforce for Jobs.

In 2024/25, the programme achieved 49 full-time placements, along with 15 'Non MSD' placements, which include individuals not meeting the programme

Total Mobility Scheme

Staff have been working with Waikato Regional Council to establish a Total mobility scheme aimed at giving those with disabilities mobility options, in the first six months it was established there has been 139 users make use of this option. Council has committed $8,000 to this scheme.

Community Events

Council supports many community events across the District through staff support, use of public land and/or financial support through the District Event Fund. Two volunteer run events - the Paeroa Highland Games and Tattoo and the Waihī Warm Up Party, bring large numbers of visitors to Hauraki which has a positive impact on the economy. Two new events were supported last year – the Shorebird Coast Run in Kaiaua which sold out with 150 entries and the Hauraki Triathlon with 97 entries.

Business Support

Council supported the delivery of several business specific networking and professional development courses, building connection and capability. Over 200 people participated in these events with AI being the most in demand.

Citizenship Ceremonies

Over the 2024/25-year, four citizenship ceremonies were held, welcoming 72 new citizens from diverse cultural backgrounds into our community.

What these activities cost and how they were paid for

Operating statement for Community and Economic Initiatives

	LTP 2025 $000	Actual 2025 $000	Actual 2024 $000
Expenditure			
Economic project assistance	495	444	439
Social initiatives	609	569	564
Promotions	210	321	326
Grants and donations	321	349	583
Extended relationships | Whakawhanaunga	19	26	17
Total expenditure	**1,655**	**1,709**	**1,929**
Revenue			
Fees, charges and other revenue	56	83	56
External subsidies	287	356	334
Targeted rates	158	161	160
General rates	1,186	1,208	1,279
Total revenue	**1,687**	**1,808**	**1,829**
Operating surplus / (deficit)	**33**	**99**	**(100)**

Hauraki District Council: Funding impact statement for the year ended 30 June 2025 for Community and Economic Initiatives

	Long-Term Plan 2024 $000	Long-Term Plan 2025 $000	Actual 2025 $000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	1,311	1,186	1,208
Targeted rates	157	158	161
Subsidies and grants for operating purposes	0	287	356
Fees and charges	0	0	25
Internal charges and overheads recovered	0	0	56
Interest and dividends from investments	56	56	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	2
Total operating funding (A)	1,525	1,687	1,808
Applications of operating funding			
Payments to staff and suppliers	960	894	950
Finance costs	0	0	0
Internal charges and overheads applied	576	760	760
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,536	1,654	1,710
Surplus / (deficit) of operating funding (A - B)	**(11)**	**33**	**98**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase (decrease) in reserves	(11)	33	98
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	(11)	33	98
Surplus / (deficit) of capital funding (C - D)	**11**	**(33)**	**(98)**
Funding balance ((A - B) + (C - D))	**0**	**0**	**0**



Regulatory Services | Ratonga whakahaere

Overview | Tiro whānui

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Our Long Term Plan

Within regulatory services, we are involved in a number of services from preparing regulations to promoting compliance.

We aim to ensure regulatory functions protect the community from a variety of risks and enhance and protect the natural and built environments. Our processes promote safely constructed buildings.

Our regulatory services are provided to:

- Ensure our communities are prepared to respond to and recover from emergency events;
- Meet our responsibilities under various legislation such as: The Building Act, Resource Management Act, Dog Control Act and Local Government Act;
- Promote the sustainable management of our natural and physical resources; and
- Promote public safety and minimise nuisances.

Resource management implementation | Te whakatinanatanga ō ngā māhere taiao

This includes regulating land use and development activities through implementation of resource management legislation and the district plan (i.e. resource consents). This ensures we promote the sustainable management of our environment by helping prevent, mitigate or remediate any adverse effects arising from land use and development.

Building control | Mana hanga

This includes administering and implementing the provisions of the Building Act 2004. We are accredited as the building consent authority and ensure all buildings are constructed and maintained to the appropriate standards. As well as regulating building work (building consents), we undertake building warrants of fitness monitoring, swimming pool fencing inspections, preparation of project information memorandums, and implementing earthquake prone, dangerous and insanitary building regulations.

Community protection | Tiaki hāpori

We provide services to ensure food and alcohol premises are suitably licenced and are maintaining appropriate processes to ensure compliance with the Food Act and the Sale and Supply of Alcohol Act 2012.

We also provide registration and inspection of hairdressers, and campgrounds. Community protection also includes noise and nuisance complaints to protect people from excessive and unreasonable noise.

Emergency management is also part of our community protection activity. It involves planning to reduce risks that could result in an emergency, responding and recovering from emergencies that do occur.

We provide emergency management services to:

- ensure our community are aware of natural risks and are prepared for these
- keep essential services known as lifelines operating in and after an emergency
- keep people safe during and after an emergency event
- put arrangements in place to recover after an emergency event.

Animal control | Mana kararehe

We deliver animal control services, which includes; dog registration, education, dog control and control of other animal nuisances, like wandering stock. We manage dog and other animal nuisance in order to maintain public safety. We also house dogs, when required, in our pound facility and re-home them where possible.

Effects on the community

The regulatory services group of activities assists the Council in the improvement of local communities through the regulation of building work, the control of social issues via bylaws, and the protection of lifestyles and the environment enjoyed by residents, making a safer District for all. Many mechanisms of the regulatory services group are mandatory or legislatively required, but the underlying theme is the protection and safety of our communities and an increase in social wellbeing.

Community outcomes | Ngā huanga hapori

The regulatory services group mainly contributes to the following community outcomes:

Healthy environment | Te Mauri o te Taiao

Vibrant and safe communities | Te Oranga pai o te Hapori

Meeting our service targets

Resource management implementation

How we measure our performance	Result 2024/25 ▼ Key: Achieved Not achieved Not Applicable	
What we said we would do: resource consents to be decided and issued within Resource Management Act 1991 timeframes.		
Measure: Notified resource consent decisions issued within statutory timeframes. **Target:** 100% of decisions issued within statutory timeframes.	2024/25 Not Applicable	No notified consent decisions issued.
	2023/24 Not applicable	There has been no notified consent decisions issued in 2023/24.

How we measure our performance	Result 2024/25 ▼ Key: Achieved Not achieved Not Applicable	
Measure: Non-notified resource consent decisions are issued within statutory timeframes. **Target:** 100%	2024/25 Not Achieved	91% (82/90). Several resource consents were delayed due to resourcing constraints. A new Resource Consent Team Leader has been appointed and is now working closely with consultants to improve service levels.
	2023/24 Not achieved	96.25% (127/132) (landuse = 86/88, subdivision = 127/132) of non-notified resource consent decisions were issued within statutory timeframes in 2023/24.
Measure: Permitted boundary activity certificates are issued within statutory timeframes. **Target:** 100%	2024/25 Achieved	100% (11/11) of permitted boundary activity certificates issued within statutory timeframe.
	2023/24 Achieved	100% (16/16) of permitted boundary activity certificates were issued within statutory timeframes in 2023/24.
What we said we would do: a monitoring service which ensures compliance with consent conditions.		
Measure: Land use consents issued during the previous financial year are monitored within 12 months of being granted. **Target:** 90%	2024/25 Achieved	100% (85/85) of land use consents monitored were monitored within 12 months of being granted in 2024/25.
	2023/24 Achieved	100% (89/89) of land use consents issued were monitored within 12 months of being granted in 2023/24.
What we said we would do: Land Information Memoranda (LIM) to be issued within agreed timeframes.		
Measure: Non-urgent LIMs issued within 10 working days (statutory). **Target:** 100%.	2024/25 Achieved	100% (440/440) of non urgent LIMs issued within 10 working days (statutory).
	2023/24 Not achieved	99% of non urgent LIMs issued within 10 working days. Due to the high volumes over the November period three non-urgent LIMS had missed the deadline by one day.
Measure: Urgent LIMS are issued within 3 working days.	2024/25 Not achieved	99% (128/129) of urgent LIMs delivered within 3 working days.

How we measure our performance	Result 2024/25 ▼ Key: Achieved Not achieved Not Applicable	
Target: 100%	2023/24 Achieved	100% (143/143) of urgent LIMs were issued within 3 working days in 2023/24.
What we said we would do: public satisfaction with the Council's administering of the resource consent services.		
Measure: Percentage of customers satisfied with the service they receive during the resource consent process. **Target:** ≥75%	2024/25 Not achieved	The 2025 satisfaction survey results showed that **60%** of residents are satisfied with the Council's resource consent services.
	2023/24 Not achieved	The 2024 satisfaction survey results showed that **73%** of residents are satisfied with the Council's resource consent services.

Building Control

How we measure our performance	Result 2024/25 ▼ Key: Achieved Not achieved Not Applicable	
What we said we would do: building consent applications to be processed within the statutory timeframes of the Building Act 2004.		
Measure: Building consent applications are processed within 20 working day. **Target:** 100%	2024/25 Not achieved	99% (232/235) of building consent applications were processed within 20 working days in 2024/25. A number of building consents were overdue due to resourcing. The team are actively working on managing workload and process improvements to address this. 3/235 consents were overdue by less than 9 days.
	2023/24 Not achieved	99% (390/394) of building consent applications were processed within 20 working days in 2023/24.
You can expect: that known privately owned swimming pools comply with the Building Act 2004[10].		
Measure: All registered private swimming pools fencing will be inspected during the year of their three yearly anniversary. **Target:** 100%	2024/25 Achieved	100% inspections completed.
	2023/24 Achieved	100% (54/54) of pools were inspected in 2023/24.

How we measure our performance	Result 2024/25 ▼ Key: Achieved Not achieved Not Applicable	
What we said we would do: satisfactory service to our building consent customers.		
Measure: Percentage of customers satisfied with the service they receive during the building consent process. **Target:** ≥80%	2024/25 Not achieved	The 2025 satisfaction survey results showed that **58%** of residents are satisfied with the service they received during the building consent process.
	2023/24 Not achieved	The 2024 satisfaction survey results showed that **67%** of residents are satisfied with the service they received during the building consent process.

Community protection

How we measure our performance	Result 2024/25 ▼ Key: Achieved Not achieved Not Applicable	
What we said we would do: that the Council will carry out its role in public food safety by enforcing the Food Act 2014.		
Measure: All known food premises are monitored for compliance with relevant legislation. **Target:** 100%.	2024/25 Not achieved	96% (88/92) of food premises due to be monitored were completed.
	2023/24 Not achieved	97% (104/107) of food premises required to be monitored in 2023/24, were monitored.
What we said we would do: that the Council will carry out its role in public safety by implementing the Sale and Supply of Alcohol Act 2012.		
Measure: New and renewed On/Off and Club Liquor Licences are issued within three months of receiving the application, providing there are no objections and the application is complete. **Target:** 100%	2024/25 Achieved	100% (16/16) of on/off/club Licences applications were issued within three months.
	2023/24 Not achieved	75% (18/24) of on/off/club Licences were issued within 3 months. The first quarter did not meet the target, but the 2nd, 3rd and 4th quarter were all achieved at 100%.
What we said we would do: excessive noise complaints will be responded to by the Council.		
Measure: All complaints regarding excessive noise are investigated within two hours of the complaint being received.	2024/25 Not achieved	93% (150/161) of noise complaints were responded to within two hours in 2024/25.

How we measure our performance	Result 2024/25 ▼ Key: ✓ Achieved ✗ Not achieved ⊖ Not Applicable	
Target: 100%.		Several factors have affected response times, including requests made too early to attend, safety concerns associated with some incidents, and delays in calls being passed on to the attending officer. The teams are working collaboratively to review processes and ensure appropriate training is in place
	2023/24 ✗ Not achieved	97% (197/203) of complaints regarding excessive noise were investigated within two hours of the complaint being received in 2023/24.

Animal Control

How we measure our performance	Result 204/25 ▼ Key: ✓ Achieved ✗ Not achieved ⊖ Not Applicable	
What we said we would do: that the Council will ensure compliance with the Dog Control Act 1996 and bylaw, and the Impounding Act 1955, to provide for public safety.		
Measure: Known dogs in the District are registered annually. **Target:** ≥97%	2024/25 ✓ Achieved	98% (4280/4334) of known dogs are registered.
	2023/24 ✓ Achieved	99% (4397/4434) of known dogs in the district are registered in 2023/24.
Measure: Complaints about wandering stock on public roads are responded to within two hours. **Target:** 100%	2024/25 ✓ Achieved	100% (31/31) of complaints about wandering stock on public roads were responded to within two hours in 2024/25.
	2023/24 ✓ Achieved	100% (34/34) of complaints about wandering stock on public roads were responded to within two hours in 2023/24.
Measure: Dog attack complaints are responded to within two hours. **Target:** 100%	2024/25 ✓ Achieved	100% (72/72) of dog attack complaints were responded to within two hours in 2024/25.
	2023/24 ✓ Achieved	100% (68/68) of dog attack complaints were responded to within two hours in 2023/24.

What we achieved in 2024/25?



What these activities cost and how they were paid for?

Operating statement for Regulatory Services

	LTP 2025 $000	Actual 2025 $000	Actual 2024 $000
Expenditure			
RMA implementation	1,818	1,682	1,747
Building services	2,022	1,938	2,122
Emergency management	409	478	407
Health	599	595	528
Liquor licensing	181	186	151
CCTV and abandoned mines	95	111	100
Dog registration	369	360	347
Animal control	381	381	336
Total expenditure	**5,874**	**5,731**	**5,737**
Revenue			
Fees, charges and other revenue	2,285	2,041	1,888
External subsidies	0	0	1
Targeted rates	0	0	0
General rates	3,753	3,816	3,070
Total revenue	**6,038**	**5,857**	**4,959**
Operating surplus / (deficit)	**164**	**127**	**(778)**

Hauraki District Council: Funding impact statement for the year ended 30 June 2025 for Regulatory Services

	Long-Term Plan 2024 $000	Long-Term Plan 2025 $000	Actual 2025 $000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	2,465	3,753	3,816
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,849	2,285	2,024
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	17
Total operating funding (A)	4,315	6,038	5,857
Applications of operating funding			
Payments to staff and suppliers	1,018	1,207	1,058
Finance costs	0	0	0
Internal charges and overheads applied	3,320	4,666	4,666
Other operating funding applications	0	0	0
Total applications of operating funding (B)	4,338	5,873	5,724
Surplus / (deficit) of operating funding (A - B)	**(24)**	**164**	**133**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(9)	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	(9)	0	0
Applications of capital funding			
Capital expenditure	0	0	
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase (decrease) in reserves	(32)	164	133
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	(32)	164	133
Surplus / (deficit) of capital funding (C - D)	**24**	**(164)**	**(133)**
Funding balance ((A - B) + (C - D))	**0**	**0**	**0**



Environmental Initiatives | Whakahaere ururua

Overview | Tiro whānui

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Our Long Term Plan

This activity includes:

- Zero carbon promise implementation;
- Biodiversity strategy implementation;
- Coast care programme;
- Conservation and heritage fund; and
- Climate change adaptation plan implementation.

Effects on the community

The Environmental Initiatives activity assists the Council in the improvement of local communities by acknowledging it's role in environmental wellbeing and identifying environmental initiatives to improve this wellbeing.

Community outcomes | Ngā huanga hapori

The environmental initiatives activity mainly contributes to the following community outcomes:

- Healthy environment | Te Mauri o te Taiao
- Connected people | Tūhono
- Vibrant and safe communities | Te Oranga pai o te Hapori

Meeting our service targets

How we measure our performance	Result 2024/25 ▼ **Key:** Achieved / Not Achieved / Not Applicable	
You can expect: the Council to improve biodiversity in riparian areas owned or controlled by Council.		
Measure: Riparian planting on council owned or controlled land is undertaken. **Target:** 250m^2 per year.	2024/25 Not achieved	We are working on building relationships with a local indigenous plant nursery to source quality plants. Planting is intended to be undertaken in 2025/26.

How we measure our performance	Result 2024/25 ▼	
	Key: Achieved Not Achieved Not Applicable	
	2023/24 New measure	This measure was not calculated in 2023/24, there is no comparative data to report.

What we achieved in 2024/25

The Biodiversity Strategy (adopted in April 2025) is our plan for how we'll actively enhance and protect biodiversity in the Hauraki District. The vision 'Whakamana te Taiao o Hauraki' (to actively restore the mana of the environment within Hauraki) represents the driving force and goal behind the strategy.

Each year funding is available for Heritage Features, Significant Natural Areas, Outstanding Natural Features and Significant Trees owners to apply for assistance with active maintenance / enhancement of those features in 2024/25 we granted $17,000 to those that applied.

What these activities cost and how they were paid for?

	LTP 2025 $000	Actual 2025 $000	Actual 2024 $000
Expenditure			
Biodiversity	60	25	0
Coast care	35	0	0
Conservation and heritage	17	13	0
Climate change adaptation	20	0	0
Zero carbon	36	0	0
Total expenditure	**168**	**38**	**0**
Revenue			
Fees, charges and other revenue	0	0	0
External subsidies	0	0	0
Targeted rates	0	0	0
General rates	162	165	0
Total revenue	**162**	**165**	**0**
Operating surplus / (deficit)	**(6)**	**127**	**0**

Hauraki District Council: Funding impact statement for the year ended 30 June 2025 for Environmental Initiatives

	Long-Term Plan 2024 $000	Long-Term Plan 2025 $000	Actual 2025 $000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	0	162	165
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local Authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	0	162	165
Applications of operating funding			
Payments to staff and suppliers	0	168	37
Finance costs	0	0	0
Internal charges and overheads applied	0	0	0
Other operating funding applications	0	0	0
Total applications of operating funding (B)	0	168	37
Surplus / (deficit) of operating funding (A - B)	**0**	**(6)**	**128**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital expenditure	0	0	
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase (decrease) in reserves	0	(6)	128
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	0	(6)	128
Surplus / (deficit) of capital funding (C - D)	**0**	**6**	**(128)**
Funding balance ((A - B) + (C - D))	**0**	**0**	**0**



Support Services | Ngā ratonga tautoko

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Our Long Term Plan

Overview | Tiro whānui

Our support services group includes the sub-activities of property, forestry, subdivision, fleet management, overheads and project operations (previously encompassing all council business units).

Effects on the community

The Support Services activity assists the Council in the improvement of local communities by supporting the deliverables of Council and the activities contribute to the overall community wellbeing of the district.

Community outcomes | Ngā huanga hapori

The support services group mainly contributes to the following community outcomes:

- Healthy environment | Te Mauri o te Taiao
- Vibrant and safe communities | Te Oranga pai o te Hapori

Forestry

This sub-activity is part of our broader property function. Hauraki District Council owns three main forestry blocks, these are located at the Council quarry, Gobles Road, and Mangawara, totalling 109 hectares. The Council is involved with Forestry in an effort to maintain or improve the wellbeing of the district. We have forestry to provide investment returns for Council and to offset Council's greenhouse gas emissions.

Property

Our property function includes managing a range of corporate buildings such as council libraries, area offices, depots, dog pounds and property that supports a range of our activities. Wastewater, water supply and land drainage buildings are not included in the property function (these are covered in those activities), with the exception of the land. These are required for the operation of the Council's business.

Subdivision

This sub-activity involves the purchase and development of land and the provision of infrastructure to ensure that our communities have the opportunity to purchase lots for homes and other activities.

Fleet management

This activity manages the Council's fleet of vehicles and construction and maintenance plant and equipment. The activity oversees the procurement and subsequent maintenance of the fleet and enables us to effectively carry out council activities and business to community.

Project management

Projects and operations comprises of three operational teams providing project management, engineering services, and operational service and maintenance (Works) to both internal and external customers. The project management function supports all areas of council and the community by providing quality operational support of local infrastructure, managing and performing tasks, and maintaining facilities.

Overheads

Council operates a number of support areas, otherwise known as overheads, which assist all of its activities to deliver on their objectives where it is not cost efficient or practicable for each activity to have its own dedicated team. Examples include finance, HR, IT and the like. These overheads are fully re-charged out across the activities of council (using a cascade / waterfall method) across the rest of the organisation.

Meeting our service targets

How we measure our performance	Result 2024/25 ▼ **Key:** Achieved Not Achieved Not Applicable	
What we said we would do: the online services council provides are reliable.		
Measure: Council's website is available at all times. **Target:** ≥99%	2024/25 Achieved	Councils website was available for internal and external customers 100% of the time in 2024/25
	2023/24 New measure	This measure was not calculated in 2023/24, there is no comparative data to report.

What we achieved in 2024/25

Support Services



Ngatea Service Centre and Library

We've said haere rā to the old building (what a turn out at Memories over a Cuppa Afternoon Tea!) and with demolition almost complete and the main contractor on site to start the new build - $668,000

Paeroa Depot - $141,000

The depot was refurbished to upgrade facilities, create office space and meeting rooms.



Ngātea North Subdivision - $2.1M

Council undertook this venture to unlock development and growth in Ngātea.

Fifty-two lots will be up for sale in the near future with locals getting the first opportunity to register their interest before going on the open market. The project is tracking well to budget and time-frames and includes a community playground.

What these activities cost and how they were paid for

Operating statement for Support Services

	LTP 2025 $000	Actual 2025 $000	Actual 2024 $000
Expenditure			
Business Units	(49)	886	790
Overheads	221	914	1,061
Other P&L	(503)	3,547	1,592
Property	1,305	2,295	1,786
Plant	(71)	340	190
Forestry	88	30	34
Total expenditure	**992**	**8,013**	**5,453**
Revenue			
Fees, charges and other revenue	488	2,632	2,173
External subsidies	182	36	320
Targeted rates	(351)	(2,133)	(10,216)
General rates	(438)	(18)	8,928
Total revenue	**(119)**	**517**	**1,206**
Operating surplus / (deficit)	**(1,110)**	**(7,496)**	**(4,248)**

Hauraki District Council: Funding impact statement for the year ended 30 June 2025 for Support Services

	Long-Term Plan 2024 $000	Long-Term Plan 2025 $000	Actual 2025 $000
Sources of operating funding			
General rates, uniform annual general charges, rate penalties	(362)	(438)	(18)
Targeted rates	(406)	(351)	(2,133)
Subsidies and grants for operating purposes	0	182	(76)
Fees and charges	251	274	237
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	(56)	(56)	1,032
Local Authorities fuel tax, fines, infringement fees, and other receipts	4,857	270	1,375
Total operating funding (A)	4,283	(119)	417
Applications of operating funding			
Payments to staff and suppliers	11,698	14,213	15,692
Finance costs	(294)	277	2,240
Internal charges and overheads applied	(11,800)	(14,769)	(14,648)
Other operating funding applications	0	0	0
Total applications of operating funding (B)	(396)	(280)	3,284
Surplus / (deficit) of operating funding (A - B)	**4,679**	**161**	**(2,866)**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	113
Development and financial contributions	0	0	7
Increase (decrease) in debt	463	4,825	17,591
Gross proceeds from sale of assets	0	0	135
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total Sources of capital funding (C)	463	4,825	17,846
Applications of capital funding			0
Capital expenditure	0	0	0
- to meet additional demand	0	0	0
- to improve the level of service	371	5,619	3,557
- to replace existing assets	1,159	2,905	613
Increase (decrease) in reserves	3,613	(3,537)	10,809
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	5,142	4,986	14,979
Surplus / (deficit) of capital funding (C - D)	**(4,679)**	**(161)**	**2,866**
Funding balance ((A - B) + (C - D))	**0**	**0**	**0**

Financial statements



Statement of Comprehensive Revenue and Expense for the year ended 30 June 2025

Statement of Financial Position as of 30 June 2025

Statement of Changes in Equity for the year ended 30 June 2025

Statement of Cash flows for the year ended 30 June 2025

Whole of Council Funding Impact Statement for the year ended 30 June 2025

Notes to the Financial Statements for the year ended 30 June 2025

Hauraki District Council - Statement of comprehensive revenue and expense

For the year ended 30 June 2025

	Notes	2025 Budget $000's	2025 Actual $000's	2024 Actual $000's
Revenue				
Rates revenue	3	46,886	48,959	39,359
Fees and charges	3	5,194	4,575	5,172
Development and financial contributions		630	827	604
Subsidies and grants	3	14,675	12,107	10,497
Interest revenue	3	50	1,388	711
Other revenue	3	865	1,908	734
Total revenue		**68,300**	**69,764**	**57,077**
Expenses				
Personnel costs	4	22,838	22,111	20,681
Depreciation and amortisation expense	15	17,359	17,727	16,284
Finance costs	5	4,664	6,024	4,620
Other expenses	6	24,338	30,888	32,700
Total expenses		**69,200**	**76,750**	**74,285**
Surplus/(deficit) before tax		**(900)**	**(6,985)**	**(17,208)**
Income tax expense		0	0	0
Surplus/(deficit) after tax		**(900)**	**(6,985)**	**(17,208)**
Other comprehensive revenue and expense				
Items that will not be reclassified to surplus/(deficit)				
Gain on property, plant and equipment revaluations	13	15,994	221,772	7,135
Gain/(loss) on financial assets revaluations		0	17	335
Total other comprehensive revenue and expense		**15,994**	**221,789**	**7,470**
Total comprehensive revenue and expense		**15,094**	**214,805**	**(9,738)**

Hauraki District Council - Statement of financial position

For the year ended 30 June 2025

	Notes	2025 Budget $000's	2025 Actual $000's	2024 Actual $000's
Current assets				
Cash and cash equivalents	7	550	13,700	10,200
Receivables	8	12,546	14,234	11,898
Assets held for sale	10	0	242	0
Derivative financial instruments	11	746	19	578
Other financial assets	12	255	16,309	11,218
Inventory	9	149	3,012	1,658
Total current assets		**14,245**	**47,516**	**35,553**
Non-current assets				
Other financial assets:				
Community loans	12	95	55	75
Borrower notes	12	1,099	3,587	1,926
Investments in other entities	12	57	60	59
Investments in CCOs and similar entities	12	137	485	469
Total other financial assets		1,388	4,188	2,529
Inventory	9	2,790	1,457	1,328
Derivative financial instruments	11	722	42	412
Intangible assets	14	1,902	2,358	1,994
Forestry assets	16	1,444	1,600	1,564
Property, plant and equipment	13	917,513	1,076,109	833,154
Total non-current assets		**925,759**	**1,085,754**	**840,982**
Total assets		**940,005**	**1,133,270**	**876,535**
Current liabilities				
Payables and deferred revenue	17	6,085	13,413	12,751
Derivative financial instruments	11	0	507	0
Employee entitlements	19	2,741	2,454	2,301
Provisions	20	69	164	65
Borrowings	18	6,000	35,016	19,016
Total current liabilities		**14,894**	**51,555**	**34,134**
Non-current liabilities				
Derivative financial instruments	11	283	763	11
Employee entitlements	19	0	268	285
Provisions	20	828	973	1,181
Borrowings	18	134,000	105,012	81,028
Total non-current liabilities		**135,112**	**107,016**	**82,505**
Total liabilities		**150,006**	**158,571**	**116,639**
Net assets (assets minus liabilities)		**789,999**	**974,699**	**759,895**

Hauraki District Council - Statement of financial position

For the year ended 30 June 2025

	Notes	2025 Budget $000's	2025 Actual $000's	2024 Actual $000's
Equity				
Accumulated funds		407,311	390,669	396,319
Reserves	22	382,688	584,030	363,576
Total equity		**789,999**	**974,699**	**759,895**

Hauraki District Council - Statement of Changes in Equity

For the year ended 30 June 2025

	Notes	2025 Budget $000's	2025 Actual $000's	2024 Actual $000's
Balance at 1 July		**774,905**	**759,895**	**769,633**
Total comprehensive revenue and expense for the year		15,094	214,805	(9,738)
Balance at 30 June		**789,999**	**974,699**	**759,895**
Total equity consists of:				
Accumulated funds				
As at 1 July		**408,025**	**396,319**	**410,234**
Transfers from asset revaluation reserves		0	1,192	3,057
Transfers from other reserves		0	(288)	(377)
Transfers to other reserves		186	432	612
Surplus/(deficit) for the year		(900)	(6,985)	(17,208)
As at 30 June		**407,311**	**390,669**	**396,319**
Other Reserves				
As at 1 July		**2,763**	**2,385**	**2,620**
Transfers to Accumulated Funds		(186)	(432)	(612)
Transfers from Accumulated Funds		0	288	377
As at 30 June	**22**	**2,577**	**2,241**	**2,385**
Asset Revaluation Reserves				
As at 1 July		**364,117**	**360,827**	**356,750**
Transfers to accumulated funds		0	(1,192)	(3,057)
Revaluation gains/(losses)		15,994	221,772	7,135
As at 30 June	**22**	**380,111**	**581,407**	**360,827**
Fair value through other comprehensive income and expense reserve				
As at 1 July		0	**364**	30
Net change in fair value		0	17	335
As at 30 June		0	**382**	**364**
Total equity as at 30 June		**789,999**	**974,699**	**759,895**

Hauraki District Council - Statement of cash flows

For the year ended 30 June 2025

	2025 Budget $000's	2025 Actual $000's	2024 Actual $000's
Cash flows from operating activities			
Receipts from rates revenue	45,221	46,761	38,534
Receipts from other revenue	20,871	18,933	13,911
Interest received	50	799	860
Dividends received	0	7	7
GST (net)	0	(35)	(25)
Payments to suppliers and employees	(46,608)	(48,076)	(48,213)
Interest paid	(4,664)	(6,083)	(4,193)
Net cash flow from operating activities	**14,870**	**12,306**	**881**
Cash flows from investing activities			
Advance payments received	0	20	20
Receipts from sale of property, plant and equipment	0	133	273
Advance payments made	0	(6,752)	(11,790)
Purchase of property, plant and equipment	(67,488)	(41,825)	(26,899)
Purchase of intangible assets	0	(366)	(151)
Net cash flow from investing activities	**(67,488)**	**(48,790)**	**(38,547)**
Cash flows from financing activities			
Receipts from finance leases	0	0	0
Proceeds from borrowings	67,000	59,000	51,000
Repayment of finance lease liabilities	0	(16)	(16)
Repayment of borrowings	(19,000)	(19,000)	(13,000)
Net cash flow from financing activities	**48,000**	**39,984**	**37,984**
Net increase/(decrease) in cash and cash equivalents	**(4,618)**	**3,500**	**318**
Cash and cash equivalents at the start of the year	5,168	10,200	9,882
Cash and cash equivalents at the end of the year	**550**	**13,700**	**10,200**

Hauraki District Council - Statement of cash flows

For the year ended 30 June 2025

Reconciliation of surplus/ (deficit) after tax to net cash flow from operating activities

	2025 Actual $000's	2024 Actual $000's
Surplus/(deficit) after tax	**(6,985)**	**(17,208)**
Add/(less) non-cash items		
Vested assets	(433)	(216)
Amortisation	50	50
Depreciation	17,677	16,234
(Gains)/losses in fair value of forestry assets	(36)	(120)
Net (gains)/losses on interest rate swaps	2,189	489
Net movement (gain)/loss on doubtful debts	(3)	(39)
Transfers to inventory	526	0
Total non-cash items	**19,970**	**16,398**
Add/(less) movements in working capital items		
Increase/(decrease) in payables	661	1,964
Increase/(decrease) in provisions	(109)	349
Increase/(decrease) in employee entitlements	136	(290)
(Increase)/decrease in inventory	(1,483)	47
(Increase)/decrease in receivables	(2,336)	(3,470)
Net movement in working capital items	**(3,131)**	**(1,400)**
Add/(less) items classified as investing activities		
(Gains)/losses on sale of property, plant and equipment	2,452	3,091
Total items classified as investing activities	**2,452**	**3,091**
Net cash inflow/(outflow) from operating activities	**12,306**	**881**

Reconciliation of liabilities arising from financing activities

	2025 Actual $000's	2024 Actual $000's
Borrowings – cash movements		
Proceeds from borrowings	59,000	51,000
Repayment of borrowings	(19,000)	(13,000)
Proceeds from finance lease - principal	0	0
Repayment of finance lease – principal	(16)	(16)
Borrowings – total cash movement	**39,984**	**37,984**

Hauraki District Council - Funding Impact Statement

For the year ended 30 June 2025

	Annual Plan 2024 $000	Actual 2024 $000	Annual Plan 2025 $000	Actual 2025 $000
Sources of operating funding				
General rates, uniform annual general charges, rate penalties	13,257	22,900	15,736	16,267
Targeted rates	25,303	16,457	31,150	32,693
Subsidies and grants for operating purposes	5,558	8,290	6,239	6,902
Fees and charges	5,932	5,174	5,549	4,576
Interest and dividends from investments	0	718	0	1,395
Local Authorities fuel tax, fines, infringement fees, and other receipts	4,674	389	270	1,431
Total operating funding (A)	54,724	53,928	58,944	63,264
Applications of operating funding				
Payments to staff and suppliers	43,512	49,832	47,176	48,361
Finance costs	2,187	4,619	4,664	6,023
Other operating funding applications		0		0
Total applications of operating funding (B)	45,699	54,451	51,841	54,384
Surplus / (deficit) of operating funding (A - B)	**9,025**	**(523)**	**7,103**	**8,880**
Sources of capital funding				
Subsidies and grants for capital expenditure	2,370	2,207	8,436	5,205
Development and financial contributions	949	603	630	827
Increase (decrease) in debt	25,559	37,984	48,000	39,983
Gross proceeds from sale of assets	0	249	0	135
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total Sources of capital funding (C)	28,879	41,043	57,066	46,150
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	24,074	11,807	43,135	28,768
- to replace existing assets	13,316	15,244	24,362	14,392
Increase (decrease) in reserves	514	13,469	(3,328)	11,870
Increase (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	37,904	40,520	64,169	55,030
Surplus / (deficit) of capital funding (C - D)	**(9,025)**	**523**	**(7,103)**	**(8,880)**
Funding balance ((A - B) + (C - D))	0	0	**0**	**0**

Notes to the financial statements for the year ended 30 June 2025

Note 1 – Statement of accounting policies

Reporting entity

Hauraki District Council (HDC) is a territorial local authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

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

The reporting date of Council is 30 June.

The Council has designated itself as a public benefit entity (PBE) for the purposes of complying generally accepted accounting practice.

The financial statements of the Council are for the year ended 30 June 2025 and were authorised for issue by Council on 29 October 2025.

Basis of preparation

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

Statement of compliance

The financial statements and Service Performance information of the Council has been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements and service performance information have been prepared in accordance with and comply with PBE standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars ($'000) other than the remuneration and the severance payment disclosures in note 4, and the total capital and land values of rating units in note 3. These disclosures are rounded to the nearest dollar.

New or amended standards adopted

Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1)

Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1) has been adopted in the preparation of these financial statements. The amendment changes the required disclosures for fees for services provided by the audit or review provider, including a requirement to disaggregate the fees into specified categories. This new disclosure is included in Note 6.

Other changes in accounting policies

There have been no changes in accounting policies.

Standards issued, 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 are:

Note 1 – Statement of accounting policies

PBE IFRS 17 Insurance Contracts

The amending standard Insurance Contracts in the Public Sector adds public sector modifications *to PBE IFRS 17 Insurance Contracts* to include public sector entities and to ensure that this Standard is suitable for this sector. Application of these amendments is required for accounting periods beginning on or after 1 January 2026 with early adoption permitted for Council from 1 July 2025 onwards. Council has not yet assessed the effects of the new standard and does not intend to adopt the standard early.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Goods and services tax

The financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable, which are presented on a GST-inclusive basis.

Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financial activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

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

Critical accounting estimates and assumptions

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

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

- Estimating the fair value of land, buildings, and infrastructural assets – see Note 13.
- Estimating the fair value of forestry assets – see Note 16.
- Estimating the retirement and long service leave obligations – see Note 19.
- Estimating the landfill aftercare provision – see Note 20.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

- Donated or vested land and buildings with use or return conditions – see Note 3.
- Classification of property – see Note 13.

Notes to the financial statements for the year ended 30 June 2025

Note 2 - Summary of revenue and expenditure for groups of activities

Accounting policy

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity. Direct costs are charged directly to significant activities.

Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers, and floor area. There have been no changes to the cost allocation methodology during the year.

Breakdown of summary revenue and expenditure for group of activities

Each significant activity is stated gross of internal costs and revenues and includes targeted rates attributable to activities (see Note 3). To fairly reflect the total external operations for the Council in the statement of comprehensive revenue and expense, these transactions are eliminated as shown below.

	Annual Plan 2025 $000	Actual 2025 $000	Actual 2024 $000
Revenue			
Leadership	4,544	4,507	4,209
Roading	20,461	17,065	14,516
Water	11,980	14,807	9,749
Wastewater	5,003	5,696	4,292
Stormwater	1,625	1,689	1,221
Land drainage	1,517	1,563	1,521
Waste management	4,165	4,727	3,342
Community services	11,239	11,362	10,233
Environmental Initiatives	162	165	0
Maanaki Toiora	1,687	1,808	1,829
Regulatory	6,038	5,857	4,959
Support services	(119)	518	1,205
Activity revenue	**68,300**	**69,764**	**57,077**
Total revenue	**68,300**	**69,764**	**57,077**
Expenditure			
Leadership	4,677	4,068	4,516
Roading	16,393	15,602	16,134
Water	14,251	15,042	14,487
Wastewater	7,947	6,898	6,473
Stormwater	1,643	1,836	1,683
Land drainage	1,284	1,175	1,636
Waste management	4,311	4,805	4,779
Community services	10,008	11,837	11,459
Environmental Initiatives	168	37	0
Maanaki Toiora	1,654	1,709	1,929
Regulatory	5,874	5,731	5,737
Support services	991	8,009	5,452
Activity expenditure	**69,200**	**76,750**	**74,285**
Total expenditure	**69,200**	**76,750**	**74,285**

Notes to the financial statements for the year ended 30 June 2025

Note 3 - Revenue

Accounting policy

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below:

Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Development and financial contributions

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as revenue in advance until the Council provides, or is able to provide, the service.

Waka Kotahi New Zealand Transport Agency - Roading subsidies

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

Other grants received

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

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Entrance fees

Entrance fees are fees charged to users of the Council's local pools. Revenue from entrance fees is recognised upon entry to the pool.

Provision of commercially based services

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to the stage of completion at balance date. Generally, this is determined by the proportion of costs incurred to date bearing to the estimated total costs of providing the service.

Note 3 - Revenue

Infringement fees

Infringement fees mostly relate to noise and dog infringements. Revenue is recognised when the infringement notice is paid.

Sales of goods

Revenue from the sale of goods is recognised when a product is sold to the customer.

Landfill fees

Fees for disposing of waste at the Council's landfill are recognised as waste is disposed by users.

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (for example, land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability is released to revenue as the conditions are met (for example, as the funds are spent for the nominated purpose).

Interest and dividends

Interest revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

Critical judgements in applying accounting policies

Accounting for donated or vested land and buildings with use or return conditions

The Council has received land and buildings from non-exchange transactions that contain use or return conditions. If revenue is not recognised immediately for such assets when received, there is the possibility that a liability would be recognised in perpetuity and no revenue would ever be recognised for the asset received. The Council considers that an acceptable and more appropriate accounting treatment under PBE IPSAS 23 is to recognise revenue immediately for such transfers and a liability is not recognised until such time as it is expected that the condition will be breached.

Note 3 - Revenue

Breakdown of rates and further information

	2025 Budget	2025 Actual	2024 Actual
Total rates ($000's)	46,886	48,959	39,359

	2025 Actual $000's	2024 Actual $000's
General rates	8,625	7,206
Uniform annual general charge	7,359	6,329
Targeted rates attributable to activities:		
- Targeted rates for metered water supply	13,915	9,307
- Other targeted rates	20,244	17,007
Rates income	**50,143**	**39,849**
Rates penalties	697	500
Rates remissions	(1,881)	(990)
Total rates	**48,959**	**39,359**

The following rating base information is disclosed on the rating base information at the end of the **preceding** financial year:

As of 30 June	2024
Number of rating units	11,960
Total capital values of rating units	10,482,879,630
Total land value of rating units	6,472,918,230

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other local authorities rate.

The annual rates income of the Council for the year ended 30 June 2025 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	2025 Actual $000's	2024 Actual $000's
Rates	50,143	39,849
Total gross annual rates income	**50,143**	**39,849**

Comparison to budget

Rates income for the 2024/25 financial year was slightly above budget, mainly due to higher water rates revenue. This variance reflects the accrual of approximately $2.2 million for estimated water consumption not yet billed at 30 June 2025. During the year, a number of water meter readings were based on estimates rather than actual data, and the year-end accrual was calculated using the average daily consumption from the most recent actual or estimated readings. As part of Council's move to adjust water billing to include

Note 3 - Revenue

wastewater rate charges from 1 July 2025, system changes were required to the rating module. To support this transition, staff undertook additional meter readings ahead of the normal schedule to ensure as much consumption data as possible was captured before the change took effect.

Comparison to prior year

Total rates revenue increased by $9.6 million compared with 2023/24. The increase reflects the general and targeted rate increases adopted in the 2024–34 Long Term Plan to manage inflationary cost pressures, higher insurance and interest costs, and new drinking water regulatory requirements. Water rates were also higher than the previous year, reflecting additional meter readings completed ahead of the wastewater billing system change and the year-end accrual for estimated consumption. Rates remissions were higher than 2023/24, mainly due to adjustments and credits processed through the water-meter replacement and billing improvement programme.

Breakdown of subsidies and grants

	2025 Budget	2025 Actual	2024 Actual
Total subsidies and grants ($000's)	14,675	12,107	10,497

	2025 Actual $000's	2024 Actual $000's
New Zealand Transport Agency roading subsidies	9,093	7,530
Three waters funding	446	215
Other grants and subsidies	2,568	2,752
Total subsidies and grants	**12,107**	**10,497**

Comparison to budget

Subsidies and grants were ($2.6 million) lower than budgeted. The main reason was a reduction in funding from Waka Kotahi NZ Transport Agency for roading projects ($3.4 million). In recent years, central government has scaled back its co-funding for local roading programmes as part of wider fiscal constraints and a reprioritisation of the national transport programme. Once Council was formally advised of the reduced allocation, the roading budgets were adjusted in March to reflect the fact that the programme could no longer be subsidised to the extent originally planned. Because subsidy revenue is directly linked to expenditure, this resulted in less income being able to be claimed.

Capital grants were also below budget. Funding for the Morgan Park outdoor hub development was ($0.9 million) under budget. This project is heavily reliant on external funding and income is recognised in line with stages of completion. In 2024/25, only the pump track component was completed, with Council receiving $0.4 million of external funding for this work.

The overall shortfall in subsidies and capital grants was partly offset by additional income received from:

- Three Waters transition funding of $0.4 million - provided to councils across the country to assist with the costs of preparing for the government's water services reforms, including transition planning, staff resourcing, and community engagement.

Note 3 - Revenue

- Better Off funding of $0.2 million - part of a nationwide support package from central government aimed at enabling councils to invest in projects that strengthen community wellbeing and resilience.
- Ministry for the Environment funding - $0.4 million - income for waste minimisation initiatives was higher than budget ($0.1 million). An online portal was developed to accurately measure waste volumes, ensuring Council was fairly compensated.
- Hauraki Rail Trail funding - Council received $0.9 million of external funding for trail works completed during the financial year.

Together, these funding streams helped reduce the impact of the roading subsidy shortfall and the timing delays in externally funded capital projects.

Comparison to prior year

Subsidies and grants were $1.6 million higher than the previous year. The increase was mainly due to higher NZTA roading subsidies from additional works delivered and claimed. Council also recognised new capital grants, including $0.4 million for the Morgan Park pump track, while funding for waste minimisation increased by $0.1 million with the introduction of a new online measurement portal.

These gains were partly offset by lower external funding for the Hauraki Rail Trail and a number of one-off community and facility grants that were received in 2024 but did not repeat in 2025.

Breakdown of fees and charges

	2025 Budget	2025 Actual	2024 Actual
Total fees and charges ($000's)	5,194	4,575	5,172

	2025 Actual $000's	2024 Actual $000's
Building and resource consent charges	1,317	1,198
Land information memoranda sales	159	111
Other fees and charges	3,099	3,863
Total fees and charges	**4,575**	**5,172**

Comparison to budget

Fees and charges were $4.6 million, which was $0.6 million below budget.

- Building and resource consent charges were below budget ($0.35 million), reflecting a softer year for consenting activity. Lower demand for land use and subdivision consents was partly offset by steady inspection and monitoring fees.
- Land Information Memoranda (LIMs) were higher than budget, with $0.16 million recognised against a budget of $0.09 million, reflecting stronger customer demand.
- Other fees and charges were below budget overall ($0.3 million). The shortfall was mainly due to lower refuse and transfer station income (particularly steel and glass sales and reduced volumes at the transfer stations).

Note 3 - Revenue

Comparison to prior year

Fees and charges were $0.6 million lower than the previous year.

- The main reason for the decrease was the reclassification of Council's works income (income charged for private works) from "fees and charges" to "other income" in 2025. This accounted for $605,567 recognised in 2024 under "other fees and charges" that is no longer included in this category.

Breakdown of interest revenue

	2025 Budget	2025 Actual	2024 Actual
Total interest revenue ($000's)	50	1,388	711

	2025 Actual $000's	2024 Actual $000's
Interest revenue		
Term deposits	867	598
Borrower notes interest revenue	156	109
Discount unwind on provisions	363	0
Other	2	4
Total interest revenue	**1,388**	**711**

Comparison to budget

Finance income was $1.3 million higher than budget. Much of this variance relates to interest earned on term deposits ($0.9 million), which were not budgeted. These deposits arose from the prefunding of future debt repayments and were placed on term to reduce the net interest cost to Council.

Council also earned $0.2 million in income from LGFA borrower notes. While this income is directly linked to Council's level of LGFA borrowings, it is not separately budgeted for, as borrower notes are a mandatory component of the LGFA funding structure.

In addition, a discount unwind credit of $0.4 million was recognised in 2025 in relation to landfill aftercare provisions. This credit reflects the impact of time value of money adjustments on future aftercare obligations. Due to the inherent uncertainty in forecasting the discount and inflation rates used in the valuation, no budget is set for this item.

Comparison to prior year

The increase in finance income of $0.7 million compared to 2024 is driven by the same factors outlined above. Interest income on term deposits increased by $0.3 million due to higher prefunding activity, and borrower note income rose by $47,000 in line with increased LGFA borrowings.

The $0.4 million discount unwind credit in 2025 also contributed to the increase, whereas no such income was recognised in 2024. This reflects a change in the financial assumptions applied to the landfill aftercare provision between the two years.

Notes to the financial statements for the year ended 30 June 2025

Note 3 - Revenue

Breakdown of other revenue

	2025 Budget	2025 Actual	2024 Actual
Total other revenue ($000's)	865	1,908	734

	2025 Actual $000's	2024 Actual $000's
Petrol tax	167	187
Court fees and fines	19	25
Vested land and infrastructure from property development	433	216
Forestry asset revaluation gains	36	120
Gain on changes in fair value of derivative financial instruments	0	0
Dividend revenue	7	7
Other	1,246	180
Total other revenue	**1,908**	**734**

Comparison to budget

Other revenue was $1.9 million, which was $1.0 million above budget. The main driver was the inclusion of Council's works income stream of $0.9 million within "other revenue," reclassified from "fees and charges" in 2025. This relates to private works undertaken by Council's works team, mainly on the Hauraki Rail Trail. Vested assets from subdivision and development activity were also $0.1 million above budget, and forest harvest income of $0.2 million was recognised as unbudgeted revenue. The variance also reflects ($0.3 million) of grant funding that was budgeted under "other revenue" but recognised in "subsidies and grants."

Comparison to prior year

Other revenue was $1.1 million higher than the previous year. The increase was mainly due to the inclusion of works income within "other revenue" for the first time in 2025, contributing $0.6 million. In addition, vested asset income was $0.2 million higher, reflecting ongoing subdivision and development activity, and forest harvest income of $0.2 million was recognised in 2025 but not in the prior year.

Notes to the financial statements for the year ended 30 June 2025

Note 3 - Revenue

Other disclosures

Revenue from exchange and non-exchange revenue

The Council receives their revenue from exchange or non-exchange transactions. Exchange transaction revenue arises when the Council provides goods and services to a third party and receives approximately equal value in return that is directly related to those goods and services.

Non-exchange transaction revenue arises when the Council receives value from another party without having to provide goods or services of equal value directly. Non-exchange revenue comprises rates and transfer revenue.

Transfer revenue includes grants, subsidies and fees, and user charges derived from activities that are partially funded by rates. Revenue is measured at fair value, which is usually the cash value of a transaction.

	2025 Actual $000's	2024 Actual $000's
Revenue from non-exchange transactions		
Rates	35,044	30,052
Total revenue from rates	**35,044**	**30,052**
Revenue from transfers:		
Subsidies and grants	12,107	10,497
Building and resource consent charges	1,317	1,198
Land information memoranda sales	159	111
Other fees and charges	1,514	1,243
Petrol tax	167	187
Vested assets	433	216
Financial contributions	827	604
Court fees and fines	19	25
Total revenue from transfers	**16,543**	**14,081**
Total revenue from non-exchange transactions	**51,586**	**44,133**
Revenue from exchange transactions:		
Water by meter (targeted rate)	13,915	9,307
Finance revenue	1,388	711
Dividends received	7	7
Other exchange revenue	2,831	2,799
Total revenue from exchange transactions	**18,142**	**12,824**
Total revenue (excluding other gains)	**69,728**	**56,957**
Gain on disposal of property, plant and equipment	0	0
Gain on disposal of land inventory	0	0
Gain on changes in fair value of derivative financial instruments	0	0
Gain on revaluation of forestry	36	120
Total revenue	**69,764**	**57,077**

Note 3 - Revenue

Operating leases as a lessor

Council leases property under operating leases. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	2025 Actual $000's	2024 Actual $000's
Operating leases as lessor		
Not later than one year	172	237
Later than one year and not later than five years	507	474
Later than five years	793	904
Total non-cancellable operating leases	**1,472**	**1,616**

No contingent rents have been recognised during the year.

Notes to the financial statements for the year ended 30 June 2025

Note 4 – Personnel costs

Accounting policy

Superannuation schemes

Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Defined benefit schemes

The Council makes employer contributions to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit plan accounting, as it is not possible to determine from the terms of the scheme the extent to which the scheme's surplus or deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme. Further information on this scheme is disclosed in Note 19.

Notes to the financial statements for the year ended 30 June 2025

Note 4 – Personnel costs

Breakdown of personnel costs and further information

	2025 Budget	2025 Actual	2024 Actual
Total personnel costs ($000's)	22,838	22,111	20,681

	2025 Actual $000's	2024 Actual $000's
Salaries and wages	21,416	20,438
Employer contributions to defined contribution plans	560	533
Increase/(decrease) in employee entitlements	135	(290)
Total personnel costs	**22,111**	**20,681**

At balance date, the Council employed 184 (2024: 190) full-time employees, with the balance of staff representing 32 (2024: 33) full-time equivalent employees. A full-time employee is determined on the basis of a 37.5 hour working week.

Comparison to budget

Personnel costs were $0.7 million lower than budget. The main driver was vacancies across several areas, including Works, Community Development (strategic planning, planning and regulatory), and Service Delivery (Water Services Manager). These savings were partly offset by the payout of leave balances for two long-serving senior staff members.

Comparison to prior year

Personnel costs increased by $1.4 million (6.9%) compared to 2024. The increase reflects an average 4.3% rise in wages and salaries ($845,000), several previously vacant positions in the Works Team being filled during the financial year, and the addition of two new roles in the Project Management Office. This was partly offset by vacancies in Building Services and RMA overhead.

Chief Executive Remuneration

During the year, two individuals held the role of Chief Executive. The total remuneration paid or payable (including salary, any paid leave entitlements, and non-financial benefits) was:

- Chief Executive (1 July 2024-1 November 2024): $263,427
- Chief Executive (4 November onwards): $216,464

(2024: $322,000)

Severance payments

For the year ended 30 June 2025, no severance payments were made to employees (2024: Two severance payments were made - $10,000 and $4,000.)

Notes to the financial statements for the year ended 30 June 2025

Note 4 – Personnel costs

Council employee remuneration by band

Total remuneration includes any non-financial benefits provided to employees.

	2025 Actual	2024 Actual
Total annual remuneration by band for employees		
< $60,000	40	49
$60,000-$79,999	70	75
$80,000-$99,999	56	46
$100,000-$119,999	32	31
$120,000-$139,999	24	20
$140,000-$159,999	7	8
$160,000-$339,999	7	7
Total employees	**236**	**236**

Elected representatives' remuneration

Elected representatives received the following remuneration:

	2025 Actual $000's	2024 Actual $000's
Elected representatives received the following remuneration:		
Mr Toby Adams (Mayor)	130	124
Mrs Carole Daley	32	31
Mr Paul Milner (Deputy Mayor)	62	59
Mrs Jo Tilsley	32	31
Mr Rino Wilkinson	32	31
Mr Ray Broad	33	32
Mr Phillip Buckthought	34	32
Mrs Anne Marie Spicer	57	55
Mr Neil Gray	33	32
Mr Stephen Crooymans	38	35
Ms Sarah Holmes	33	31
Mr Josh Martyn	33	31
Mr Bhavesh Ranchhod	33	32
Mr Austin Rattray	37	33
Total elected representatives' remuneration	**619**	**589**

The figures above include an annual, or part thereof, communication allowance of $1,817 paid to each Councillor (2024: $1,750). The Mayor received a communication allowance of $1,090 (2024: $1,050).

Notes to the financial statements for the year ended 30 June 2025

Note 5 – Finance costs

Accounting policy

Borrowing costs are recognised as an expense in the financial year in which they are incurred.

Breakdown of finance costs

	2025 Budget	2025 Actual	2024 Actual
Total finance costs ($000's)	4,664	6,024	4,620

	2025 Actual $000's	2024 Actual $000's
Interest expense		
Interest on borrowings	6,024	4,386
Discount unwind on provisions	0	233
Net finance costs	**6,024**	**4,620**

Comparison to budget

Finance costs were $1.36 million higher than budget. The 2025 budget was based on an assumed net external debt figure of $92 million, reflecting the anticipated closing balance on 30 June 2024, and an average interest rate of 5.07%. However, actual gross debt was significantly higher across the 2025 financial year, averaging $123 million, with a closing balance of $140 million at year end. This increase was driven by ongoing capital expenditure and the prefunding of both future debt repayments and working capital requirements.

While Council's average cost of funds came in slightly below budget at 4.9%, total interest costs were still above budget due to the materially higher level of borrowings compared to what had been assumed. As part of its borrowing strategy, Council also entered into longer-term fixed interest rate arrangements to maintain compliance with its Liability Management Policy. These fixed rates were typically higher than short-term rates but were adopted to manage longer-term interest rate risk. As a result, Council did not fully benefit from the decline in short-term market interest rates during the year.

These factors combined resulted in actual finance costs of $6.02 million, compared to a budget of $4.66 million.

Comparison to prior year

Finance costs increased by $1.41 million compared to the 2024 financial year. This was primarily due to the same factors outlined in the comparison to budget - higher average debt levels, despite a marginal decrease in the cost of funds (4.9% in 2025 compared to 5.18% in 2024).

Additionally, the prior year included a $233,000 charge for the discount unwind on landfill aftercare provisions. This year, the unwind resulted in a credit, which has been recognised as interest revenue (see Note 3 - Interest Revenue) and was not offset against finance costs.

Notes to the financial statements for the year ended 30 June 2025

Note 6 – Other expenses

Accounting policy

Grant expenditure

The Council's grants awarded have no substantive conditions attached.

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

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

	2025 Budget	2025 Actual	2024 Actual
Total other expenses ($000's)	24,338	30,888	32,700

Breakdown of other expenses and further information

	2025 Actual $000's	2024 Actual $000's
Audit fees paid to Audit NZ (on behalf of the Auditor General):		
- Financial Statements: Audit of financial statements (including summary annual report)	243	226
- Financial Statements: Audit of financial statements – overrun	0	24
- Audit or review-related services: Audit of the Debenture Trust Deed	8	8
- Audit or review-related services: Audit of the Debenture Trust Deed – overrun	1	0
- Audit or review-related services: Audit of the Long-Term Plan	0	104
- Audit or review-related services: Audit of the Long-Term Plan – overrun	20	0
- Other assurance services: Procurement assurance advice	0	20
Total audit fees	272	382
General grants and donations	899	1,699
Operating lease expense	46	41
Expected credit loss allowance for receivables	(3)	(39)
Loss on disposal of property, plant and equipment	2,452	3,091
Derivative financial instruments revaluation losses	2,189	489
Other operating expenses	25,034	27,037
Total other expenses	**30,888**	**32,700**

In the year ended 30 June 2025, Council incurred audit fees payable to Audit New Zealand on behalf of the Auditor-General for the statutory audit of its financial statements, including the summary annual report.

Note 6 – Other expenses

Additional audit-related services included the audit of the Debenture Trust Deed. The amount disclosed for the Long-Term Plan relates to a cost overrun on the 2024 audit of the Long-Term Plan, which was invoiced in the 2025 financial year. No Long-Term Plan audit services were performed in 2025.

In 2024, Audit New Zealand also provided procurement assurance advice, which is classified as other assurance services.

No taxation services or other non-assurance services were provided in either 2025 or 2024.

Total fees incurred for services provided by Audit New Zealand were $0.27m (2024: $0.38m).

Comparison to budget

Other expenses were $30.9 million, which was $6.6 million above budget. The main contributors to this variance were:

- Loss on disposal of assets - ($2.45 million) above budget. This figure is inherently difficult to forecast, as it is determined by the asset's cost less accumulated depreciation and any proceeds received. In many cases Council does not receive proceeds when assets are retired, for example due to unforeseen breakages or weather events. Losses can also appear larger where the accounting value of an asset had increased before it was disposed of. For these reasons, only a nominal amount is included in the budget.
- Derivative losses - ($2.19 million). Council does not budget for changes in the fair value of its interest rate swaps, as these movements are volatile and non-cash in nature.
- Three Waters transition costs - ($0.5 million). These costs relate to the establishment of Waikato Waters Ltd, the new Council-Controlled Organisation required by central government. At the time the Long-Term Plan was prepared there was significant political uncertainty about future water services, and no budget provision was made for transition costs. These costs have been offset by funding received from central government, which is recognised in Note 3 (Subsidies and grants).
- Landfill aftercare provision - ($0.30 million movement). Budget figures are based on the prior year closing position and do not include provision re-measurements. These movements are sensitive to assumptions such as discount rates and inflation forecasts over 15-30 years, which are volatile, and judgement based.
- Regulatory services - Building inspections ($0.26 million) and Resource consents ($0.24million). Due to ongoing vacancies, external contractors were engaged to ensure statutory timeframes and workload commitments were met.

Comparison to prior year

Other expenses were $30.9 million, which was $1.8 million lower than 2024. The main changes were:

- Loss on disposal of assets was $0.7 million lower than last year.
- Roading emergency works decreased by $0.6 million, reflecting fewer severe weather events in 2025.
- Water reactive repairs and maintenance costs were $0.8 million lower, also linked to fewer weather events and a focus on managing day-to-day programme spend.
- Better Off funding projects expenditure was $0.3 million lower, specifically on the Hauraki Adaptation Plan and Community Placemaking and Planning Programme, with Council focusing resources on the Three Waters transition.
- Land drainage and stormwater costs were $0.2 million lower, reflecting favourable conditions, and tighter cost management.
- Hauraki Rail Trail works were around $0.5 million lower than in 2024 – reflecting year-on-year movements in the work programme.

These decreases were offset by derivative losses increasing by $1.7 million, reflecting fair-value movements in Council's interest rate swaps.

Note 6 – Other expenses

Operating leases as lessee

The Council leases property, plant and equipment in the normal course of its business. The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is $nil (2024: $nil). Leases can be renewed at the Council's option, with rents set by reference to current market rates for items of equivalent age and condition. There are no restrictions placed on the Council by any of the leasing arrangements.

No contingent rents have been recognised in the Statement of Comprehensive Revenue and Expense during the period (2024: nil).

The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	2025 Actual $000's	2024 Actual $000's
Not later than one year	116	83
Later than one year and not later than five years	225	177
Later than five years	27	60
Total non-cancellable operating leases	**368**	**320**

Notes to the financial statements for the year ended 30 June 2025

Note 7 – Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Breakdown of cash and cash equivalents and further information

	2025 Budget	2025 Actual	2024 Actual
Total cash and cash equivalents ($000's)	550	13,700	10,200

	2025 Actual $000's	2024 Actual $000's
Cash at bank and on hand	13,700	4,200
Short term deposits	0	6,000
Total cash and cash equivalents	**13,700**	**10,200**

The carrying value of cash at bank with maturities less than three months approximates their fair value. Cash and cash equivalents include that stated above for the purposes of the statement of cash flows.

Although cash and cash equivalents as of 30 June 2025 are subject to the expected credit loss requirements of PBE IPSAS 41, no lost allowance has been recognised because the estimated allowance is trivial.

Comparison to budget

Cash and cash equivalents were significantly higher than budgeted as of 30 June 2025. This variance primarily reflects borrowing undertaken to support capital projects that, while progressing, had not reached the expected level of expenditure by year end. Additionally, Council has prefunded working capital in anticipation of the first rates instalment, which is not due until October 2025.

Comparison to prior year

Cash and cash equivalents increased by $3.5 million compared to the prior year. At 30 June 2024, Council held a $6 million short-term deposit to prefund working capital. That deposit has since been utilised, and 2025 balances reflect a higher on-call position driven by timing of rates income and capital expenditure outflows.

Notes to the financial statements for the year ended 30 June 2025

Note 8 - Receivables

Accounting policy

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

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

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

Rates are "written off":

- when remitted in accordance with the Council's rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

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

	2025 Budget	2025 Actual	2024 Actual
Total receivables ($000's)	12,546	14,234	11,898

Breakdown of receivables and further information

	2025 Actual $000's	2024 Actual $000's
Receivables from non-exchange transactions		
Rates receivables	3,009	2,380
Other receivables from non-exchange transactions	4,727	4,585
Total receivables from non-exchange transactions	**7,736**	**6,965**
Receivables from exchange transactions		
Water receivables	6,465	4,916
Other receivables from exchange transactions	36	23
Total receivables from exchange transactions	**6,500**	**4,938**
Less: allowance for credit losses	(2)	(5)
Total receivables	**14,234**	**11,898**

Comparison to budget

Total receivables were $14.2 million, which was $1.7 million higher than budget. The main variance relates to water receivables, which were higher than expected at year-end. During the year, a number of water meter readings were based on estimates rather than actual consumption data. At 30 June 2025, an accrual of approximately $2.2 million was recognised to reflect estimated water consumed but not yet billed. This estimate was calculated using the average daily consumption from the most recent actual or estimated meter readings.

Note 8 - Receivables

To improve the accuracy and reliability of future billing, Council staff have now taken over responsibility for water meter reading, ensuring a more consistent and timely capture of consumption data. Rates receivables were $0.6 million higher than budget, while sundry debtor balances across regulatory and consent activities were close to forecast.

Comparison to prior year

Receivables increased by $2.3 million compared with the prior year. The increase was mainly due to higher water receivables, which include the additional accrual for unbilled water consumption at year-end, and higher rates receivables following the rates reset under the new Long-Term Plan. The 2025 balance also includes $0.2 million of accrued forestry income recognised at year-end that did not occur in 2024. Other receivable categories remained broadly consistent with the prior year.

Rates receivables

The Council does not provide for ECLs on rates receivable. Council has various powers under the Local Government (Rating) Act 2002 (LG(R) A 2002) to recover any outstanding debts.

These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment.

If payment has not been made within three months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

The Chief Executive approved the write-off of rates receivable during the year under the LG(R) A 2002 as follows:

- Section 90A: $0 (2024: $68,054)
- Section 90B: $0 (2024: Nil)

Other receivables

The ECL rates for other receivables at 30 June 2025 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period.

The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables.

Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

There have been no changes since 1 July 2022 in the estimation techniques or significant assumptions in measuring the loss allowance.

The allowance for credit losses based on Council's credit loss matrix is as follows:

		Other receivables' days past due				
	Current	1-30 days	31-60 days	61-90 days	> 90 days	Total
Council - 30 June 2025						
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	1.97%	
Gross receivable amount ($000)	4,244	35	17	21	101	4,418
Lifetime ECL ($000)	0	0	0	0	2	2

Note 8 - Receivables

		Other receivables' days past due				
	Current	1-30 days	31-60 days	61-90 days	> 90 days	Total
Council - 1 July 2024						
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	4.25%	
Gross receivable amount ($000)	4,092	61	25	2	117	4,297
Lifetime ECL ($000)	0	0	0	0	5	5

Movements in the allowance for credit losses is as follows:

	2025 Actual $000's	2024 Actual $000's
Opening balance for credit losses at 1 July	**5**	**44**
Additional provisions made during the year	0	**0**
Provisions reversed during the year	0	**(35)**
Other receivables written off during the year	(3)	**(5)**
Total receivables	**2**	**5**

Note 9 - Inventory

Accounting policy

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value.
- Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first. Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Any write-down from cost to net realisable value or for the loss of service potential is recognised in the surplus or deficit in the year of the write-down.

When land held for development and future resale is transferred from investment property/property, plant, and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost. Costs directly attributable to the developed land are capitalised to inventory, except for infrastructural asset costs which are capitalised to property, plant, and equipment.

Inventory is classified as current if Council intends to sell it within the next 12-months and non-current if it doesn't expect it to be sold within the next financial period (i.e. post 30 June 2026).

Notes to the financial statements for the year ended 30 June 2025

Note 9 -Inventory

Breakdown of inventory and further information

	2025 Budget	2025 Actual	2024 Actual
Total assets held for sale ($000's)	2,790	4,469	2,987

	2025 Actual $000's	2024 Actual $000's
Non-commercial inventory:		
Other	118	126
Commercial inventory:		
Land being developed for sale	2,894	1,532
Current inventory	**3,012**	**1,658**
Commercial inventory:		
Land being developed for sale	1,457	1,328
Non-current inventory	**1,457**	**1,328**
Total inventory	**4,469**	**2,987**

The write-down of inventory during the year was nil (2024: nil). There have been no reversals of write-downs (2024: nil). No inventory is pledged as security for liabilities (2024: nil).

Comparison to budget

Council's inventory balance was $4.5 million at 30 June 2025, compared with a budget of $2.8 million. The budget assumed all sections in Ngātea North would have been sold by year-end, with only Ngātea South remaining in development. This did not occur, as final works on Ngātea North were not completed until July 2025, and the 52 sections were only placed on the market in August 2025. The delay in completing Ngātea North also pushed back progress on Ngātea South, which remains in development. Staged sales of Ngātea South are planned from 2026/27 onwards, subject to construction progress.

Comparison to prior year

Inventory increased from $3.0 million in 2024 to $4.5 million in 2025. The increase reflects further work undertaken on both the Ngātea North and Ngātea South developments to prepare sections for sale, as well as the transfer of work-in-progress from property, plant and equipment to inventory.

Notes to the financial statements for the year ended 30 June 2025

Note 10 – Assets held for sale

Accounting policy

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale (including those that are part of a disposal group).

Breakdown of assets held for sale and further information

	2025 Budget	2025 Actual	2024 Actual
Total assets held for sale ($000's)	0	242	0

	2025 Actual $000's	2024 Actual $000's
Land	242	0
Total assets held for sale	**242**	**0**

Council classified a property located at 27 River Road, Ngātea as held for sale as of 30 June 2025. The land has a book value of $242,000 (2024: nil).

Council approved the sale of the land in April 2025, reflecting that the property is not required for any identified future Council use. It is intended to be sold to a community-based organisation whose activities support Council's Manaaki Toiora strategy, and the disposal will also provide a financial benefit to Council.

The sale had not been completed by balance date, as Council is currently negotiating lease access arrangements for the adjoining drainage reserve located along the southern boundary of the site. These arrangements are expected to be finalised by September 2025.

Comparison to budget

Council does not budget for non-current assets held for sale. The recognition of this property therefore represents a variance to budget for the 2025 financial year.

Comparison to prior year

No non-current assets were classified as held for sale in the prior year. The recognition of this property in the current year represents a movement from nil in 2024.

Notes to the financial statements for the year ended 30 June 2025

Note 11 - Derivatives

Accounting policy

Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council's financing activities. In accordance with its Investment and Liability Management Policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are initially measured at fair value on the contract date and are re-measured to their fair value at each balance date. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments. Any gains or losses arising from changes in fair value are recognised in the surplus or deficit.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in the surplus or deficit.

The portion of the fair value of an interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion classified as non-current. Council's interest rate swap portfolio was valued as of 30 June 2025 by Council staff using software provided by Hedgebook Ltd.

The Council has elected not to apply hedge accounting to its derivative financial instruments.

Council did not hold any forward exchange contracts at balance date.

Breakdown of assets held for sale and further information

	2025 Budget	2025 Actual	2024 Actual
Total derivate financial instrument assets ($000's)	1,468	61	990

Breakdown of derivative financial instruments and further information

Assets	2025 Actual $000's	2024 Actual $000's
Current asset portion		
Interest rate swaps	19	578
Total current asset portion	**19**	**578**
Non-current asset portion		
Interest rate swaps	42	412
Total non-current asset portion	**42**	**412**
Total derivative financial instrument assets	**61**	**990**

Notes to the financial statements for the year ended 30 June 2025

Note 11 - Derivatives

	2025 Budget	2025 Actual	2024 Actual
Total derivate financial instrument liabilities ($000's)	283	1,271	11

Liabilities	2025 Actual $000's	2024 Actual $000's
Current liability portion		
Interest rate swaps	507	0
Total current liability portion	**507**	**0**
Non-current liability portion		
Interest rate swaps	763	11
Total non-current liabilities portion	**763**	**11**
Total derivative financial instrument liabilities	**1,271**	**11**

Timing of nominal principal amounts and average fixed rates of interest rate swaps

	< 1 year	1-2 years	3-5 years	> 5 years	Total
Council 2025					
Interest rate swaps – not hedge accounted					
Nominal amount (in $000)	17,000	18,000	47,000	25,000	**107,000**
Average fixed rate	3.65%	3.41%	3.85%	3.96%	**3.70%**
Council 2024					
Interest rate swaps – not hedge accounted					
Nominal amount (in $000)	13,000	15,000	24,000	25,000	**77,000**
Average fixed rate	3.06%	3.45%	3.76%	4.13%	**3.52%**

Fair value

The fair values of interest rate swaps have been determined by calculating the expected future cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters. Most market parameters are implied from instrument prices.

Comparison to budget

Net actuals were ($2.4 million) adverse than budget. Due to the inherent difficulties in predicting the valuation of derivative financial instruments, Council does not budget for year-end revaluation movements. As a result, the 2025 budget did not include any assumptions about changes in interest rates or market conditions.

The lower actual result reflects a decline in floating interest rates over the year, which reduced the value of Council's interest rate swaps. This variance is a non-cash accounting adjustment and has no impact on rates or Council's day-to-day operations.

Note 11 - Derivatives

Comparison to prior year

The valuation of Council's derivatives has moved adversely by $2.2 million compared to 2024. This change is primarily driven by a significant reduction in floating interest rates, which fell from an average of 5.29% in 2024 to 3.33% in 2025.

As Council's interest rate swaps are structured by way of 'pay fixed / receive floating', this decline in floating rates reduces the amount Council receives under the contracts, thereby lowering their overall value.

In addition, the notional exposure increased from $77 million to $107 million over the year, which amplified the valuation impact. The most significant reductions in value were associated with swaps carrying high notional amounts and long maturity dates - particularly those maturing after 2030 - where mark-to-market liabilities are most sensitive to rate changes.

Note 12 – Financial assets

Accounting policy

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

- Amortised cost.
- Fair value through other comprehensive revenue and expense (FVTOCRE); and
- Fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless the asset has been designated at FVTSD, in which case it is recognised in surplus or deficit. The classification of a financial asset depends on its cash flow characteristics and the Council'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 objective 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 of FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Subsequent measurement of financial assets at amortised cost

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

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Note 12 - Financial assets

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 ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. The Council has no 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.

Council designates into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

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

Expected Credit Loss allowance (ECL)

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

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

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

Council considers a financial asset (excluding receivables, refer to Note 8) to be in default when the financial asset is more than 90 days past due. The Council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

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

Note 12 - Financial assets

Breakdown of other financial assets and further information

	2025 Budget	2025 Actual	2024 Actual
Total financial assets (current and non-current) ($000's)	1,643	20,497	13,747

	2025 Actual $000's	2024 Actual $000's
Current portion		
Term deposits	15,000	10,750
Borrower notes	1,289	448
Other investments		
Community loans	20	20
Total current portion	**16,309**	**11,218**
Non-current portion		
Borrower notes	3,587	1,926
Community loans	55	75
Investment in CCOs and similar entities:		
Local Government Funding Agency	453	423
Co-Lab	33	46
Total investment in CCOs and similar entities:	**485**	**469**
Other investments		
Civic Financial Services Ltd	60	59
Total non-current portion	**4,188**	**2,529**
Total other financial assets	**20,497**	**13,747**

Fair value

Community loans

The face value of community loans is $75,000 (2024: $95,000). The carrying amount of these loans approximates their fair value.

The Council's community loan scheme is designed to help not-for-profit organisations in the Hauraki District community to develop or improve new or existing facilities and other major projects.

Only organisations with the ability to repay are granted loans. Loans are for a maximum of 10 years and interest is 0% per annum.

Unlisted shares

Unlisted shares are recognised at fair value.

The fair value of unlisted shares in Civic Financial Services Ltd and Co-Lab has been determined at fair value through other comprehensive revenue and expense. Fair value has been determined by net asset backing.

Due to the immaterial size and nature of the Council's investment in the LGFA, the Council has estimated the fair value of this investment based on the LGFA's net asset backing as of 30 June.

Note 12 - Financial assets

Credit risk, including ECLs

Council considers there has not been a significant increase in credit risk for any of the financial assets listed and no loss allowance for expected credit losses have been recognised for the 12-month period ending 30 June 2025.

Comparison to budget

The actual balance of $20.5 million significantly exceeds the budgeted amount of $1.6 million, which was based on the 2022/23 Annual Report actuals. The primary driver of this variance is the inclusion of $15 million in term deposits. These term deposits represent the pre-funding of debt repayments scheduled for September 2025 and April 2026.

In addition, Local Government Funding Agency (LGFA) borrower notes are higher than budgeted, contributing to a positive variance of $3.5 million. Borrower Notes are subordinated convertible debt instruments, which each council that borrows from LGFA must subscribe for - at a rate of 5% of the total borrowing from LGFA. These notes are redeemed when the council's related borrowings are repaid or no longer owed to LGFA. As Council borrowing from LGFA increased in the 2024/2025 financial year, the corresponding amount of subscribed Borrower Notes also increased.

Comparison to prior year

Compared to the prior year, the balance has increased significantly, driven by similar factors. In the previous year, the Council held $10.75 million in term deposits as part of its debt pre-funding strategy. This year, term deposits have increased to $15 million, reflecting continued pre-funding of upcoming debt maturities in September 2025 and April 2026.

Additionally, LGFA borrower notes have increased from $2.37 million last year to $4.87 million this year. This increase is consistent with the rise in overall Council borrowing, as borrower notes are issued in proportion to debt drawn from the LGFA.

Notes to the financial statements for the year ended 30 June 2025

Note 13 – Property, plant and equipment

Accounting policy

Property, plant, and equipment consist of:

Operational assets – These include land, buildings, landfill post-closure, library books, plant and equipment, and motor vehicles.

Restricted assets – Restricted assets are mainly parks and reserves owned by the Council and group that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets – Infrastructure assets are the fixed utility systems owned by the Council and group. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

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

Revaluation

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

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit.

Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expense.

Additions

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

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

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

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

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

Note 13 – Property, plant and equipment

Disposals

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.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Roading	Pavement surface	10-60	1.7%-10%
	Pavement structure	20-100	1%-5%
	Footpaths	15-75 years	1.3%-6.7%
	Surface water channels	10-75 years	1.3%-10%
	Drainage	75 years	1.3%
	Bridges	30-100 years	1%-3.3%
	Streetlight poles	25 years	4%
	Streetlights	25 years	4%
	Streetlight bracket	25 years	4%
	Retaining walls	85 years	1.2%
	Railings	20-50 years	2%-5%
	Signs	12.5-20 years	5%-8%
Buildings	Structure	45-100 years	1%-2.2%
	Roof	45 years	2.2%
	Services (Electrical/Plumbing)	25-50 years	2%-4%
	Internal Fit out	15-40 years	2.5%-6.7%
	Plant	15-25 years	4%-6.7%
	Other Improvements	5-22 years	4.5%-20%
All other assets	Water reticulation	25-125 years	0.8%-4%
	Water treatment	4-126 years	0.8%-25%
	Wastewater reticulation	25-130 years	0.8%-4%
	Wastewater treatment	3-200 years	0.5%-33.3%
	Stormwater reticulation	20-130 years	0.8%-5%
	Drainage and flood protection	15-999 years	0.1%-6.7%
	Library Books	8 years	12.5%
	Vehicles	3-21 years	4.8%-33.3%
	Equipment	2-99 years	1%-50%
	Technology	2-10 years	10%-50%
	Furniture and fittings	5-25 years	4%-20%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

Note 13 – Property, plant and equipment

Impairment of property, plant, and equipment

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

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

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

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

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

Value in use for non-cash-generating assets

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

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

Value in use for cash-generating assets

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

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

Note 13 – Property, plant and equipment

Critical accounting estimates and assumptions

Estimating the fair value of land, buildings, and infrastructure

Land (operational, restricted, and infrastructural)

All land was valued at 1 July 2023.

The most recent valuation of land was performed by Quotable Value NZ Ltd, who are qualified, independent valuers. All values were confirmed as being suitable for financial reporting.

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

Adjustments have been made to the 'unencumbered' land value where there is a designation against the land, or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

Restrictions on the Council's ability to sell land would normally not impair the value of the land because the Council has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Buildings (operational and restricted)

All buildings were valued at 1 July 2023 plus additions/development at cost, less disposals. Building valuations were completed by independent valuers and confirmed as being suitable for financial reporting.

Specialised buildings were valued by Quotable Value NZ Ltd at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using several significant assumptions. Significant assumptions include:

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

Non-specialised buildings (for example, residential buildings) were valued by Quotable Value NZ, using market data at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

The valuation of earthquake prone buildings does not include any adjustment for estimated building strengthening and costs or any association lost rental during the time to undertake the strengthening work.

Infrastructural assets

Roading assets were valued by an independent valuer, WSP Limited as at 30 June 2025.

Water, Wastewater, Stormwater and Drainage Assets were valued by Stantec New Zealand Ltd as at 1 July 2024.

Infrastructural assets are also carried at fair value, which is deemed to be depreciated replacement costs because the assets are of a specialised nature. The depreciated replacement costs are determined on the basis of valuations prepared ever three years. The revaluation process involves assessing the current

Note 13 – Property, plant and equipment

optimised replacement cost of a brownfield's basis, using highest and best use basis and remaining useful lives.

Depreciated replacement cost is determined using several significant assumptions. Significant assumptions include:

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

Critical judgements in applying accounting policies

Classification of property

The Council owns several properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant, and equipment rather than as investment property.

Notes to the financial statements for the year ended 30 June 2025

Note 13 – Property, plant and equipment

2025	Cost / Revaluation 01-Jul-24 $000	Acc. Depn. 01-Jul-24 $000	Carrying Amount 01-Jul-24 $000	Transfers $000	Current Year Additions $000	Current Year Disposals $000	Current Year Impairment $000	Current Year Depn. $000	Acc Depn. Rev'd on Disposal $000	Reval. Surplus $000	Cost / Revaluation 30-Jun-25 $000	Acc. Depn. 30-Jun-25 $000	Carrying Amount 30-Jun-25 $000
Operational assets													
Land	24,418	0	24,418	(242)	0	0	0	0	0	0	24,176	0	24,176
Buildings and structures	29,423	(1,862)	27,561	649	304	(901)	0	(1,868)	145	0	29,475	(3,584)	25,891
Library books	1,001	(666)	335	0	136	(315)	0	(89)	298	0	821	(458)	363
Vehicles	4,759	(2,536)	2,223	0	499	(515)	0	(555)	334	0	4,742	(2,758)	1,985
Equipment	24,932	(9,746)	15,186	1,073	3,785	(719)	0	(1,378)	287	0	29,117	(10,882)	18,235
Technology	2,318	(1,894)	425	0	214	(162)	0	(198)	162	0	2,371	(1,930)	441
Furniture and fittings	557	(374)	183	0	0	0	0	(14)	0	0	557	(388)	169
Technology - Finance leases	0	0	0	0	0	0	0	0	0	0	0	0	0
Work in progress	1,830	0	1,830	(876)	1,468	(214)	0	0	0	0	2,208	0	2,208
Total operational assets	**89,239**	**(17,078)**	**72,161**	**604**	**6,406**	**(2,826)**	**0**	**(4,102)**	**1,226**	**0**	**93,467**	**(20,000)**	**73,468**
Infrastructural assets													
Land	5,289	0	5,289	0	0	0	0	0	0	0	5,289	0	5,289
Wastewater system	112,367	(4,729)	107,638	884	945	(13)	0	(2,568)	0	4,913	114,366	(2,568)	111,798
Water system	121,271	(6,559)	114,712	2,504	4,337	(294)	0	(4,073)	14	18,845	140,103	(4,059)	136,044
Drainage network	78,355	(2,142)	76,214	787	462	(136)	0	(1,161)	3	3,606	80,932	(1,158)	79,775
Roading network	322,858	(5,774)	317,084	2,888	6,562	(552)	0	(5,774)	187	194,408	514,968	(165)	514,803
Land under roads	90,145	0	90,145	0	22	0	0	0	0	0	90,167	0	90,167
Work in progress	18,308	0	18,308	(8,483)	23,532	(194)	0	0	0	0	33,162	0	33,162
Total Infrastructural assets	**748,593**	**(19,204)**	**729,390**	**(1,420)**	**35,860**	**(1,189)**	**0**	**(13,576)**	**204**	**221,772**	**978,987**	**(7,950)**	**971,038**
Council restricted assets													
Land	31,603	0	31,603	0	0	0	0	0	0	0	31,603	0	31,603
Total restricted assets	**31,603**	**0**	**31,603**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**31,603**	**0**	**31,603**
Total PPE	**869,435**	**(36,282)**	**833,154**	**(816)**	**42,266**	**(4,015)**	**0**	**(17,678)**	**1,430**	**221,772**	**1,104,057**	**(27,950)**	**1,076,109**

Notes to the financial statements for the year ended 30 June 2025

Note 13 – Property, plant and equipment

2024	Cost / Revaluation 01-Jul-23 $000	Acc. Depn. 01-Jul-23 $000	Carrying Amount 01-Jul-23 $000	Transfers Cost $000	Current Year Additions $000	Current Year Disposals $000	Current Year Impairment $000	Current Year Depn. $000	Acc Depn. Rev'd on Disposal $000	Reval. Surplus $000	Cost / Revaluation 30-Jun-24 $000	Acc. Depn. 30-Jun-24 $000	Carrying Amount 30-Jun-24 $000
Operational assets													
Land	24,085	0	24,085	0	133	0	0	0	0	200	24,418	0	24,418
Buildings & Structures	27,705	(3,375)	24,330	(2,683)	870	(79)	0	(1,871)	9	6,986	29,423	(1,862)	27,561
Library Books	1,590	(1,286)	304	0	141	(730)	0	(91)	711	0	1,001	(666)	335
Vehicles	4,345	(2,273)	2,072	0	684	(270)	0	(443)	179	0	4,759	(2,536)	2,223
Equipment	20,561	(8,113)	12,448	3,154	2,125	(1,781)	0	(1,235)	475	0	24,932	(9,746)	15,186
Technology	2,221	(1,662)	559	0	97	0	0	(232)	0	0	2,318	(1,894)	425
Furniture & Fittings	512	(360)	153	0	47	(2)	0	(16)	2	0	557	(374)	183
Technology - Finance Leases	0	0	0	0	0	0	0	0	0	0	0	0	0
Work in Progress	1,244	0	1,244	(485)	1,075	(4)	0	0	0	0	1,830	0	1,830
Total operational Assets	**82,264**	**(17,069)**	**65,195**	**(14)**	**5,172**	**(2,866)**	**0**	**(3,888)**	**1,376**	**7,186**	**89,239**	**(17,078)**	**72,161**
Infrastructural assets													
Land	5,114	0	5,114	0	0	0	0	0	0	175	5,289	0	5,289
Wastewater System	109,333	(2,415)	106,917	367	2,724	(57)	0	(2,319)	5	0	112,367	(4,729)	107,638
Water System	116,760	(3,251)	113,509	2,422	2,405	(318)	0	(3,328)	22	0	121,271	(6,559)	114,712
Drainage Network	76,835	(1,077)	75,757	1,035	765	(280)	0	(1,074)	9	0	78,355	(2,142)	76,214
Roading Network	319,274	(185)	319,089	1,032	3,637	(1,084)	0	(5,625)	36	0	322,858	(5,774)	317,084
Land under Roads	90,086	0	90,086	0	59	0	0	0	0	0	90,145	0	90,145
Work in Progress	10,920	0	10,920	(4,848)	12,283	(47)	0	0	0	0	18,308	0	18,308
Total Infrastructural Assets	**728,322**	**(6,928)**	**721,392**	**8**	**21,873**	**(1,786)**	**0**	**(12,346)**	**72**	**175**	**748,593**	**(19,204)**	**729,390**
Council restricted assets													
Land	31,951	0	31,951	0	0	(121)	0	0	0	(227)	31,603	0	31,603
Total Restricted Assets	**31,951**	**0**	**31,951**	**0**	**0**	**(121)**	**0**	**0**	**0**	**(227)**	**31,603**	**0**	**31,603**
Total PPE	**842,537**	**(23,997)**	**818,538**	**(6)**	**27,045**	**(4,773)**	**0**	**(16,234)**	**1,448**	**7,134**	**869,435**	**(36,282)**	**833,154**

Notes to the financial statements for the year ended 30 June 2025

Note 13 – Property, plant and equipment

Breakdown of overall PPE

	2025 Budget	2025 Actual	2024 Actual
Total PPE ($000's)	917,513	1,076,109	833,154

Comparison to budget

The budget for property, plant and equipment (PPE) was based on an opening balance of $851 million, which was $18 million higher than the actual opening balance. This difference arose because the budget was set before the 2023/24 Annual Report was finalised and therefore relied on estimated closing balances.

A revaluation gain of $16 million was budgeted compared with an actual revaluation gain of $222 million. The significant variance reflects the roading revaluation, where increases in unit rates from Council's current contracts were well above the BERL inflation rates used in the budget.

Budgeted additions totalled $67.8 million (including vested assets), which was $25.6 million higher than actual additions. This variance reflects that Council delivered 62% of the capital works programme budgeted for 2024/25. In addition, $2.6 million of asset disposals occurred that were not budgeted, as the budget assumed all disposals would have a nil net book value.

Comparison to prior year

The PPE balance increased by $243 million compared with 2024. The main driver was a $222 million uplift from asset revaluations. This comprised $194 million for the roading network, with the balance across wastewater, water systems, and the drainage network. The roading increase reflected significant rises in contract cost rates since the previous valuation in 2022.

Additions of $42 million were recognised for capital projects during the year, partly offset by $2.5 million of disposals relating to assets replaced. Depreciation expense of $17.7 million was also recognised in 2024/25.

No non-current assets were classified as held for sale in 2024, whereas one property was recognised as being held for sale in the current year.

Significant acquisitions

Significant projects (>$1m) undertaken during the year include Paeroa Upgrading WWTP ($18.9m), Kerepēhi Raw Water Tank ($1.9m), Kerepēhi Raw Water Main Renewal ($1.2m) all of which are still in progress at the report date. Significant projects that were completed during the year include the Waihi Second Membrane ($1.7m), District Wide Pipe Renewal Programme ($1.7m), Ngātea North Stage 4 ($2.1m), Hauraki Road AWT Renewal ($1.6m) and Reseals were completed around the district with a cost of $2.2m.Significant disposals during the year include the Ngātea Service Centre which was disposed on 30 June 2025 with a net book value of $0.7m. There were no other significant disposals during the year.

Note 13 – Property, plant and equipment

Core infrastructure asset disclosures

Included within the Council infrastructure assets above are the following core Council assets:

	Most recent replacement cost estimate for revalued assets	Closing book value	Additions: Constructed by Council	Additions: Transferred to Council
	$000	$000	$000	$000
2025				
Wastewater - Treatment	26,929	11,560	527	0
Wastewater - Other	160,150	100,238	1,113	188
Water - Treatment	51,677	36,027	4,118	0
Water - Other	188,202	100,017	2,652	71
Drainage and flood protection	18,124	11,616	82	0
Stormwater	106,346	68,158	1,008	158
Roading Network	734,307	519,942	10,280	0
2024				
Wastewater - Treatment	28,968	16,162	2,522	0
Wastewater - Other	148,530	91,475	569	0
Water - Treatment	41,639	25,154	1,807	0
Water - Other	173,609	89,557	2,977	31
Drainage and flood protection	19,011	14,420	1,411	0
Stormwater	95,271	61,794	368	22
Roading Network	425,596	317,084	4,668	0

Insurance

The following information relates to the insurance of Council assets as at 30 June

	2025 Actual $000's	2024 Actual $000's
The total value of all Council assets covered by Insurance contracts	415,417	387,917
The maximum amount to which insured assets are insured	684,300	849,291
Total value of assets that are self-insured	0	0
Value of funds maintained for self-insurance	0	0

Roading network infrastructure assets are self-insured. There is no separate fund maintained for self-insurance purposes. Land is not insured. In the event of a natural disaster, central government may contribute up to 60% towards the restoration of water, drainage, and sewage assets, and provide a subsidy towards the restoration of roads.

Land under roads

Land under roads was valued by the independent valuers, Opus International Consultants Ltd as 30 June 2002 using the average market value of land by ward and land use category. Since the introduction of International Financial Reporting Standards, on 30 June 2007, land under roads has been recognised at deemed cost.

Library collections

These are valued at depreciated replacement cost as at 30 June 2025 by Council staff. Estimates of the remaining useful life over which the asset will be depreciated have been determined based on Council's policy on book replacement, as well as historical book replacement data.

Note 13 – Property, plant and equipment

Disposals

The carrying book value of the amount disposed was $2.57 million (2024: $3.34 million). There were no significant disposals during the year.

Impairment

There were no impairment losses during the year (2024: $nil).

Work in progress

The total amount of property, plant and equipment in the course of construction was $ 35,371,000 (2024: $20,138,744). Property, plant, and equipment in the course of construction by class of asset is detailed below:

	2025 Actual $000's	2024 Actual $000's
Land	216	6,395
Buildings	1,465	1,536
Equipment	743	294
Roading	1,687	812
Water	8,063	6,834
Wastewater	22,935	4,006
Stormwater	235	246
Drainage	25	16
Total work in progress	**35,371**	**20,139**

Restrictions

Land in the "Restricted Asset" category is subject to restrictions on either use or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land acquired under a bequest or donation that restricts the purpose for which the asset can be used).

Security

No assets have been pledged as security for any liability.

Capital commitments

The amount of contractual commitments for acquisition of property, plant, and equipment is:

	2025 Actual $000's	2024 Actual $000's
Roading	2,598	355
Wastewater	17,967	36,822
Water	688	2,564
Drainage Network	0	88
Property	63	536
Community Services	46	0
Total capital commitments	**21,361**	**40,365**

Note 14 – Intangible assets

Accounting policy

Software acquisition and development

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly attributable to the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Software as a service (SaaS)

Where a SaaS contract only gives Council a right to receive access to the supplier's application software, and the SaaS provider continues to hold, manage and update the SaaS application software over the period of the arrangement, costs associated with this type of arrangement would be viewed as payments for services and will be expensed (as incurred) over the term of the arrangement.

If the fees associated a SaaS arrangement give rise to an intangible asset, then Council will record the intangible asset at its cost.

Costs in relation to the configuration and customisation of a SaaS will be dependent on whether the SaaS has been assessed as an intangible asset from the outset.

If no intangible asset has been previously recognised with regards to the SaaS, then the costs will be expensed when incurred, or over the term of the SaaS arrangement (with a prepayment recognised if paid up front).

If an intangible asset has been recognised, then these fees will be capitalised at cost.

Easements

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

Carbon credits

Purchased carbon credits are recognised at cost on acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Resource consents

It is difficult to determine the fair value of resource consents due to their specialised nature and having no active market to compare values against. For these reasons, the Council holds resource consents at deemed cost and they are amortised over the average life of the asset for each water type.

Amortisation

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

Note 14 – Intangible assets

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Technology	Software	10 years	10%
Resource Consents	Resource Consents	10-20 years	5%-10%

Impairment of intangible assets

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

For further details, refer to the policy for impairment of property, plant, and equipment in Note 13. The same approach applies to the impairment of intangible assets.

Restrictions

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

Impairment - Carbon credits

The Council considers that there is no impairment of carbon credits held, as they are expected to be fully utilised in satisfying carbon obligations from its landfill operations. Carbon units have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit for as long as the Emissions Trading Scheme is in place.

Breakdown of intangible assets and further information

	2025 Budget	2025 Actual	2024 Actual
Total intangible assets ($000's)	1,902	2,358	1,994

Movements in the carrying value for each class of intangible asset are as follows:

	Carbon Credits	Resource Consents	Software	Total
	$000	$000	$000	$000
2025				
Cost	49	2,555	30	2,634
Accumulated amortisation and impairment	0	(264)	(12)	(276)
Closing carrying amount	**49**	**2,291**	**18**	**2,358**
Opening Balance	**49**	**1,924**	**21**	**1,994**
Additions	0	0	0	0
Transfers	0	0	0	0
Work in Progress (WIP)				
Opening WIP	0	1,173	0	1,173
Closing WIP	0	1,588	0	1,588
Movement in Work in Progress	**0**	**414**	**0**	**414**
Amortisation charge	0	(47)	(3)	(50)
Disposals	0	0	0	0
Closing carrying amount	**49**	**2,291**	**18**	**2,358**

Note 14 – Intangible assets

	Carbon Credits $000	Resource Consents $000	Software $000	Total $000
2024				
Cost	49	2,141	30	2,220
Accumulated amortisation and impairment	0	(217)	(9)	(226)
Closing carrying amount	**49**	**1,924**	**21**	**1,994**
Opening Balance	**49**	**1,829**	**24**	**1,902**
Additions	0	0	0	0
Transfers	0	0	0	0
Work in Progress (WIP)				
Opening WIP	0	1,032	0	1,032
Closing WIP	0	1,173	0	1,173
Movement in Work in Progress	**0**	**142**	**0**	**142**
Amortisation charge	0	(47)	(3)	(50)
Disposals	0	0	0	0
Closing carrying amount	**49**	**1,924**	**21**	**1,994**

Comparison to budget

No budget was included for intangible assets, as the focus of the 2022/23 Annual Plan was on physical infrastructure projects. The difference this year reflects investment in resource consent projects and ongoing amortisation of software and consent costs.

Comparison to prior year

Intangible assets increased by $364,000 compared with 2024. This was mainly due to further investment of $414,000 in resource consent projects, partly offset by $50,000 of amortisation on software and consent costs.

Note 15 – Depreciation and amortisation

	2025 Budget	2025 Actual	2024 Actual
Total depreciation ($000's)	17,359	17,727	16,284

Directly attributable depreciation and amortisation by group of activity:

	2025 Actual $000's	2024 Actual $000's
Roading	5,774	5,625
Water	4,082	3,337
Wastewater	2,606	2,357
Land drainage and flooding	135	153
Stormwater	1,027	922
Solid waste	91	89
Community services	1,698	1,699
Community development	566	451
Regulatory	0	0
Total directly attributable depreciation and amortisation by group of activity	**15,979**	**14,633**
Depreciation and amortisation not directly related to a group of activities	1,748	1,651
Total depreciation and amortisation expense	**17,727**	**16,284**

Comparison to budget

Depreciation for 2025 was $17.7 million, which is $0.4 million higher than budget. The variance mainly reflects vehicle depreciation, where the cost of new vehicles purchased during the year was higher than anticipated.

Comparison to prior year

Depreciation increased by $1.4 million compared with 2024. The largest increases were in water ($0.7 million) and wastewater ($0.2 million) assets, reflecting higher replacement costs following recent revaluations. The roading valuation completed as at 30 June 2025 did not affect this year's depreciation.

Notes to the financial statements for the year ended 30 June 2025

Note 16 - Forestry

Accounting policy

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle.

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

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

	2025 Budget	2025 Actual	2024 Actual
Total depreciation ($000's)	1,444	1,600	1,564

Breakdown of forestry assets and further information

	2025 Actual $000's	2024 Actual $000's
Balance on 1 July	1,564	1,444
Increases due to purchases	0	0
Gains / (losses) arising from changes attributable to physical changes	202	157
Gains / (losses) arising from changes attributable to price changes	119	(37)
Decreases due to harvest	(285)	0
Balance on 30 June	**1,600**	**1,564**

Council owns 93.3 hectares of Radiata pine forest (2024: 93.3 ha) at various stages of maturity ranging from 9 to 24 years. As at 30 June 2025, 82.8 hectares were included in the valuation. While no harvesting took place during the 2024 year, 10.87 hectares were harvested in 2025, resulting in a downward adjustment to the overall tree crop value.

A further 12.93 ha of forest was excluded from the valuation due to land access limitations or pending replanting. This includes the tree crops at Waikino Sandpit, Henderson's Reserve, North Road, Maukoro Forest, and a portion of Gobles Road Forest. These areas are either landlocked or have no commercial value due to species type or limited access.

The forestry assets were valued professionally by PF Olsen Ltd, a registered forestry consultant, for financial reporting purposes in accordance with NZ IAS 41 Agriculture and NZ IFRS 13 Fair Value Measurement. The tree crop value (excluding land, infrastructure, and any carbon credits or tax liabilities) was $1.60 million as at 30 June 2025 (2024: $1.56 million). The valuation applied a pre-tax discount rate of 7.8% (2024: 7.8%) to the present value of expected future cash flows and assumes a single rotation harvest regime.

Council uses a discounted cash flow approach based on expected yield at maturity. Log price assumptions are based on a mix of 1-year and 5-year historical averages, derived from AgriHQ and PF Olsen data. The 2025 valuation assumed log prices would remain constant in real terms.

Notional land rental costs have been included for freehold land to reflect the opportunity cost of land use. These costs are excluded from the fair value of the forestry asset.

There are no restrictions on title, and no forestry assets are pledged as security for liabilities (2024: nil). Council has no commitments for the development or acquisition of additional forestry assets (2024: nil).

Notes to the financial statements for the year ended 30 June 2025

Note 16 - Forestry

Council is exposed to financial risks from fluctuations in timber prices. While Council monitors market trends regularly, no financial instruments are used to manage this risk due to its long-term investment horizon and minimal short-term harvesting plans.

Comparison to budget

The budgeted forestry asset value was based on the 30 June 2023 valuation and remained uninflated, with no movements forecast for the 2024/25 year. The closing balance as at 30 June 2025 was $1.60 million, which is $156,000 above budget. This favourable variance is primarily due to physical growth and updated operational assumptions. The key contributors were a $162,000 uplift from the compounding impact of tree growth over the two-year period, and a $100,000 increase resulting from revised logging and roading costs based on recent harvesting activity. These gains were partially offset by a ($285,000) reduction due to the removal of 10.87 hectares from the valuation following harvesting in 2025. Additional modest gains were also recognised from updated yield assumptions of $40,000 and improved long-run log pricing of $50,000. These changes reflect operational data and market movements not anticipated in the static budget.

Comparison to prior year

The forestry asset balance increased by $36,000 compared to the 2024 year. This modest uplift reflects the net effect of harvesting activity and valuation gains. A reduction of ($285,000) was recognised from the removal of 10.87 hectares following harvest at West Water. This was more than offset by a $162,000 gain from the revaluation of the prior year's crop, a $97,000 increase from updated harvesting and roading cost assumptions, $40,000 from improved yield modelling, and a $24,000 uplift from updated log price assumptions. By comparison, the 2024 valuation included a significant negative adjustment of ($141,000) due to declining log prices. The absence of this downward pressure contributed to the more stable result in 2025.

Note 17 – Payables and deferred revenue

Accounting policy

Short-term creditors and other payables are recorded at their face value.

	2025 Budget	2025 Actual	2024 Actual
Total payables and deferred revenue ($000's)	6,085	13,413	12,751

Breakdown of payables and other information

	2025 Actual $000's	2024 Actual $000's
Payables and deferred revenue under exchange transactions		
Trade payables and accrued expenses	9,856	9,077
Revenue in advance	2,014	2,256
Total payables and deferred revenue under exchange transactions	**11,871**	**11,333**
Payables and deferred revenue under non-exchange transactions		
Revenue in advance	1,248	1,138
Other tax payable (e.g. GST and FBT)	294	281
Total payables and deferred revenue under non-exchange transactions	**1,542**	1419
Total payables and deferred revenue	**13,413**	**12,751**

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

Comparison to budget

Payables and deferred revenue were $7.3 million higher than budget. The budget was prepared using a proportion of operating expenditure and therefore did not capture items such as revenue received in advance. Revenue in advance totalled $2.9 million, comprising $1.2 million of rental income received ahead of schedule and $1.7 million of rates and water charges. The increase in rates income in advance is partly due to ratepayers who pay by automatic payment or direct debit, resulting in a significant portion of their annual rates being paid early. Contract retentions of $1.7 million were also above budget, reflecting the higher capital works programme being implemented by Council. In addition, creditor accruals were higher than anticipated - around $2.7 million above budget. These accruals included $1.0 million of interest costs and $5.4 million of sundry accruals, partly offset by the level of accruals assumed in the budget. The higher sundry accruals reflect timing differences, and the increased level of capital works delivered during 2024/25 compared with assumptions in the budget.

Comparison to prior year

Payables and deferred revenue increased by $0.7 million compared with 2024 ($13.4 million vs $12.8 million). The increase primarily reflects higher accruals and retentions associated with the capital works programme, partly offset by lower revenue received in advance than the prior year.

Note 18 - Borrowings

Accounting policy

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

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

The amount recognised as an asset is depreciated over its useful life. If there is no 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.

	2025 Budget	2025 Actual	2024 Actual
Total borrowings ($000's)	140,000	140,028	100,044

Breakdown of borrowings and other financial liabilities and further information

	2025 Actual $000's	2024 Actual $000's
Current portion		
Finance leases	16	16
Secured loans	35,000	19,000
Total current portion	**35,016**	**19,016**
Non-current portion		
Finance leases	12	28
Secured loans	105,000	81,000
Total non-current portion	**105,012**	**81,028**
Total borrowings and other financial liabilities	**140,028**	**100,044**

Interest terms for secured loans

The Council's secured loans are mostly issued at floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90-day bank bill rate plus a margin for credit risk.

Security

HDC has cash advance facilities with the maximum amount that can be drawn against these of $12.0 million. There are no restrictions on the use of these facilities. There were no borrowings as of 30 June 2025 against this facility (2024: $nil). The Council's secured loans are secured over either separate or general rates of the Council.

Note 18 - Borrowings

Fair values

Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of secured loans approximates their fair value. The fair value of finance leases is $28,277 (2024: $44,484).

Fair value has been determined using contractual cash flows discounted using a rate based on market borrowing rates at balance date of 3.48% (2024: 3.48%.)

Analysis of finance leases	2025 Actual $000's	2024 Actual $000's
Total minimum lease payments payable		
Not later than one year	17	17
Later than one year and not later than five years	12	29
Later than five years	0	0
Total minimum lease payments	**29**	**46**
Future finance charges	(1)	(2)
Present value of minimum lease payments	**28**	**44**
Present value of minimum lease payments payable		
Not later than one year	17	16
Later than one year and not later than five years	12	28
Later than five years	0	0
Total present value of minimum lease payments	**28**	**44**

Finance lease as lessee

Finance leases are for printers used by Council as part of the All of Government lease package. The net carrying amount of the equipment held under a finance lease is $27,770 (2024: $43,808). There are no restrictions placed on the Council by any of the finance leasing arrangements.

Comparison to budget

Actual expenditure was in line with that budgeted. The minor variance of $28,000 relates to a non-budgeted finance lease movement under the All-of-Government contract for Council printers.

Comparison to prior year

Council had forecasted a $40 million increase in debt, based on a budgeted capital expenditure of $67 million. However, actual capital expenditure was significantly lower at $41 million - a variance of $26 million. Nearly half of the capital spend was attributed to the construction of the new Paeroa Wastewater Treatment Plant.

Despite the reduced capital expenditure, Council also undertook a strategic debt management initiative by prefunding $15 million of debt maturing in September 2025 and April 2026. This prefunding has contributed to the overall movement in debt levels compared to the prior year.

Internal Borrowing

Council operates an internal treasury function, where cash surpluses from some activities are used to fund the borrowing requirements of other activities. This practice reduces Council's overall cost of borrowing by minimising the need for external debt. Internal borrowings are tracked through Council's internal records and interest is charged between activities, consistent with the Revenue and Financing Policy.

Note 18 - Borrowings

As these are funding movements within Council, both the internal borrowings and the associated internal interest charges are fully eliminated on consolidation. Only external debt and external financing costs are recognised in Council's financial statements.

	Opening balance $000	Repayments $000	Drawdowns $000	Closing balance $000	Internal interest Expense/(Revenue) $000
2025					
Roading	11,021	0	192	11,213	552
Water	40,702	0	4,596	45,298	2,039
Wastewater	19,415	0	18,729	38,144	973
Land drainage & flooding	(2,988)	(331)	0	(3,319)	(117)
Stormwater	(2,087)	(780)	0	(2,867)	(82)
Waste management	886	0	39	925	44
Leadership	0	0	0	0	0
Community Services	7,463	(54)	0	7,409	374
Maanaki Toiora	0	0	0	0	0
Regulatory	0	0	0	0	0
Total	**74,412**	**(1,165)**	**23,558**	**96,803**	**3,783**

	Opening balance $000	Repayments $000	Drawdowns $000	Closing balance $000	Internal interest Expense/(Revenue) $000
2024					
Roading	11,919	(898)	0	11,021	597
Water	30,278	0	10,425	40,702	1,517
Wastewater	15,267	0	4,148	19,415	765
Land drainage & flooding	(3,270)	0	282	(2,988)	(131)
Stormwater	(2,070)	(17)	0	(2,087)	(81)
Waste management	(143)	0	1,029	886	(6)
Leadership	0	0	0	0	0
Community Services	7,735	(272)	0	7,463	387
Maanaki Toiora	0	0	0	0	0
Regulatory	0	0	0	0	0
Total	**59,716**	**(1,186)**	**15,883**	**74,412**	**3,048**

Notes to the financial statements for the year ended 30 June 2025

Note 19 – Employee entitlements

Accounting policy

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability and an expense are recognised for bonuses where the Council or group has a contractual obligation or where there is a past practice that has created a constructive obligation, and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested retirement and long service leave expected to be settled within 12 months of balance date are also classified as a current liability. All other employee entitlements are classified as a non-current liability.

Critical accounting estimates and assumptions

Estimating retirement and long service leave obligations

The present value of retirement and long service leave obligations depend on several factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows.

The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary. A weighted average discount rate of 4.80% (2024: 4.30%) and an inflation factor of 2.89% (2024: 3.33%) were used.

Note 19 – Employee entitlements

	2025 Budget	2025 Actual	2024 Actual
Total employee entitlements ($000's)	2,741	2,722	2,587

Breakdown of employee entitlements and further information

	2025 Actual $000's	2024 Actual $000's
Current portion		
Accrued pay	547	418
Annual leave	1,769	1,775
Retirement and long service leave	56	39
Sick leave	81	70
Total current portion	**2,454**	**2,301**
Non-current portion		
Retirement and long service leave	268	285
Total non-current portion	**268**	285
Total employee entitlements	**2,722**	**2,587**

Comparison to budget

The total employee entitlements balance at 30 June 2025 was $2.72 million, which is closely aligned with the budgeted amount. While the overall figure remained consistent with expectations, the make-up of the liability shifted due to workforce changes during the year. Several final leave payments were made as part of normal staff turnover, which were not individually budgeted for but contributed to a reduction in some leave provisions.

Comparison to prior year

The employee entitlements balance increased by $135,000 compared to the 2024 closing balance of $2.59 million. This movement primarily reflects an increase in accrued pay and the impact of updated valuation assumptions applied to long service leave liabilities. In 2025, the discount rate increased, and the salary inflation factor decreased, based on parameters within Council's actuarial model. These changes reflect current market conditions and affect the valuation of non-current leave provisions. The increase in accrued pay also relates to the timing of the payroll cycle at year end.

Note 20 – Provisions

Accounting policy

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs" (see Note 5) or interest revenue (see Note 3) if the discount unwind is negative.

Critical accounting estimates and assumptions

Estimating the landfill aftercare costs

The cash outflows for landfill post-closure costs are expected to occur over the next 20-30 years (site dependent). The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

The future cash outflows for the provision have been estimated taking into account existing technology and known changes to legal requirements. The gross provision before discounting is $1,811,719 (2024: $2,298,068). The following significant assumptions have been made in estimating the provision:

- A discount rate of 3.14%-5.99% (2024: 3.2%-6.1%) has been used to discount the estimated future cash outflows.
- An annual inflation factor of 1.98%-2.10% has been applied in estimating the future cash outflows (2024: 4.3%-5.36%)
- Landfill rehabilitation/aftercare costs have been assumed to range from 15 to 25 years (2024: 20-26 years)

The management of the landfill will influence the timing of recognition of some liabilities.

	2025 Budget	2025 Actual	2024 Actual
Total provisions ($000's)	897	1,137	1,246

Breakdown of provisions and further information

	2025 Actual $000's	2024 Actual $000's
Current portion		
Other	0	0
Landfill aftercare	164	65
Total current provision	**164**	**65**
Non-current portion		
Landfill aftercare	973	1,181
Total non-current portion	**973**	**1,181**
Total provision	**1,137**	**1,246**

Note 20 – Provisions

The movement in the provision is as follows:

	2025 Actual $000's	2024 Actual $000's
Opening balance as at 1 July	**1,246**	**897**
Additional provisions	0	0
Amounts used	(186)	(123)
Restatement of future liability	441	239
Discount unwind	(363)	233
Closing balance as at 30 June	**1,137**	**1,246**

Comparison to budget

The total provision for landfill aftercare was $240,000 higher than budget. Budget figures are based on the prior year closing position and do not factor in movements, as these are difficult to forecast due to the sensitivity of the provision to underlying assumptions. Movements depend on the application of risk-free discount rates and inflation assumptions over a 15 - 30-year time horizon, which are volatile and highly judgment-based. Council does not include forecast movements in these assumptions in its budget figures.

Comparison to prior year

The provision has decreased by $108,000 compared to the prior year. This is primarily due to changes in the underlying financial assumptions used to estimate future cash outflows.

Both the risk-free discount rates and inflation assumptions applied to the projected costs have decreased, resulting in a lower present value of the total aftercare obligation. In addition, the Kaiaua closed landfill site has been removed from the provision following expert advice that monitoring is no longer required. This assessment was based on evidence that the site has stabilised to a point where the residual risk to the environment is negligible and ongoing monitoring is not warranted under current resource consent or legislative requirements.

Notes to the financial statements for the year ended 30 June 2025

Note 21 – Contingent liabilities

Contingent liabilities

	2025 Actual $000's	2024 Actual $000's
Land acquisition compensation claim	0	27
Use of land consent compensation claim	0	10
Licence to Occupy of Road Reserve	80	80
Total contingent liabilities	**80**	**117**

Land Access Compensation

Council is undertaking a capital project that requires access to private land for the installation of new infrastructure. To enable this project to proceed, compensation is required to be paid to the landowner for use of the land. Council has offered compensation, but the landowner has indicated that a higher amount may be sought. The final amount of compensation payable remains subject to agreement with the landowner.

At balance date, the matter had not been settled, and the project cannot progress until resolution is reached. The amount of any additional liability cannot be reliably measured at this stage. Accordingly, no provision has been recognised in these financial statements.

Licence to Occupy of Road Reserve

A Court of Appeal hearing was held in May 2025, if the appellant's appeal is successful, Council could face an order for costs in both the High Court and the Court of Appeal. The decision on the appeal has not been released yet.

Hauraki Rail Trail

Hauraki District Council, together with Thames-Coromandel District Council (TCDC) and Matamata-Piako District Council (MPDC), is a party to a trust deed establishing the Hauraki Rail Trail Charitable Trust (the Trust). The deed, signed on 2 March 2012, enables the Trust to own, operate, maintain, repair, develop, and facilitate the use and enjoyment of a cycle trail within the region.

Under the accompanying Management Agreement, the Trust is responsible for generating sufficient revenue to meet its management and operational obligations. If the Trust is unable to do so, the three settlor Councils have agreed to contribute funding to cover any shortfall.

Funding obligations are apportioned as follows:

- Strategic and overhead costs are shared equally among the three Councils; and
- Proportionate costs, which relate to specific sections of the trail, are allocated based on the length of the trail within each Council's district.

Ministry of Business, Innovation and Employment (MBIE) have provided additional funding to the Trust to help fund annual maintenance costs. This has enabled the Council to use its own contributions to help the Trust lift the level of service it provides.

Any request by the Trust for additional Council funding must be to cover a demonstrated shortfall and is subject to a formal approval process, including Council resolution.

As at 30 June 2025, the Council is not aware of any current or pending funding requests from the Trust. While the Management Agreement creates a potential funding obligation, the likelihood of a call on Council funding as at balance date is considered low. Accordingly, no provision has been recognised in the financial statements.

Note 21 – Contingent liabilities

New Zealand Local Government Funding Agency

Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand.

Fitch Ratings affirmed LGFA's long-term domestic and foreign currency credit rating as AA+ on 20 October 2024. S&P Global Ratings (S&P) affirmed LGFA's domestic currency credit rating at AAA and foreign currency rating at AA+ on 28 February 2025. The LGFA's credit ratings remain equivalent to the New Zealand Government from both S&P and Fitch Ratings

As of 30 June 2025, Council is one of 30 local authority shareholders and 72 local authority guarantors of the LGFA. The New Zealand Government also has a 20% shareholding in the LGFA. The LGFA has $20m of uncalled capital from its council shareholders that is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors; Council is a guarantor of all of LGFA's borrowings.

On 30 June 2025, LGFA had borrowings totalling $25,530 billion (2024: $23,030 billion). The LGFA's borrowing of $25,530 billion is made up of the following ($000's):

- $23,427,392 face value of bonds on issue
- $149,815 accrued interest on bonds and bills on issue
- $1,610,538 bills on issue
- $341,756 treasury stock lent to counterparts under bond repurchase agreements

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

- 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

Hauraki District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The scheme is in the process of winding down. However, the Council retains an ongoing obligation to contribute to the scheme should a call be made in respect of historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operations of the scheme.

On 1 August 2024, the Supreme Court issued its decision in Napier City Council v Local Government Mutual Funds Trustee Limited, clarifying that Riskpool has a liability in relation to non-weathertight defects where they form part of a mixed claim involving both weathertight and non-weathertight defects. Since that decision, Riskpool has accepted three such claims, including the Napier City Council claim, and is engaged in ongoing litigation relating to several other unresolved claims. These unresolved claims differ in that they were previously declined due to late notification issues. Trials are scheduled to commence in August and September 2025.

In response to these developments, Riskpool undertook a review of current and future liabilities and resolved to make a call on members to address deficits in Fund Years 10, 13, 14, and 15. The total amount of the call across all members was $2.498 million. Hauraki District Council's share of this call was $17,178 (excluding GST), which was invoiced and paid in April 2025.

Riskpool is also in discussions with reinsurers and legal advisors in relation to the provision of cover for ongoing and future liabilities arising from the domestic litigation. Riskpool has indicated that further calls may

Note 21 – Contingent liabilities

be required within the next 12 months, depending on the outcome of the current litigation and reinsurance negotiations.

At this time, the financial effect of any further potential calls cannot be reliably quantified and remains contingent on the outcomes of the legal and reinsurance processes. Accordingly, no provision has been made in the financial statements for any future contributions beyond those already invoiced and paid.

Contract Variations and Claims

As at 30 June 2025, Council had a number of significant capital projects and asset construction workstreams in progress. These projects are subject to contractual arrangements with external contractors. From time to time, variations to contract terms, scope changes, or claims may be raised in the ordinary course of delivering such projects.

Several workstreams are currently subject to contractor requests for variations or other contractual matters that could result in additional costs to Council beyond the initial awarded contract price. The outcome of these matters is dependent on the resolution of negotiations, assessment processes, or other contractual mechanisms, and remains inherently uncertain.

Due to the number of contracts involved, the stage of discussions, and the complexity of the issues, the financial effect of these potential liabilities cannot be quantified reliably at this time. Any obligations that do arise will be recognised in the financial statements when it becomes probable that an outflow of resources will be required and the amount can be measured reliably.

Other claims

Other outstanding legal claims as of 30 June 2025 cannot yet be quantified (2024: nil).

Contingent assets

There are no contingent assets as of 30 June 2025.

Notes to the financial statements for the year ended 30 June 2025

Note 22– Equity

Accounting policy

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

- accumulated funds
- other reserves
- property revaluation reserve
- fair value through other comprehensive revenue and expense reserve

Other reserves

Other reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Other reserves are those subject to specific conditions accepted as binding by Council and which may not be revised by Council without approval by Council. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Property revaluation reserve

This reserve relates to the revaluation of property, plant, and equipment to fair value. Fair value through other comprehensive revenue and expense reserve.

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

Fair value through other comprehensive revenue and expense reserve

This reserve comprises the effective portion of the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

Other reserves

Further information about other reserve funds held for a specific purpose are provided below:

Other reserves consist of:	Opening $000's	Transfers in $000's	Transfers out $000's	Closing $000's
2025				
Financial contributions				
District community recreation	24	0	0	24
Plains community recreation	106	64	(90)	80
Paeroa community recreation	84	0	0	84
Waihi community recreation	513	0	(190)	322
Council created reserves				
District community projects assistance	688	199	(148)	739
Economic development projects	77	0	0	77
Creative New Zealand Arts Grants	107	0	(4)	103
Thames Valley Turf Trust	39	22	0	61
Quarry renewal	748	2	0	750
Total other reserves	**2,385**	**287**	**(432)**	**2,240**

Notes to the financial statements for the year ended 30 June 2025

Note 22– Equity

Other reserves consist of:	Opening $000's	Transfers in $000's	Transfers out $000's	Closing $000's
2024				
Financial contributions				
District community recreation	24	0	0	24
Plains community recreation	120	64	(78)	106
Paeroa community recreation	84	0	0	84
Waihī community recreation	597	0	(84)	513
Council created reserves				
District community projects assistance	622	263	(197)	688
Economic development projects	77	0	0	77
Creative New Zealand Arts Grants	97	10	0	107
Economic development projects	0	39	0	39
Quarry renewal	1,000	0	(252)	748
Total other reserves	**2,620**	**377**	**(612)**	**2,385**

Other reserves

Financial contributions

District, Paeroa, Plains, and Waihī Community Recreational Funds

These reserve funds are historic and were used to accumulate Financial Contributions prior to Council changing to a Development Contributions regime.

The balances will be used to fund community recreational facilities capital works.

These funds relate to the Community Services activity only.

Council created reserves

District Community Projects Assistance Fund

This reserve fund is to assist with the completion of community projects. The fund relates to all activities.

Economic development projects

This reserve fund is to provide funding for the economic development projects. The fund relates to all activities.

Creative New Zealand Arts Grants Fund

This reserve fund is for short-term funding for artists, arts practitioners, and arts organisations to complete a project. The fund relates to the Manaaki Toiora activity.

Thames Valley Turf Fund

This reserve fund is to provide funding for the works associated with the Thames Valley Turf at the Hugh Hayward Domain. The fund relates Community Services activity only.

Quarry Renewal Fund

This Reserve Fund is to provide funding for the cost of rehabilitating Tetley's Quarry post-closure. The activity that this reserve relates to is Business Support.

Note 22– Equity

Asset revaluation reserves

Further information about asset revaluation reserve funds are provided below:

Asset revaluation reserves consist of:	Opening $000's	Transfers in $000's	Transfers out $000's	Closing $000's
2025				
Operational Assets				
Land	50,900	0	0	50,900
Buildings	22,765	0	(720)	22,045
Infrastructural Assets				
Wastewater	73,093	4,913	(9)	77,997
Water	48,670	18,845	(149)	67,366
Land drainage and Stormwater	38,667	3,606	(72)	42,201
Roading	126,731	194,408	(241)	320,898
Total asset revaluation reserves	**360,827**	**226,912**	**(1,191)**	**581,407**
2024				
Operational Assets				
Land	50,848	149	(96)	50,900
Buildings	18,106	6,986	(2,326)	22,765
Infrastructural Assets				
Wastewater	73,133	0	(40)	73,093
Water	48,802	0	(133)	48,670
Land drainage	38,678	0	(11)	38,667
Roading	127,182	0	(450)	126,731
Total asset revaluation reserves	**356,749**	**7,135**	**(3,057)**	**360,827**

Capital management

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

The LGA requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings. The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations.

Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The LGA requires the Council to make adequate and effective provision in its Long-Term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The LGA also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

Note 23 – Related party transactions

Key management personnel compensation

	2025 Actual $000's	2024 Actual $000's
Key management personnel compensation		
Councillors		
Remuneration	619	589
Full-time equivalent members	14	14
Senior Management Team, including the Chief Executive		
Remuneration	1,200	1,031
Fulltime equivalent members	4	4
Total key management personnel remuneration	1,819	1,620
Total full-time equivalent personnel	**18**	**18**

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

An analysis of Councillor remuneration and further information on Chief Executive remuneration is provided in Note 4.

The figures above include pertaining to Councillor remuneration include an annual communication allowance of $1,817 paid to each Councillor (2024: $1,750). The Mayor received a communication allowance of $1,090 (2024: $1,050)

Related party transactions required to be disclosed

There are no other related party transactions that are required to be disclosed in accordance with *PBE IPSAS 20* Related Party Disclosures.

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

- With related parties that are within a normal supplier or client/recipient relationship; and
- On terms and conditions no more or less favourable that those that it is reasonable to expect the Council would have adopted in dealing with the party at arm's length in the same circumstances

Note 24 – Events after balance date

Transfer of water services to Waikato Waters Limited

The Water Services Act 2025 came into force on 1 July 2025. Under the Act, territorial authorities are required to either deliver water services in-house or transition to a council-controlled water organisation (CCWO) by no later than 1 July 2027. The Act introduces new obligations around economic regulation, financial sustainability, asset stewardship, and customer protection, including compliance with regulatory oversight from the Commerce Commission. Transitioning councils must also prepare and submit a Water Services Delivery Plan (WSDP) for approval by the Secretary for Local Government.

On 25 June 2025, Council resolved to transfer its drinking water and wastewater services to Waikato Waters Limited, a new council-controlled organisation being established under the Government's Local Water Done Well reform programme. Hauraki is one of six (possibly seven) participating councils in the Waikato region contributing to the establishment of this joint service delivery model.

The transfer of services will take effect from 1 July 2027 and will involve the staged transfer of Council's water-related infrastructure assets, selected staff, and associated liabilities. The company will be jointly owned by the participating councils, with each council receiving shares in Waikato Waters Limited proportionate to the number of total water connections within their respective service areas.

To support the establishment of the new entity, councils collectively are expected to contribute up to $16.5 million in setup costs. These will be initially funded through loans taken out by each council, with the intention that these loans will be transferred to Waikato Waters Limited at the time the relevant assets are handed over. As at 30 June 2025, no such loans have been drawn by Hauraki District Council, and no adjustments have been made to the carrying value of Council's infrastructure assets or liabilities in these financial statements.

The financial impact of this decision, other than the setup costs, is currently unknown, as the detailed financial and operational arrangements for the new entity are still being developed.

Hauraki District Council submitted its WSDP in late August 2025 and re-submitted a revised version on 2 September 2025 following initial queries from the Department of Internal Affairs (DIA). On 18 September 2025, Council received confirmation from DIA that the WSDP had been approved, subject to a one-week fact-checking period.

This decision represents a significant future change in Council's service delivery responsibilities. However, as the resolution was made prior to balance date but the transfer will not take effect until a future financial period, the event is considered non-adjusting for the purposes of these financial statements.

Further work will be undertaken during the 2025/26 and 2026/27 years to prepare for this transition, including ensuring compliance with the new economic regulation regime administered by the Commerce Commission and the financial sustainability requirements of the Water Services Act.

Note 25 – Financial instruments

Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

Financial assets

Financial assets	2025 Actual $000's	2024 Actual $000's
Mandatorily measured at fair value through surplus or deficit		
Derivative financial instrument liabilities	61	990
Total fair value through surplus or deficit	**61**	**990**
Financial assets at amortised cost		
Cash and cash equivalents	13,700	10,200
Receivables	13,321	11,176
Other financial assets		
Community loans	75	95
Borrower notes from Local Government Funding Agency	4,876	2,374
Term deposits	15,000	10,750
Total financial assets at amortised cost	**46,972**	**34,595**
Fair value through other comprehensive revenue and expense		
Other financial assets		
Unlisted shares	545	528
Total fair value through other comprehensive revenue and expense	**545**	**528**

Financial liabilities

Financial liabilities	2025 Actual $000's	2024 Actual $000's
Mandatorily measured at fair value through surplus or deficit - held for trading		
Derivative financial instrument liabilities	1,271	11
Total fair value through surplus or deficit - held for trading	**1,271**	**11**
Financial liabilities at amortised cost		
Payables	9,856	9,077
Borrowings		
Finance lease liabilities	28	28
Secured loans	140,000	100,000
Total financial liabilities at amortised cost	**149,885**	**109,105**

Note 25 – Financial instruments

Fair value hierarchy

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

		Valuation technique		
	Total	Quoted market price	Observable inputs	Non-observable inputs
	$000's	$000's	$000's	$000's
2025				
Financial assets				
Shares	545	0	0	545
Derivatives	61	0	61	0
2024				
Financial assets				
Shares	528	0	0	528
Derivatives	990	0	990	0

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

Valuation techniques with significant non-observable inputs (level 3)

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

	2025 Actual $000's	2024 Actual $000's
Balance at 1 July	**528**	**194**
Gains and losses recognised in other comprehensive revenue and expense	17	335
Transfers into level 3	0	0
Transfers out of level 3	0	0
Balance at 30 June	**545**	**528**

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

Note 25 – Financial instruments

Financial instrument risks

The Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. The Council has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. The Council has established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Council purchases plant and equipment for various activities from overseas, which require it to enter into transactions denominated in foreign currencies. As a result of these activities, exposure to currency risk arises.

Interest rate risk

Council is exposed to interest rate risk and seeks to minimise this exposure through adopted treasury policies. This includes entering into interest rate options or interest rate swap agreements. As at 30 June 2025, the Council had entered into interest rate swap agreements to a value of $107m at interest rates between 2.27% and 4.16%. (2024: $77m at interest rates between 0.12% and 4.66%).

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Council to cash flow interest rate risk.

Generally, the Council raises long-term borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if the Council borrowed at fixed rates directly. Under the interest rate swaps, the Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Council, causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits, which gives rise to credit risk. The Council can also provide financial guarantees, which gives rise to credit risk.

The Council's investment policy limits the amount of credit exposure to any one financial institution or organisation. The Council reduces its exposure to credit risk by only placing investments in accordance with its investment policy which ensures dispersion and minimisation of risk. The Council invests funds only with entities that have a Standard and Poor's credit rating of at least A-1 for short-term and A for long-term investments. The Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

Note 25 – Financial instruments

Maximum exposure to credit risk

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

	2025 Actual $000's	2024 Actual $000's
Cash at bank and term deposits	28,700	20,950
Receivables	13,321	11,176
Community loans	75	95
Derivative financial instrument assets	61	990
NZ LGFA Borrower notes	4,876	2,374
NZ LGFA unlisted shares	453	423
Total maximum exposure to credit risk	**47,486**	**36,008**

The Council is exposed to credit risk as a guarantor of all the LGFA's borrowings. Information about this exposure is explained in Note 21 - Contingencies.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

	2025 Actual $000's	2024 Actual $000's
Counterparties with credit ratings		
Cash at bank and term deposits		
AA-	28,700	20,950
Derivative financial instruments		
AA-	61	990
NZ LGFA Borrower notes		
AA+	4,876	2,374
NZ LGFA unlisted shares		
AA+	453	423
Counterparties without credit ratings		
Community and related loans with no defaults in the past	75	95

Receivables arise mainly from the Council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of receivables with reference to internal or external credit ratings. The Council has no significant concentrations of credit risk in relation to receivables, as it has a large number of credit customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. The Council aims to maintain flexibility in funding by keeping committed credit lines available.

Note 25 – Financial instruments

As part of meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months. The Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management policy.

The Council has a maximum amount that can be drawn down against its on-call facility of $12.0 million (2024: $12.0 million). There are no restrictions on the use of this facility.

The Council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 21 - Contingencies.

Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses the Council's financial liabilities (excluding derivatives) 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.

	Carrying amount	Contractual cash-flows	Less than 1 year	1-5 years	More than 5 years
	$000's	$000's	$000's	$000's	$000's
2025					
Payables	9,856	9,856	9,856	0	0
Secured loans	140,000	151,393	36,277	115,116	0
Finance leases	27	27	16	12	0
Total financial liabilities	**149,884**	**161,277**	**46,149**	**115,128**	**0**
2024					
Payables	9,077	9,077	9,077	0	0
Secured loans	100,000	103,592	19,581	84,011	0
Finance leases	44	46	17	29	0
Total financial liabilities	**109,121**	**112,715**	**28,675**	**84,040**	**0**

Contractual maturity analysis of derivative financial instrument liabilities

The table below analyses the Council's derivative financial instrument liabilities into those that are settled on a net basis and those that will be settled on a gross basis into their 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.

	Liability carrying amount	Contractual cash-flows	Less than 1 year	1-5 years	More than 5 years
	$000's	$000's	$000's	$000's	$000's
2025					
Nett settled derivative liabilities	1,271	1,271	74	729	468
Total derivatives	**1,271**	**1,271**	**74**	**729**	**468**
2024*					
Nett settled derivative liabilities	11	11	0	0	11
Total derivatives	**11**	**11**	**0**	**0**	**11**

Note 25 – Financial instruments

Contractual maturity analysis of financial assets

The table below analyses the Council and group'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.

	Carrying amount	Contractual cash-flows	Less than 1 year	1-5 years	More than 5 years
	$000's	$000's	$000's	$000's	$000's
2025					
Cash and cash equivalents	20,950	20,950	20,950	0	0
Receivables	13,321	13,321	13,321	0	0
Other financial assets					
Community loans	75	75	20	55	0
Borrower notes	4,876	4,876	1,289	3,587	0
Term deposits	15,000	15,000	15,000	0	0
Total financial assets	**54,222**	**54,222**	**50,580**	**3,642**	**0**
2024					
Cash and cash equivalents	10,200	10,200	10,200	0	0
Receivables	11,176	11,176	11,176	0	0
Other financial assets					
Community loans	95	95	20	75	0
Borrower notes	2,374	2,374	448	1,926	0
Term deposits	10,750	10,750	10,750	0	0
Total financial assets	**34,595**	**34,595**	**32,594**	**2,001**	**0**

Contractual maturity analysis of derivative financial instrument assets

The table below analyses the Council's derivative financial instrument asset into those that are settled on a net basis and those that will be settled on a gross basis into their 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.

	Asset carrying amount	Contractual cash-flows	Less than 1 year	1-5 years	More than 5 years
	$000's	$000's	$000's	$000's	$000's
2025					
Nett settled derivative assets	61	61	0	61	0
Total derivatives	**61**	**61**	**0**	**61**	**0**
2024					
Nett settled derivative assets	990	990	114	816	59
Total derivatives	**990**	**990**	**114**	**816**	**59**

Note 25 – Financial instruments

Sensitivity analysis

The tables below illustrate the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on the Council financial instrument market risk exposures at balance date.

	-50bps		+50bps	
	Surplus	Other equity	Surplus	Other equity
Interest rate risk – financial assets	**$000's**	**$000's**	**$000's**	**$000's**
2025				
Financial assets				
Cash and cash equivalents	(127)	0	127	0
Derivatives	(153)	0	391	0
Total sensitivity	**(279)**	**0**	**518**	**0**
2024				
Financial assets				
Cash and cash equivalents	(94)	0	94	0
Derivatives	(991)	0	1,027	0
Total sensitivity	**(1,085)**	**0**	**3,314**	**0**

	-50bps		+50bps	
	Surplus	Other equity	Surplus	Other equity
Interest rate risk – financial liabilities	**$000's**	**$000's**	**$000's**	**$000's**
2025				
Financial liabilities				
Derivatives	(1,327)	0	1,063	0
Total sensitivity	**(1,327)**	**0**	**1,063**	**0**
2024				
Financial liabilities				
Derivatives	(143)	0	97	0
Total sensitivity	**(143)**	**0**	**97**	**0**

Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 50 bps is equivalent to a decrease in interest rates of 0.5%. The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -50bps/+50bps (2024: -50bps/+50bps)

Our service providers

We are required under the Local Government Act 2002 to include information in our annual report on Council-Controlled Organisations (CCOs) in which we are a shareholder. In accordance with Schedule 10, clause 28 of the Local Government Act 2002, the following section includes:

- identification of the CCOs relevant to the Hauraki District Council
- a report on the extent to which our significant policies and objectives in regard to ownership and control of the organisation (as set out in the relevant long term plan or annual plan) have been implemented or attained in the year to which the report relates
- a comparison between the nature and scope of the activities intended to be provided by the organisation in 2024/25 and the nature and scope of the activities actually provided by the organisation in that year
- a comparison between actual performance and the key performance targets as detailed in the Long-Term Plan, by which performance is to be assessed.

We are a shareholder in two CCOs being the Waikato Local Authority Shared Services Limited (known as Co-Lab) and New Zealand Local Government Funding Agency Limited (LGFA).

We also have an interest in three council organisations that are currently exempt from the full reporting requirements of a CCO. These are therefore not included in this annual report. These organisations are Destination Coromandel Trust, Hauraki Rail Trail Charitable Trust and Martha Trust. We are also a shareholder of a fourth organisation, Civic Financial Services Limited, which is exempt from being a CCO under the Local Government Act, 2002.

We have no significant policies or objectives about the ownership and control of Waikato Local Authority Shared Services Ltd or New Zealand Local Government Funding Agency Ltd. Appointment of directors to these organisations is made in accordance with our Appointment of Remuneration and Directors Policy. This can be viewed on our website Policies - Hauraki District Council (hauraki-dc.govt.nz)

Co-Lab

In December 2005 the local authorities in the Waikato Region established Local Authority Shared Services Limited (WLASS) as a company and a Council-Controlled Organisation (CCO), for the purpose of working closely together on mutually beneficial joint projects to achieve better outcomes and cost savings for shareholders. Since December 2021 it is now trading as Co-Lab

Shareholders

Co-Lab is jointly owned by the 12 local authorities of the Waikato Region. Each local authority owns an equal number of shares in Co-LAB. The local authorities are: Hamilton City Council, Hauraki District Council, Matamata-Piako District Council, Otorohanga District Council, Rotorua Lakes Council, South Waikato District Council, Thames-Coromandel District Council, Tāupo District, Waikato District Council, Waikato Regional Council, Waipa District Council and Waitomo District Council.

Council Policies and Objectives relating to Co-Lab

The Council does not have any significant policies or objectives about ownership and control of Co-Lab. Council has an Appointment and Remuneration of Directors for Council Organisations Policy in place.

Objectives of Company

The objectives of Co-Lab are:

- Achieve effectiveness and efficiency gains
- Reduce duplication of effort and eliminate waste through repetition.
- Helping the Councils achieve an appropriate balance in risk and return.

- Promote and contribute to the development of best practice.
- Make it easier for communities to engage with Councils in the Waikato region on a consistent basis.
- Promote business transformation to improve communities' experiences.

Board and employees

The company has a Chief Executive, General Manager Service Delivery, Manager Project Delivery, Manager Communications, Change and Relationships, Manager Finance and an Executive Assistant,

The Co-Lab Board includes the following members:

- An independent Chair; and
- Shareholding Council representation, appointed by:
- Waikato Regional Council, Hamilton City Council, Central Waikato, East Waikato, South Waikato

Nature and scope of activities

The major initiatives operating under the Co-Lab umbrella are:

- Co-Lab Water Services (CWS)
- RATA
- Energy and Carbon Management
- Co-Lab Learning (CLL)
- Co-Lab Procurement Services
- Co-Lab Geospatial Services (CoGS)
- Waikato Regional Transport Model (WRTM)
- Regional Infrastructure Technical Specification.

Performance of Co-Lab in 2024/25

The performance targets as outlined in the 2024/25 Statement of Intent, and the results, are as follows and can be found on their website : Annual-Report-24-25-Signed-and-Stamped-Final.pdf

PERFORMANCE MEASURES

Strategic Goal	3-Year Objective	Annual KPI		
GOAL 1: Shareholding Councils understand we provide them value	We know the value we provide shareholders has improved by 15%, by 30 June 2027* *(baseline y/e 30 June 24).* **Based on the regional benefits of collaboration (not an individual councils' benefits from collaboration).*	Year-on-year increase in the value we provide to councils.	**FY24-25:** $11.4m in value we provide to councils as measured by our benefit analysis.	**FY23-24:** $12.5m in value we provide to councils as measured by our benefit analysis.
	By 30 June 2027, 80% of shareholders agree they get value from Co-Lab.	80%+ of council survey respondents believe those Co-Lab services they received meet or exceed their expectations (evidenced by an annual survey).	**FY24-25:** 88% of council survey respondents believe those Co-Lab services they received met or exceeded their expectations (evidenced by an annual survey) in FY25. The survey response rate was 41% (350 were invited to participate with 142 responses received).	**FY23-24:** 84% of council survey respondents believed those Co-Lab services they received met or exceeded their expectations (evidenced by an annual survey) in FY24. The survey response rate was 41% (310 were invited to participate with 128 responses received).
GOAL 2: Deliver value by growing the scale of our shared service function	24 new instances of Co-Lab shared services being utilised, by June 2027. *(baseline y/e 30 June 24)*	Year-on-year increase in the utilisation of services we provide to councils.	**FY24-25:** New onboardings: • 5 RATA Spaces and Places councils • 1 Smart Water – Watercare joined • 1 ECM – OtoDC joined • 1 Sampling & Analysis – Waikato Regional Airport joined • 1 Co-Lab Building Services – WBOP • 1 Professional Services Panel - WBOP	**FY23-24:** There were no new councils onboarded to shared services in FY23-24.
		Year-on-year increase in the number of services available to councils.	**FY24-25:** • Introduced RATA Spaces & Places. • Launched Co-Lab Building Services	**FY23-24:** There were no new shared services introduced inFY23-24.
	All shareholders take up at least one additional shared service.	Year-on-year increase in the utilisation of services we provide to councils.	**FY24-25:** Measured as above.	**FY23-24:** There were no new councils onboarded to shared services in FY23-24.
GOAL 3: Diverse, talented and motivated people work for us	Maintain staff engagement above 85%.	Maintain staff engagement above 85%.	**FY24-25:** The engagement score was 86%. The survey response rate was 45% (49 were invited to participate with 22 responses received).	**FY23-24:** The engagement score was 87%. The survey response rate was 65% (48 were invited to participate with 31 responses received).
	Staff turnover is less than 15%.	Staff turnover is less than 15%.	**FY24-25:** 10.5% staff turnover.	**FY23-24:** 18.2%
	Our vacancies are filled by suitable candidates within 3 months. *(baseline y/e 30 June 24)*	Vacancies are filled by suitable candidates within 3 months.	**FY24-25:** The 1 position advertised was vacant for 2 months.	**FY23-24:** The positions advertised vacant for the following periods: • Communications Manager –1.5 months • Contracts Administrator – 1 month • Procurement Advisor – 1 month • Business Support Specialist – 1 month • WRTM Programme Manager – 3 months • Quality Systems Lead (WBCG) – 4 months

New Zealand Local Government Funding Agency (LGFA)

The New Zealand Local Government Funding Agency Ltd (LGFA) specialises in financing the New Zealand local government sector, the primary purpose being to provide more efficient financing costs and diversified financing sources for New Zealand local authorities. LGFA was established to raise debt on behalf of local authorities on terms that are more favourable to them than if they raised the debt directly.

New Zealand Local Government Funding Agency Limited (LGFA) was enabled under the Local Government Borrowing Act 2011 and was incorporated on 1 December 2011. LGFA is a Council-Controlled Organisation (CCO) operating under the Local Government Act 2002.

Shareholders

The LGFA Board is responsible for the strategic direction and control of LGFA's activities. The LGFA Board of Directors comprises of five independent directors and one non-independent director appointed by the shareholders. Additionally, the Shareholder's Council comprises five to ten appointees from the Council Shareholders and the New Zealand Government.

Council Policies and Objectives relating to LGFA

The Council does not have any significant policies or objectives about ownership and control of LGFA. Council has an Appointment and Remuneration of Directors for Council Organisations Policy in place.

Objectives of Company

The primary objective of LGFA is to optimise the debt funding terms and conditions for its member councils. Among other things this includes:

- Governance, capability and business practice
- Optimising financing services for local government
- Environmental and social responsibility
- Effective management of loans
- Industry leadership and engagement

Nature and scope of activities

LGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand local authorities and CCOs and may undertake any other activities considered by the Board of LGFA to be reasonably related or incidentally to, or in connection with, that business.

Performance against primary objectives

The following gives a summary of actual performance against the primary objectives that were outlined in the 2024-27 Statement of Intent (SOI). This information is as reported in the LGFA 2024/25 Annual Report. For detailed information on the LGFA performance results, see its Annual Report, published on the LGFA website: www.lgfa.co.nz

Governance, capability and business practice

Objectives	How we measure our performance
Demonstrate best practice corporate governance.	The Annual Report outlines our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code. The Shareholders' Council has requested a focus on succession planning for the Board.
Set and model high standards of ethical behaviour.	LGFA has adopted a formal Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow.
Achieve the shareholder-agreed objectives and performance targets specified in this Statement of Intent.	LGFA reports performance against objectives quarterly to shareholders and in our Annual and Half Year Reports.
Ensure products and services offered to participating borrowers are delivered in a cost-effective manner.	LGFA prepares annual operating budgets and monitors progress against these monthly. Financial performance is reported quarterly to shareholders and in our Annual and Half Year Reports.
Be a good employer by providing safe working conditions, training and development and equal opportunities for staff	The Annual Report reports on our health and safety and wellbeing practices and policies, compliance with the Health and Safety at Work Act, diversity and inclusion and capability and development.

Environmental and social responsibility

Objectives	How we measure our performance
Assist the local government sector in achieving their sustainability and climate change objectives.	LGFA is committed to assist borrowers financing of projects that promote environmental and social wellbeing in New Zealand and to encourage a reduction in greenhouse gas emissions amongst borrowers. Green, Social & Sustainability (GSS) loan and Climate Action Loan applications from councils are appraised by the LGFA Sustainability Committee, with approved loans monitored for ongoing compliance.
Improve sustainability outcomes within LGFA.	LGFA is committed to reducing our carbon emissions and formalised processes to measure our greenhouse gas (GHG) emissions, as well as management plans to reduce our company's emissions.

Effective management of loans

Objectives	How we measure our performance
Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies.	LGFA reviews all participating councils and CCOs financial statements on an annual basis and the agendas and management reports on an ongoing basis for all councils on the LGFA borrower watch-list.
Analyse finances at the Council group level where appropriate and report to shareholders.	Participating borrowers are required to complete annual compliance certificates by the end of November each year.
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested	Number of participating borrowers visited in a year
Ensure a smooth transition of water-related loans if the Local Water Done Well Reforms progresses over forecast period.	LGFA will be able to ensure the successful transition of existing council water-related loans to the Water CCOs (if requested by a council)

Industry leadership and engagement

Objectives	How we measure our performance
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	Report on actions undertaken and progress made on sector issues. Identifying any legislative or Central Government policy changes that may impact LGFA and undertake formal or informal submissions.
Assist the local government sector with significant matters such as the Local Water Done Well Reforms and Future for Local Government	Assist the local government sector with understanding any legislative or Central Government policy changes that may impact LGFA.
Maintain productive relationships with central government representatives.	Report back on the alignment of LGFA and councils climate and emissions reporting requirements
Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change.	Report back in how we are helping smaller council's understand future reporting requirements.

Performance targets

2024/25 performance targets	Result for 12-month period to 30 June 2025	Outcome
LGFA total operating income for the period to June 2025 will be greater than $31.4 million	$36.3 million	☑
LGFA's total operating expenses for the period to 30 June 2025. < $11.5 million	$11.2 million	☒
>80% Share of aggregate long-term debt funding to the Local Government sector	74.9%	☒
Total lending to Participating Borrowers is > $23,957 million	$22,657 million	☒
Conduct an annual survey of councils and achieve >85% satisfaction score as to the value added by LGFA to council borrowing activities	94% satisfaction score in August 2024	☑
Successfully refinance 100% existing loans to councils and LGFA bond maturities as they fall	100%	☑
Meet 100% of lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%	☑
Review each participating borrower's financial position.	100%	☑
Arrange to meet each Participating Borrower over at 15-month period, including meeting with elected officials as required, or if requested.	100%	☑
Comply with the Shareholder Foundation Polices and the Board approved Treasury Policy at all times	Not achieved. There was a breach of the Foundation Policy where the nominal amount of loans to a non-guarantor exceeded the $20 million limit by $186k.	☒

Maintain a credit rating equal to the New Zealand Government Sovereign rating where both entities are rated by the same credit rating entity	'AA+/AAA'	☑
Comply with the Health and Safety at Work Act 2015	No breaches	☑
Maintain Toitū net carbonzero certification	Toitū Net Carbon-zero recertification approved.	☑
Meet reduction targets outlined in our carbon reduction management plan.	Met.	☑
Increase our GSS lending book and Climate Action Loans.	One new GSS loans undertaken No new CAL borrowers approved	☒
Meet all mandatory climate reporting standards.	100%	☑
A succession plan be put in place for the Board and staff and be reviewed annually.	Achieved	☑
Provide input into Local Water Done Well Legislation	Achieved	☑
Provide quarterly updates to shareholders and borrowers on sector developments that are impacting LGFA	Achieved	☑
Meet annually with Infrastructure Commission, Local Government New Zealand, Taituara, Water New Zealand, Infrastructure New Zealand, Crown Infrastructure Partners, Department of Internal Affairs, Treasury and Minister's office to discuss sector issues from and LGFA perspective	Achieved	☑

Exempt Council Controlled Organisations (CCO)

Council has an interest in three council controlled organisations that are exempt from the full reporting requirements of a CCO. They are Martha Trust, Destination Hauraki Coromandel Trust and Hauraki Rail Trail Charitable Trust (the trusts)

The Local Government Act 2002 (LGA) section 7(3) provides for the exemption of a small organisation that is not a council controlled trading organisation from being a CCO and from the accountability requirements of the LGA. The trusts have been exempted from being a CCO by resolution of the Council. An exemption must be reviewed within three years after it is granted or after the first review not more than three years following the last review. Council may, at any time revoke an exemption. The exemptions for the trusts have been granted and reconfirmed by the Council. .

The exemptions were granted on the basis that it is not practical or efficient for full accountability requirements and performance monitoring to take place. Council does request that as a minimum all exempted CCOs provide an annual report of Trust activities and financial statements or statement of funds. By granting an exemption the Council has provided dispensation from any form of accountability and monitoring processes.

In accordance with section 7(3) of the LGA, the exemptions of the trusts as a CCO will again be reviewed in three years, or earlier if required.

Martha Trust

The Martha Trust (the Trust) was established in 2001 by a joint venture known as the Waihī Gold Company, settling the sum of $10 to create the trust fund. The main purpose of the Trust is to monitor and maintain in perpetuity the tailings storage areas and mine pit lake so that it can be used for recreational or leisure purposes by the general public following completion of mining and closure of the site. This exemption has been revisited and subsequently reconfirmed by the Council, most recently in May 2024.

Destination Hauraki Coromandel

Destination Hauraki Coromandel is a sub-regional tourism organisation, which is funded annually by Hauraki District Council and Thames-Coromandel District Council. Established in 2011 to promote tourism and travel in the 'The Coromandel'. Destination Hauraki Coromandel also supports, promotes and assists in activities and projects which will increase the opportunities for employment in tourism and visitor industries. Thames-Coromandel District Council and Hauraki District Council may appoint 50% or more of the directors of the Trust. This exemption has been revisited and subsequently reconfirmed by the Council, most recently in November 2023.

Hauraki Rail Trail

The Hauraki Rail Trail Charitable Trust is a charitable trust formed to manage the cycleway known as the Hauraki Rail Trail (HRT). The Hauraki, Thames-Coromandel and Matamata-Piako District Councils are settlors to the Trust Deed. The Councils have the right to appoint 50% or more of the directors of the company. This exemption has been revisited and subsequently reconfirmed by the Council, most recently in September 2023.

Related Documents

Liability and Investment Policy

Background

The Liability Management Policy addresses a number of key objectives, including those required to address legislative requirements. The Liability Management Policy outlines the Council's objectives for prudence, flexibility and risk in three principle areas; liquidity and funding risk, interest rate risk, and credit risk. The Policy details Council's approach to minimising the total cost of borrowing over the medium to longer term.

The Investment Policy sets the parameters which investment activity can occur with approved organisations for investments, and the type of approved investment vehicles. The mix of investments between current and non-current is determined according to Council's working capital needs. The purpose of the policy is to ensure that Council's investments are managed prudently, within prescribed risk levels and they are set to mature at the appropriate time to match cash flow requirements.

Overall Results

During the 2024/25 financial year, there was one departure from the Council's Liability and Investment Policy. Council was outside the recommended parameter in relation to the portion of fixed to floating interest rates

Council did not fix as high a proportion of forecast debt as prescribed in the policy, as the forecast debt is based on Council retaining its waters activities.

However, there is a high likelihood that the waters activities, and the associated debt, will be transferred to another entity, and so Council thought it was prudent to make an allowance for this likelihood.

Council has resolved to approve the non-compliance with the recommended parameters for the fixed/floating interest rates.

These non-compliance measures will remain in place, as endorsed by Council, until it believes it is prudent to reverse the recommendation.

Appendix 1: Council Committees

Committees as at June 2025:

Community Partnership Committee

- Anne Marie Spicer (Chair)
- Mayor Toby Adams (Deputy Chair)
- All other elected members

Audit and Risk Committee

- Conall Buchanan (Chair, Independent Member)
- Mayor Toby Adams (Deputy Chair)
- Deputy Mayor Paul Milner
- Cr Bhavesh Ranchhod
- Cr Carole Daley
- Cr Stephen Crooymans

Finance Committee

- Cr. Bhavesh Ranchhod (Chair),
- Deputy Mayor Paul Milner (Deputy Chair)
- Mayor Toby Adams
- Cr. Carole Daley
- Cr. Stephen Crooymans

Western Plains Drainage District Committee

- Brian Carter (Chair)
- Brian Pirie (Deputy Chair)
- Brian Keane
- Gavin Laurich
- Peter Johnstone
- Patrick Leonard
- Peter Paterson
- Ross Young
- Michael Karl
- Cr. Phillip Buckthought
- Cr. Stephen Crooymans (alternate),
- Cr. Neil Gray (alternate)

Eastern Plains Drainage District Committee

- Roger Hunter (Chair)
- Kim Reid (Deputy Chair)
- Richard Webster
- Andrew Green
- Ted Nicholson
- Kevin Caddy
- Peter Schouten
- Damon Coldicutt
- Cr. Phillip Buckthought,
- Cr. Stephen Crooymans (alternate),
- Cr. Neil Gray (alternate)

Paeroa Rural Drainage District Committee

- Mike Peters (Chair)
- Peter Casey (Deputy Chair)
- Terry Hamilton
- Craig Zydenbos
- Cr. Phillip Buckthought, Cr. Stephen Crooymans (alternate), Cr. Neil Gray (alternate)

Taramaire Drainage District

- Stephen Crooymans (Chairperson)
- Dennis Thompson (Deputy Chairperson)
- Cr. Phillip Buckthought, Cr. Stephen Crooymans (alternate), Cr. Neil Gray (alternate)

CEO Performance Committee

- Mayor Toby Adams (Chair)
- Deputy Mayor Paul Milner (Deputy Chair)
- Cr. Anne Marie Spicer
- Cr. Neil Gray

Planning Committee

- Mayor Toby Adams (Chair)
- Cr. Ray Broad (Deputy Chair)
- Deputy Mayor Paul Milner
- Cr. Austin Rattray
- Cr. Josh Martyn
- Cr. Neil Gray
- Cr. Sarah Holmes

Councillor Management Committee

- Mayor Toby Adams (Chair)
- Deputy Mayor Paul Milner (Deputy Chair)
- Cr. Anne Marie Spicer
- Cr. Neil Gray
- Cr. Ray Broad

Adaptive Planning and Emergency Management Committee

- Deputy Mayor Paul Milner (Chair)
- Cr. Phillip Buckthought (Deputy Chair)
- Mayor Toby Adams
- Cr. Anne Marie Spicer
- Cr. Josh Martyn
- Cr. Stephen Crooymans
- Cr. Neil Gray
- Cr. Austin Rattray

District Licensing Committee

- Cr. Paul Milner – Chairperson
- Cr. Carole Daley – Deputy Chairperson
- Cr. Rino Wilkinson – Deputy Chairperson
- Ross Murphy – List Member
- Alan Sciacia – List Member
- Gavin Campbell – List Member
- Kirsten Williamson – List Member
- John Goodman – List Member

Regulatory Hearings Committee

- Deputy Mayor Paul Milner (Chair)
- Cr. Austin Rattray (Deputy Chair)
- Mayor Toby Adams
- Cr. Anne Marie Spicer
- Cr. R. Broad
- Cr. S. Crooymans
- Commissioners if required **

Co-Governance Committees

Ngati Koi Domain Co-Governance Committee

- Cr. Anne Marie Spicer as Council representative
- John Tregidga as Council appointee

Tauwhare Koiora Reserve Co-Governance Committee

- Phillip Buckthought – Council representative
- John Tregidga – Council appointee

Appendix 2: Report of the Audit Office

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

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

The Auditor-General is the auditor of Hauraki District Council (the Council). The Auditor-General has appointed me, Carl Wessels, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf.

We have audited the annual report of the Council 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 Council on pages 101 to 105 and 106 to 175:
    - 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 Council's statement of service performance for the year ended 30 June 2025 on pages 19 to 97:
    - provides an appropriate and meaningful basis to enable readers to assess the Council's 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 Council's 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 of the Council for the year ended 30 June 2025 on pages 27 to 98, 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 of the Council for the year ended 30 June 2025 on pages 28 to 99 has been prepared, in all material respects, in accordance with clause 26 of Schedule 10 to the Act;
- the funding impact statement of the Council for the year ended 30 June 2025 on pages 106, 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 Regulations for the year ended 30 June 2025 are complete and accurate.

Date

We completed our work on 29 October 2025. This is the date on which we give our opinion on the audited information and our report on the disclosure requirements.

Emphasis of matter – Future of water delivery

Without modifying our opinion, we draw attention to page 168, which outlines that in response to the Government's Local Water Done Well reforms, the Council has decided to establish a multi-owned water organisation with five (possibly six) participating councils in the Waikato Region to deliver water and wastewater services during July 2025.

The financial impact of this decision is unknown because details of the exact arrangements are still being considered.

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 Council's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

- We evaluate whether the statement of service performance 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 statement of service performance 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 Council.

- 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 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 Council'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 Council 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 our audit, we have performed a limited assurance engagement related to the District Council's debenture trust deed which are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the Council.



Carl Wessels

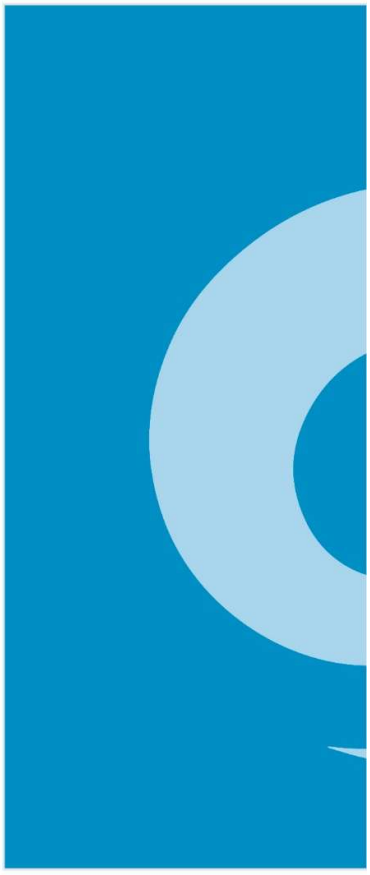
Audit New Zealand

On behalf of the Auditor-General

Auckland, New Zealand









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