



**I, Matthew Lawson, Tumu Whakarae | Chief Executive, hereby give notice that
Finance, Assurance & Risk Committee Meeting will be held on:**

Date: Tuesday, 26 August 2025
Time: 12:30 pm
Location: Council Chamber, Wairoa District Council,
Coronation Square, Wairoa

AGENDA

Finance, Assurance & Risk Committee Meeting

26 August 2025

MEMBERSHIP: His Worship the Mayor Craig Little, Cr Jeremy Harker, Cr Denise Eaglesome-Karekare, Mr Philip Jones, Cr Benita Cairns, Cr Melissa Kaimoana

The agenda and associated papers are also available on our website: www.wairoadc.govt.nz

For further information please contact us 06 838 7309 or by email info@wairoadc.govt.nz

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- 1 KARAKIA**
- 2 APOLOGIES FOR ABSENCE**
- 3 DECLARATIONS OF CONFLICT OF INTEREST**
- 4 CHAIRPERSON'S ANNOUNCEMENTS**
- 5 LATE ITEMS OF URGENT BUSINESS**
- 6 PUBLIC PARTICIPATION**

A maximum of 30 minutes has been set aside for members of the public to speak on any item on the agenda. Up to 5 minutes per person is allowed. As per Standing Order 15.1 requests to speak must be made to the Chief Executive Officer at least one clear day before the meeting; however this requirement may be waived by the Chairperson. Requests should also outline the matters that will be addressed by the speaker(s).

7 MINUTES OF THE PREVIOUS MEETING

Ordinary Meeting - 29 July 2025

**MINUTES OF WAIROA DISTRICT COUNCIL
FINANCE, ASSURANCE & RISK COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, WAIROA DISTRICT COUNCIL, CORONATION SQUARE, WAIROA
ON TUESDAY, 29 JULY 2025 AT 12:30 PM**

PRESENT: His Worship the Mayor Craig Little, Cr Jeremy Harker, Cr Denise Eaglesome-Karekare, Mr Philip Jones (online), Cr Benita Cairns, Cr Melissa Kaimoana

IN ATTENDANCE: **Matthew Lawson** (Chief Executive), **Gary Borg** (Tumu Whakarae Tuarua | Deputy Chief Executive & Pouwhakarae – Pūtea/Tautāwhi Rangapū | Group Manager Finance and Corporate Support), **Langley Cavers** (Acting Group Manager Assets and Infrastructure), **Juanita Savage** (Chief of Operations), **Te Arohanui Cook** (Pouwhakarae Rātonga Hapori me te Whakawhanake | Kaiarataki Whakaoranga - Group Manager – Community Services and Development | Recovery Manager), **Hinemoa Hubbard** (Kaiurungi Mana Ārahi | Governance Officer), **Kate Standring** (Executive Principal), **Michael West** (Kaitātari Pakihi | Business Analyst), **Michelle Warren** (Kaiwhakahaere Hauora, Haumaru me te Oranga | Health, Safety & Wellbeing Manager)

1 KARAKIA

The meeting was chaired by His Worship the Mayor Craig Little, acting as Chair for the day.

The opening karakia was given by His Worship the Mayor, Craig Little.

2 APOLOGIES FOR ABSENCE

Nil

3 DECLARATION OF CONFLICT OF INTEREST

His Worship the Mayor declared a conflict of interest with Item 8.4 – *Insurance Renewal Initiation – Material Damage and Business Interruption*.

The Acting Group Manager of Assets and Infrastructure declared a conflict of interest with Item 8.4– *Insurance Renewal Initiation – Material Damage and Business Interruption* for noting.

4 CHAIRPERSON'S ANNOUNCEMENTS

Nil

5 LATE ITEMS OF URGENT BUSINESS

Nil

6 PUBLIC PARTICIPATION

Nil

7 MINUTES OF THE PREVIOUS MEETING**COMMITTEE RESOLUTION 2025/284**

Moved: His Worship the Mayor Craig Little

Seconded: Cr Jeremy Harker

That the minutes and confidential minutes of the Finance, Assurance & Risk Committee Meeting held on 17 June 2025 be confirmed.

CARRIED

8 GENERAL ITEMS**8.1 HEALTH, SAFETY, AND WELLBEING REPORT****COMMITTEE RESOLUTION 2025/285**

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Melissa Kaimoana

The Committee receives the report.

CARRIED

The Committee:

- Noted that Kahungunu Executive (KE) offers free health checks.
- Discussed the status of contractor reviews. The Health, Safety, and Wellbeing Manager advised that the process remains high risk. The number of contractors recorded in Sitewise has increased from one a year ago to two full pages.
- Considered examples of near misses.
- Recommended the preparation of a governance-style report.

8.2 2024-25 ANNUAL REPORT**COMMITTEE RESOLUTION 2025/286**

Moved: His Worship the Mayor Craig Little

Seconded: Cr Benita Cairns

The Committee receives the report.

CARRIED

The Business Analyst introduced the report and advised that the draft annual report will be presented at the next committee meeting.

The Group Manager of Finance and Corporate Support noted the accelerated process with

auditors is intended to mitigate the risk of delays in adopting the annual report, noting the disruption caused by the election period. He also highlighted a resourcing risk following the resignation of the Finance Manager last month, but noted that the appointment of an Interim Finance Manager is progressing well.

Mr Philip Jones noted that the fair value assessment is challenging, particularly regarding impairments, as not all recovery work has been completed.

The Group Manager of Finance and Corporate Support advised that three waters had minimal impairment, while roading assets were the main contributor. The impairments have been reconciled in the asset management system, and an assurance report will be received next month from the valuer to ensure that the movements in asset value changes are reasonable.

8.3 MONTHLY FINANCIAL REPORT TO 31 MAY 2025

COMMITTEE RESOLUTION 2025/287

Moved: Mr Philip Jones

Seconded: Cr Jeremy Harker

The Committee receives the report.

CARRIED

The Committee noted inconsistent reporting of subsidies and grants and suggested a detailed breakdown of operational and capital subsidies, showing totals received and allocation between operational, normal capital, and special recovery works. The Group Manager of Finance and Corporate Support acknowledged this, noting links to the capital reporting framework. While some variance is captured in the main financial report, figures were previously maintained in the balance sheet, with the funding impact statement providing some illustration.

The Committee noted:

- Uncertainty regarding water metering, with members suggesting it may relate to Affco.
- Questions about borrowing for projects and the reallocation of debt. The Group Manager of Finance and Corporate Support advised that the minimum borrowing from LGFA is \$1 million, so smaller projects, such as those costing \$700k, still require borrowing \$1 million. Overall borrowing is currently below forecast. The Chief Executive highlighted that greater linking of projects to budgets could improve efficiency and outcomes.
- Clarification on intangible assets, explained as non-physical assets such as carbon credits.
- A request for improved commentary to aid understanding.
- The reported surplus may be overstated due to timing of subsidies and grants; The Group Manager of Finance and Corporate Support noted most funding is reimbursement-based, with further grants expected.

8.4 INSURANCE RENEWAL INITIATION - MATERIAL DAMAGE AND BUSINESS INTERRUPTION**COMMITTEE RESOLUTION 2025/288**

Moved: His Worship the Mayor Craig Little

Seconded: Cr Denise Eaglesome-Karekare

The Committee receives the report.

CARRIED

The Group Manager of Finance and Corporate Support noted the Committee had not previously received this type of report, which outlined insured and uninsured items. The Committee acknowledged the detailed work, discussed insurance transfer implications for the new water services entity, and suggested reviewing long-term low-risk items for possible removal in a future report to Council.

8.5 TREASURY MATTERS**COMMITTEE RESOLUTION 2025/289**

Moved: Cr Benita Cairns

Seconded: Mr Philip Jones

The Committee:

- receives the report, noting areas of policy adherence as well as breaches,
- notes that prudence in this matter is a balance of risk management and cost effectiveness.

CARRIED

The Committee noted non-compliance with the current ratio and did not recommend reducing it.

8.6 COMMITTEE WORK PLAN 2025**COMMITTEE RESOLUTION 2025/290**

Moved: His Worship the Mayor Craig Little

Seconded: Cr Jeremy Harker

The Committee approves the updated Work Plan, noting that the risk workshop will be held early in the new triennium.

CARRIED

The Committee noted concerns about delaying works but agreed to defer the strategic risk workshop, originally planned for August to the new triennium given the election period. The Group Manager of Finance and Corporate Support advised there was no risk in deferral, with the

management team continuing to monitor and escalate emerging risks.

The Group Manager further noted that enterprise work could continue operationally, while strategic risk should remain a standing agenda item, with a framework established in the new triennium.

9 PUBLIC EXCLUDED ITEMS

RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION 2025/291

Moved: His Worship the Mayor Craig Little

Seconded: Cr Benita Cairns

That the public be excluded from the following parts of the proceedings of this meeting at 2pm.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
9.1 - Systems and Processes Review	s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

COMMITTEE RESOLUTION 2025/292

Moved: His Worship the Mayor Craig Little

Seconded: Cr Benita Cairns

That the Committee moves out of Closed Committee into Open Committee at 2:12pm.

CARRIED

The Meeting closed at 2:12pm.

The minutes of this meeting were confirmed at the Finance, Assurance & Risk Committee Meeting held on 26 August 2025.

.....
CHAIRPERSON

Finance, Assurance and Risk (FAaR) Committee – Action Sheet

<u>ACTION</u>	<u>MEETING THE ACTION WAS RAISED IN</u>	<u>OFFICER RESPONSIBLE</u>	<u>COMMENTS</u>	<u>COMMENTS</u>	<u>COMMENTS</u>	<u>STATUS</u>
Recovery Risk Updates to be presented to the FAaR Committee until the contract end date of June 3 rd 2025	11/02/2025	Te Aroha Cook	<p>The Recovery Manager role gets consumed into the GM of Community Services and Development. Funding has been extended for the 2 Taiwhenua positions through to the 19 December- Any recovery duties can now be worked on until the end of the year. Focus now is what qualifies for funding under the Silt and Debris Fund</p> <ul style="list-style-type: none"> (17/06 Update) 	<p>Contract extensions have allowed a delay in the exit strategy. Placard issues in North Clyde are being addressed, with residents advised to contact Council once works are complete. Mayoral Relief Fund Committee had a meeting last week to determine applications relating to Cyclone Gabrielle and June floods. Steve Baker is working with Recovery and the Assets & Infrastructure teams on the Silt and Debris Fund. Committee asked if a lesson learnt review will be undertaken as part of the closing the recovery process. Te Aroha noted it is part of the exit strategy.</p> <p>(29/07 Update)</p>	No further update (21/08)	In Progress

3 Waters: Risks to be presented at the next scheduled FAaR Committee	11/02/2025	Langley Cavers	<p>The Chair noted that there is an ongoing risk associated with Local Waters Done Well. The item will remain a standing agenda item until the Water Services Delivery Plan (WSDP) is accepted by the Minister of Local Government.</p> <p>(25/03 Update)</p>	<p>Philip Jones clarified that the action is to provide an overview of emerging nuances and risks, including progress toward the 3 September deadline and potential risks in finalising delivery plans. Langley noted the biggest organisational risk for WSDP is staff loss due to job security concerns. Council to reconvene in the afternoon to decide which WSDP they would proceed with.</p> <p>(29/07 update)</p>	Included in Agenda for the 26/08/25 meeting	In Progress
Capital Reporting Framework	17/06/2025	Langley Cavers & Gary Borg		<p>Most of the work sits within the Assets & Infrastructure team (A&I). Steve Baker has been supporting the process, keen to bring the work in-house. Seeking a resource in the A&I team to track capital expenditure, monitor upcoming projects, and manage reporting templates for managers.</p> <p>(29/07 update)</p>		In Progress

Return to the Committee with a Draft Annual Report	29/07/2025	Michael West			Included in Agenda for the 26/08/25 meeting	Completed
Review long-term low-risk insurance items for possible removal in a future report to Council. (8.4 – <i>Insurance Renewal Initiation – Material Damage and Business Interruption</i>)	29/07/2025	Finance Department				
Strategic Risk Workshop deferred to the new triennium (8.6 – <i>Committee Work Plan 2025</i>)	29/07/2025	Gary Borg				On Hold

8 GENERAL ITEMS

8.1 CAPITAL PROJECT DELIVERY REVIEW FOR 2024 - 2025

Author: Steve Baker, Tautoko Whakaora - Recovery Support

Authoriser: Gary Borg, Tumu Whakarae Tuarua | Deputy Chief Executive & Group Manager - Finance and Corporate Support

Appendices: 1. Appendix A - Capital Project Delivery Review for 2024-25 [↓](#)

1. PURPOSE

- 1.1 This report provides information for Committee on the delivery of the Capital works programme contained in the 2024 – 2027 LTP for the financial year to June 2025. No decisions are required by Committee at this stage. Some projects are externally funded these can bring with them additional challenges we will look at these too.
- 1.2 The Deputy Chief Executive & Group Manager – Finance and Corporate Support has requested an update on the delivery of the approved capital works programme for 2024-2025.

RECOMMENDATION

The Tautoko Whakaora - Recovery Support RECOMMENDS that Committee receive the report.

2. BACKGROUND

- 2.1 Every year Council develops an Annual Plan, or LTP every third year, which sets the budget and rates requirement for the upcoming year. These plans are adopted after engagement with the community. These plans describe the activities and community outcomes Council hopes to achieve for the district.
- 2.2 The capital works programme set out in these documents are a fundamental building block for the delivery of those outcomes for the community not only for today but into the future. Not all projects are funded internally, many such as Roading projects are partially or fully funded through external sources. This external funding can bring with it additional performance, delivery, and reporting requirements.
- 2.3 Councils Annual Plan for 2023/24 was focussed on *“working together to recover from the effects of Cyclone Gabrielle and look at becoming a more resilient community in the future”*. It contained some 73 projects totalling \$28.8m.
- 2.4 Councils LTP for 2024/25 focussed *“on balancing our recovery and rebuilding while meeting our community’s needs and aspirations in an affordable and financially sustainable way”*. It contained some 127 projects totalling \$56.5m.
- 2.5 Councils Annual Plan for 2025/26 contains some 93 Capital projects totalling \$55.3m
- 2.6 It is good practice to review actual performance against what we told the community we would do. It is an opportunity to reflect, an opportunity to identify what went well and what did not, an opportunity to understand our strengths and weaknesses, an opportunity to understand our capacity or capability gaps. Overall, an opportunity to

take stock, identify learnings and implement those learnings into future programme development and delivery.

3. INFORMATION

- 3.1 Appendix A attached to this paper contains the list of individual capital projects as set out in the LTP 2024-27 for the financial year to 30 June 2025.
- 3.2 Where we have located Council minutes recording the approval of new projects or amendments to those projects contained in the LTP we have included these in table of capital projects to generate the approved budget for each project.

4. OBSERVATIONS

4.1 MINUTES

When we review Council and Committee minutes from 2023/24 and 2024/25 there have been many instances where capital projects have been either discussed. However, we have located only one instance where the minutes of Council record the approval of an amendment to budget or a new project budget. These were the four Landfill capital projects funded 100% from the Silt and Debris Fund totalling \$1.5m. We have a number of instances where we have spent on a project but no minute approving the project budget

Recommendation

The paper submitted to Council requesting alterations to the approved budget of a project contain a recommendation detailing the requested change. That recommendation if approved, is copied and pasted into the minutes of the meeting. We need to remember the saying “if it’s not recorded, then it didn’t happen,...even if it did.”

4.2 CARRY FORWARD REPORTS

Performance reporting for both financial and non-financial is arbitrarily broken into yearly blocks from 1 July to 30th June. Often capital programmes and projects span these reporting periods. As such, the approved budgets need to be carried forward into the next reporting period through Council resolution. There was no approved carry-forward report from 2023/24 into 2024/25. Consequently, technically the only approved projects for 2024/25 were those listed in the LTP for 2024/25. This was a procedural oversight, and it was not Council intention to cease the delivery of these projects from 2023/24. There were many instances in 2024/25 where progress on these projects were reported to Council and its Committee’s.

In 2024/25 staff continued to deliver projects commenced in 2023/24 in 2024/25 but in the absence of a carry forward report there was not a documented approved budget for 2024/25. This has led to several instances in 2024/25 where there is no approved budget recorded but we incurred expenditure as staff completed the project.

As reported above the budgeted capital works programme for 2024/25 was 126 projects with a budget of \$56.5m spend for the year was \$31m. It is anticipated that Council will wish some of these projects and their associated budgets be carried forward into 2025/26 but which ones? And what will that mean for the projects Council signalled in its Annual Plan for delivery in 2025/26

Recommendation

The practice of completing a carry-forward report should be reinstated. It will document projects that were not completed the previous year that staff would like to complete in the current year. It documents the unspent budget that is requested to be carried forward and the reasons why. Note this report is vetted by the TKA before being submitted to Council which will normally be August/September each year. Note not all unspent budgets need to be carried into the current year. They can be parked for future years.

4.3 ONE SOURCE OF THE TRUTH

Prior to the creation of the **RAG** report produced as part of the proposed Capital Reporting Framework presented to the Committee in May 2025 there was no one repository that recorded the entire capital works programme approved by Council through the Annual Plan process and incorporating subsequent decisions of Council. Many staff interviewed were not aware of some approved budgets for their area's thus did not actively drive them forward. In undertaking a stocktake of projects many had not been assigned to an individual member of the staff. There is an old saying if a job is not allocated to "somebody" then "nobody" will do it. The same applies here.

Recommendation

The **RAG** report should be utilised to allocate projects to individual staff members to deliver using internal or external resources. Regular updates on the status of the delivery of the capital works programme should be reported to Activity managers TKA Committees of Council and ultimately Council itself. It will also provide the mechanism to request budget adjustments if required from Council.

4.4 Merging Projects

There have been instances during the year where projects have been combined for delivery where the costs have been coded to one of the budget codes, but the budgets not formally combined thus resulting in one project showing an overspend against budget and the others an underspend.

Recommendation

Combining projects for delivery can create economies of scale and project management. There are two options in instances such as this.

1. Merge project budgets as well as project spend. Formal approval from Council is required in this instance. Budgets should not be combined where they are funded by different ratepayer groups through Council Revenue and Financing Policy.
2. Keep original budgets direct costs are coded to the peach project. "Shared costs" are apportioned using a documented methodology. For example, project management costs

4.5 NZTA

There is a timing difference between the date we need include the proposed transport Capital works programme in the Annual Plan and the date that NZTA signs off the capital works programme. This timing difference is not unique to Council

Recommendation

When NZTA finalises the upcoming years Capital Programme and associated funding levels the **RAG** report needs to be updated. This and any change to the programme contained in the Annual Plan together with financial implications surrounding borrowing and interest need to be communicated up through Council Committee's and ultimately Council.

4.6 HAVING THE RIGHT CONVERSATION AT THE RIGHT TIME

Year	No. Capital Projects	Capital Programme Budget
2023/24	73	\$28.8m
2024/25	127	\$56.5m
2025/26	93	\$55.3m +/- 20m Cfwd?

Were the capital works programmes signalled in each of the above years optimistic? Before entering individual projects into the Plan was a do-ability assessment of the proposed program undertaken considering things such as:

- Consenting requirements
- Availability of contractors
- Availability of product
- Was time provided to undertake procurement such as open tenders
- Capability & capacity of staff to project manage the programme of projects

Insufficient capacity of staff to undertake capital projects was a repetitive response from the team. Business as usual pressures consumed staff to the point where capital project delivery was put on the back burner. The I have plenty of time to deliver until there isn't.

Recommendation

When developing the capital works programme for the Annual Plan capital projects are allotted to individual members of staff. Where capacity issues are raised alternate allocations are made. If necessary, projects are delayed at this stage and removed from the Plan. Projects can be added to the programme during the year if capacity arises.

EXTERNAL FUNDING INVOLVED?

Several of our projects both capital and operational, are funded in part or in whole by external funders. Funding is usually accompanied by a list of deliverables and other requirements we must abide by. Things like delivery date. We must ensure that we are on top of these requirements so we can take corrective action if we need to.

Below is a table of externally funded projects in play at the moment, excluding Transport BAU funding by NZTA.

Funder	Estimated Funding receivable	Cost Incurred	Income recorded	Income Received	WDC Contribution	Status
Operational projects						
Crown Infrastructure Partners (Te Reinga Bridge) (3 waters transition)	724,500	469,105	469,105	724,500	-	Ongoing
Department of Internal Affairs	973,154	1,173,831	916,050	803,023	224,373	Of the 24 projects funded, 13 are ongoing, 9 were completed in 2025, and two are on hold.
Kanoa	1,500,000	913,866	913,866	888,000	-	
Ministry of Business and Innovation	5,495,202	5,021,804	4,203,474	3,961,080	818,330	
Other Subsidies & Grants	2,269,254	2,043,628	1,819,552	1,733,839	224,076	
Subtotal Operational	10,962,110	9,622,234	8,322,047	8,110,442	1,266,779	
Recovery projects						
Crown Infrastructure Partners (Te Reinga Bridge)	14,000,000	5,042,047	14,000,000	2,974,524	-	Ongoing
Department of Internal Affairs	1,345,000	1,113,044	1,045,700	1,345,000	-	Ongoing to 31 Dec 25
Mayoral Relief Funds (Cyclone Gabrielle and June 2024)	3,411,041	1,642,989	1,642,989	3,411,041	-	Ongoing
MPI	1,050,000	959,474	969,474	1,050,000	-	Complete 2025
NEWA	482,361	485,353	486,748	484,554	458	Complete 2025
Red Cross	1,108,900	1,058,078	1,058,078	1,108,900	-	Ongoing
Silt & Debris Fund	10,272,661	10,281,861	10,272,661	11,294,791	9,200	Ongoing
Flood Mitigation	14,000,000	06,918	106,918	197,660	-	Ongoing
Other Subsidies & Grants	1,973,781	2,178,295	2,100,621	2,034,404	77,674	12 of the 13 projects were completed in 2025
Subtotal Recovery	47,643,744	22,878,059	31,683,189	23,900,873	87,332	
Total	58,605,854	32,500,293	40,005,236	32,011,315	1,354,111	

Recommendation

There are sometimes numerous projects under each funder category, and each project will have its own individual risks. A regular reporting requirement to the TKA, Committees of Council, and Council itself if required regarding progress on deliverables or performance against other compliance requirements for externally funded projects should provide the mechanism to ensure we remain compliant and on track.

Further Information

[\[List any websites or papers where people interested could read more on this topic\]](#)

References (to or from other Committees)

[\[List any instances this report or previous reports on this topic have gone to Council/Committee\]](#)

Appendix A – Capital Works Programme for 2024/25 per 2024-27 LTP compared to spend

Activity Group (LTP)	Project Name	Budget 24/25	Council Decision	Adjusted Budget	Spend 24/25	Variance	External Funding	Comment
Leadership & Governance	Purchase new Admin Vehicle	45,000	-	45,000	-	45,000	-	
Leadership & Governance	Archives Building	50,000	-	50,000	-	50,000	-	
Transport	Purchase of Vehicles	105,000	-	105,000	100,278	4,722	-	
Transport	Purchase Computer Equipment	5,000	-	5,000	-	5,000	-	
Transport	Purchase of Software Licences	5,000	-	5,000	-	5,000	-	
Leadership & Governance	Learners Pool	9,185	-	9,185	-	9,185	-	
Leadership & Governance	Replacement Gym Equipment	10,000	-	10,000	59,117	(49,117)	-	
Leadership & Governance	Stadium Floor Refurbishment	100,000	-	100,000	-	100,000	-	
Leadership & Governance	New Storage Facility	350,000	(350,000)	-	-	-	-	Project carried over to 2025/26 in AP process
Leadership & Governance	Lighting and Solar	250,000	-	250,000	-	250,000	-	
Leadership & Governance	Renovation (locks, Hinges, and fittings)	100,000	-	100,000	21,739	78,261	100%	
Leadership & Governance	Pathway	6,000	-	6,000	-	6,000	-	
Leadership & Governance	Solar Power	30,000	-	30,000	-	30,000	-	
Leadership & Governance	Installation of Fences and Barriers	40,000	-	40,000	25,615	14,385	-	
Leadership & Governance	Boundary Fences Replacement	25,000	-	25,000	14,829	10,171	-	
Leadership & Governance	Campground Upgrades	-	-	-	1,375	(1,375)	-	
Leadership & Governance	Purchase old County Building	24,000	-	24,000	38,672	(14,672)	-	
Leadership & Governance	Driveway and Paths	8,500	-	8,500	-	8,500	-	
Leadership & Governance	Purchase Computer Hardware	19,500	-	19,500	55,983	(36,483)	-	
Leadership & Governance	Replacement Laptops	42,550	-	42,550	-	42,550	-	

Appendix A – Capital Works Programme for 2024/25 per 2024-27 LTP compared to spend

Activity Group (LTP)	Project Name	Budget 24/25	Council Decision	Adjusted Budget	Spend 24/25	Variance	External Funding	Comment
Leadership & Governance	DJI Drone	7,800	-	7,800	-	7,800	-	
Leadership & Governance	Purchase Computer Software	120,000	-	120,000	-	120,000	-	
Leadership & Governance	CBD Gem & Winters Building	-	-	-	(19,086)	19,086	-	\$950k approved Council 10/10/23 from Better off Funding resolution 2023/59
Planning & Regulatory	New Build	1,450,000	-	1,450,000	2,985,871	(1,535,871)	Yes	
Planning & Regulatory	Marine Parade – Shop Awning	100,000	-	100,000	-	100,000	-	
Leadership & Governance	Office Upgrade & Development	50,000	-	50,000	-	50,000	-	
Leadership & Governance	Air Conditioners	10,000	-	10,000	-	10,000	-	
Leadership & Governance	Doors Windows & Interior	24,000	-	24,000	-	24,000	-	
Leadership & Governance	Air Conditioners – Gaity Theatre	28,000	-	28,000	-	28,000	-	
Leadership & Governance	Healthy Homes Upgrades	-	-	-	134,748	(134,748)	100%	
Leadership & Governance	Fence Renewal (Pensioner Housing)	25,000	-	25,000	-	25,000	-	
Leadership & Governance	Future Capital Requirements	50,000	-	50,000	64,321	(14,321)	-	Multiyear Budget, collective spend within budget.
Leadership & Governance	War Memorial Hall Improvements	5,000	-	5,000	23,524	(18,524)	-	
Leadership & Governance	Resilience Solar	1,200,000	-	1,200,000	735,972	464,028	-	
Leadership & Governance	Resilience for CDEM Hub Project	150,000	-	150,000	-	150,000	-	
Leadership & Governance	Renewal Maintenance	17,168	-	17,168	-	17,168	75%	
Leadership & Governance	Air Conditioner Computer Room	16,000	-	16,000	9,139	6,861	-	
Leadership & Governance	Renex Roof	42,000	-	42,000	-	42,000	-	
Leadership & Governance	Development Office Space	20,000	-	20,000	7,039	12,961	-	

Appendix A – Capital Works Programme for 2024/25 per 2024-27 LTP compared to spend

Activity Group (LTP)	Project Name	Budget 24/25	Council Decision	Adjusted Budget	Spend 24/25	Variance	External Funding	Comment
Leadership & Governance	Motor Vehicle Expenses (Replace KZC903)	45,000	-	45,000	54,186	(9,186)	-	
Leadership & Governance	Resilience Solar	75,000	-	75,000	-	75,000	-	
Leadership & Governance	Seismic Assessments and Strengthening	60,000	-	60,000	-	60,000	-	
Leadership & Governance	Climate Change Assessment	30,000	-	30,000	-	30,000	-	
Leadership & Governance	RAMM Condition Assessment	60,000	-	60,000	-	60,000	-	
Planning & Regulatory	Purchase Vehicles	45,000	-	45,000	-	45,000	-	
Planning & Regulatory	Refurbish – Exit of I-site	60,000	-	60,000	31,478	28,522	-	
Planning & Regulatory	Pound Renewals	120,000	-	120,000	28,611	91,389	-	
Planning & Regulatory	Purchase Vehicles	60,000	-	60,000	37,600	22,400	-	
Community Facilities	Library Book Purchases	48,000	-	48,000	45,330	2,670	-	
Community Facilities	Library Office Air Conditioning	32,000	-	32,000	-	32,000	-	
Community Facilities	Library Building Future Requirements	-	-	-	126,581	(126,581)	-	
Community Facilities	Library Building Enhancement	-	-	-	208,550	(208,550)	-	
Community Facilities	Air Con	5,500	-	5,500	-	5,500	-	
Community Facilities	Building Resilience Solar	150,000	-	150,000	-	150,000	-	
Community Facilities	Building refit	4,500,000	-	4,500,000	-	4,500,000	-	
Community Facilities	Future Capital Requirements	25,000	-	25,000	-	25,000	-	
Community Facilities	Mahanga Toilets Refit Inclusive roof	-	-	-	1,900	(1,900)	-	
Community Facilities	Te Reinga TIF5 Toilet Build	-	-	-	15,900	(15,900)	-	

Appendix A – Capital Works Programme for 2024/25 per 2024-27 LTP compared to spend

Activity Group (LTP)	Project Name	Budget 24/25	Council Decision	Adjusted Budget	Spend 24/25	Variance	External Funding	Comment
Community Facilities	Te Reinga Toilet	-	-	-	79,204	(79,204)	-	
Community Facilities	Toilet Renewal	50,000		50,000	16,400	33,600	-	
Community Facilities	Public Space Enhancement	15,000		15,000	16,390	(1,390)	-	
Community Facilities	Playground Renewals	150,000		150,000	-	150,000	-	
Community Facilities	Picnic Tables	40,000		40,000	2,366	37,634	-	
Community Facilities	Oraka Toilet Renewals	-	-	-	316,031	(316,031)	-	
Community Facilities	Purchase Celtic Club	-	-	-	73,528	(73,528)	-	
Community Facilities	Mahia Recreational Spaces	410,000	-	410,000	665,612	(255,612)	50%	
Community Facilities	Tua Destination Playground	300,000	-	300,000	-	300,000	-	
Community Facilities	RAMM – Asset Inventory Data	20,000	-	20,000	-	20,000	-	
Community Facilities	Wairoa Riverbank Enhancement		-		913,866	(913,866)	100%	Approved to go to tender 12/3/24 resolution 2024/13
Community Facilities	Mountain Bike Park Improvements & Cycleway	40,000	-	40,000	-	40,000	-	
Community Facilities	Playground Renewals	350,000	-	350,000	-	350,000	-	
Community Facilities	CCTV Installation	80,000	-	80,000	-	80,000	-	
Community Facilities	Frasertown Recreation Reserve Development	450,000	-	450,000	-	450,000	-	
Community Facilities	Recovery 24 – Toilets Reinstatement	50,000	-	50,000	-	50,000	-	
Community Facilities	Recovery 24 – Replacement of Reserves Furniture	25,000	-	25,000	-	25,000	-	
Community Facilities	Recovery 24 – Marine Parade Resilience Project	50,000	-	50,000	-	50,000	-	
Community Facilities	Recovery 24 - Climate Change - Resilience (HBRC)	500,000	-	500,000	-	500,000	100%	

Appendix A – Capital Works Programme for 2024/25 per 2024-27 LTP compared to spend

Activity Group (LTP)	Project Name	Budget 24/25	Council Decision	Adjusted Budget	Spend 24/25	Variance	External Funding	Comment
Transport	Marine Parade Upgrade	105,000	-	105,000	-	105,000	75%	
Transport	Walkway Sir James Carroll	20,000	-	20,000	-	20,000	75%	
Transport	Pavement rehabilitation	709,886	-	709,886	289,468	420,418	75%	
Transport	Blacks Beach Blowhole Realignment. NZTA #341	2,050,759	-	2,050,759	405,691	1,645,068	100%	
Transport	Footpaths New Construction General. NZTA #225	56,592	-	56,592	20,263	36,330	75%	
Transport	Sealed Road Resurfacing NZTA #212	2,088,758	-	2,088,758	1,784,750	304,008	75%	
Transport	Drainage Renewals NZTA #213	935,062	-	935,062	715,007	220,055	75%	
Transport	Rural Drainage Improvements (Better-off Fund)	-	-	-	276,926	(276,926)	75%	
Transport	Structures Component Replace NZTA#215	1,032,233	-	1,032,233	296,509	735,724	75%	
Transport	Structures Component Replace NZTA#216	334,609	-	334,609	-	334,609	75%	
Transport	Traffic Services Renewals NZTA #222	192,412	-	192,412	198,425	(6,013)	75%	
Transport	Nuhaka Opoutama Resilience Blowhole Repair D&L Pc. NZTA #341	-	-	-	660,112	(660,112)	75%	
Transport	Bridge Strengthening (Local Roads). NZTA #341	-	-	-	22,841	(22,841)	75%	
Transport	Safety Improvements (Safety Audit). NZTA #341 R2Z	-	-	-	187,794	(187,794)	75%	
Transport	Urban Intersection Safety Improvements (S A). NZTA #341 R2Z	-	-	-	479	(479)	75%	
Transport	Speed Management - Schools, marae etc. NZTA #341 R2Z	-	-	-	8,081	(8,081)	75%	
Transport	Te Reinga Bridge Bailey. NZTA #141 (New Bridge)	6,500,000	-	6,500,000	346,179	(6,153,821)	100%	
Transport	New Te Reinga Bridge NIWE	-	-	-	4,236,782	(4,236,782)	100%	
Transport	New Te Reinga Bridge. NZTA #141	-	-	-	615,331	(615,331)	100%	
Transport	New Te Reinga Bridge DPMC	-	-	-	189,934	(189,934)	100%	
Transport	Road Pavement Improve	535,500	-	535,500	-	535,500	75%	Funding pulled by NZTA Project on Hold indefinitely
Transport	Bridge Improvements (Low Cost Low Risk)	724,500	-	724,500	-	724,500	75%	Funding pulled by NZTA Project on Hold indefinitely
Transport	Drainage Improvements	525,000	-	525,000	-	525,000	75%	Funding pulled by NZTA Project on Hold indefinitely
Transport	Road safety Improvements	1,365,000	-	1,365,000	-	1,365,000	75%	Funding pulled by NZTA Project on Hold indefinitely

Appendix A – Capital Works Programme for 2024/25 per 2024-27 LTP compared to spend

Activity Group (LTP)	Project Name	Budget 24/25	Council Decision	Adjusted Budget	Spend 24/25	Variance	External Funding	Comment
Transport	New Footpaths Low Cost	178,500	-	178,500	-	178,500	75%	Funding pulled by NZTA Project on Hold indefinitely
Transport	Resilience Improvements	1,076,250	-	1,076,250	-	1,076,250	75%	Funding pulled by NZTA Project on Hold indefinitely
Transport	Professional Services Low cost	213,675	-	213,675	-	213,675	75%	Funding pulled by NZTA Project on Hold indefinitely
Transport	Crown Resilience Programme. NZTA #WC341	-	-	-	173,535	(175,535)	75%	
Transport	Nuhaka Opoutama Coastal Erosion Protection CRF. NZTA #WC357	-	-	-	418,993	(418,993)	75%	
Transport	Emergency Works Nov23 Event capex	1,000,000	-	1,000,000	-	1,000,000	75%	
Transport	Emergency Works_June 23 Weather Event capex	2,415,574	-	2,415,574	-	2,415,574	95%	
Transport	Emergency Works_Cyclone Gabby_capex (Incl Bailey bridge)	4,058,882	-	4,058,882	-	4,058,882	95%	
Transport	Transport Choices Wairoa Cycleway Project Pre . NZTA #452	-	-	-	67,080	(67,080)	75%	
Transport	Heavy Metal Buildups. NZTA #211	1,138,444	-	1,138,444	1,227,178	(88,734)	75%	
Transport	Emergency works March 22 Reinst Renewal. NZTA #141	2,000,000	-	2,000,000	7,022,789	(5,022,789)	95%	
Transport	Road 38 Unsealed Rd Metalling	63,000	-	63,000	-	63,000	100%	
Transport	Road 38 Sealed Road Resurfacing	15,000	-	15,000	-	15,000	100%	
Transport	Road 38 Drainage Renewals	52,500	-	52,500	20,937	31,563	100%	
Transport	Road 38 -Traffic Services	5,250	-	5,250	4,146	1,104	100%	
Transport	Road 38 – Minor Improvements	183,750	-	183,750	14,937	168,813	100%	
Transport	Road 38 Emergency Reinstatement	558,000	-	558,000	-	558,000	100%	
Transport	SP Road 38 Emergency Works March 2022. NZTA#141i	-	-	-	620,000	(620,000)	100%	
Transport	Airport Certification	-	-	-	632	(632)	-	
Transport	Runway Extension	-	-	-	347,687	(347,687)	Yes	Funding percentage TBC
Transport	Security Installation (Gate & Fence)	115,000	-	115,000	2,128	112,872		
Transport	Wairoa Airport Bird Control	35,000	-	35,000	-	35,000		
Transport	Aero Club Lounge/Hanger	400,000	-	400,000	-	400,000		
Stormwater	CCTV	65,000	-	65,000	61,238	3,762	-	
Stormwater	Mahia Beach Pipeline renewals	-	-	-	1,667	(1,667)	-	
Stormwater	New Litta Trap Installation	11,000	-	11,000		11,000	-	
Stormwater	New Improvements Resilience & Capacity	500,000	-	500,000	109,845	390,155	-	
Stormwater	Wairoa Pipelines Renewals	500,000	-	500,000	469,965	30,035	-	

Appendix A – Capital Works Programme for 2024/25 per 2024-27 LTP compared to spend

Activity Group (LTP)	Project Name	Budget 24/25	Council Decision	Adjusted Budget	Spend 24/25	Variance	External Funding	Comment
Stormwater	Piping Open Drains – Wairoa	400,000	-	400,000	61,429	338,571	-	
Wastewater	Mortuary Waste System	-	-	-	4,081	(4,081)	-	
Wastewater	Telemetry Base Sets Wairoa	150,000	-	150,000	35,193	114,817	-	
Wastewater	Wairoa Mobile Generator	-	-	-	2,603	(2,603)	-	
Wastewater	Consent	30,000	-	30,000	-	30,000	-	
Wastewater	Storage – Lowe Environmental	50,000	-	50,000	6,453	43,547	-	
Wastewater	Construction of Plant for new Wairoa Consent	-	-	-	18,850	18,850	-	
Wastewater	Step Filer	-	-	-	59,776	(59,776)	-	
Wastewater	Renewal Pump Stations	690,000	-	690,000	411,285	278,715	-	
Wastewater	Mahia Beach Sewage System	1,350,000	-	1,350,000	19,817	1,330,183	-	
Wastewater	Wairoa Reticulation Renewals	340,000	-	340,000	-	340,000	-	
Wastewater	Wairoa Reticulation New	300,000	-	300,000	-	300,000	-	
Waste	Recycling Centre Upgrade	2,546,191	-	2,546,191	-	2,546,191	-	
Waste	Cover Wairoa Landfill	9,996	-	9,996	-	9,996	-	
Waste	Effluent System – Landfill	9,996	-	9,996	-	9,996	-	
Waste	Recycling Centre Mahia	-	-	-	43,298	(43,298)	Yes	Funding percentage TBC
Waste	Kerbside Expansion 1 July 26	857,278	-	857,278	-	857,278	75%	
Waste	Landfill - Loadout Platform (P7)	-	206,000	206,000	170,687	35,313	100%	Complete
Waste	Landfill - Open Top Hook Bins (P10)	-	127,600	127,600	127,600	-	100%	Complete
Waste	Landfill – New Weighbridge (P11)	-	473,000	473,000	430,507	42,493	100%	WIP
Waste	Landfill – Shredder (P12)	-	650,000	650,000	601,415	48,585	100%	Complete
Water Supply	Wairoa Pipeline – Renewals	3,065,000	-	3,065,000	1,054,864	2,010,136	-	
Water Supply	Wairoa Meters - Renewals	100,000	-	100,000	4,203	95,797	-	
Water Supply	Marine Parade Replacement Main	1,900,000	-	1,900,000	-	1,900,000	-	
Water Supply	Valve Replacements	80,000	-	80,000	2,179	77,821	-	
Water Supply	Wairoa Reservoir's – Renewals	100,000	-	100,000	41,693	58,307	-	
Water Supply	Mahanga Pipelines – Renewals	15,000	-	15,000	-	15,000	-	
Water Supply	Renewal Expenditure	20,000	-	20,000	30,038	(10,068)	-	
Water Supply	Safety Improvement	10,500	-	10,500	-	10,500	-	
Water Supply	Mahanga Tank and Pump Repairs	5,000	-	5,000	746	4,254	-	
Water Supply	Chlorine Equipment	-	-	-	512	(512)	-	
Water Supply	Sheet pile protection of intake	-	-	-	207	(207)	-	
Water Supply	Install Chlorination & Monitoring Tuai Water Supply	214,644	-	214,644	-	214,644	-	
Water Supply	Property	30,000	-	30,000	-	30,000	-	
Water Supply	Future Capital Requirements	57,960	-	57,960	35,773	22,187	-	

Appendix A – Capital Works Programme for 2024/25 per 2024-27 LTP compared to spend

Activity Group (LTP)	Project Name	Budget 24/25	Council Decision	Adjusted Budget	Spend 24/25	Variance	External Funding	Comment
		56,501,904	1,456,600	57,608,504	31,107,785	26,500,719		

A word of caution

Numbers without context are just numbers – a favourable variance of spend to budget may not necessarily be a good thing. This is where context is important and further information is required. Information that is not present in this report.

For example – 50% of budget spent but only 25% through the project delivery or 50% of budget spent but 75% through project delivery. Two very different positions viewing the same dollar spend against budget.

8.2 HEALTH, SAFETY AND WELLBEING UPDATE**Author:** Juanita Savage, Chief of Operations**Authoriser:** Matthew Lawson, Tumu Whakarae | Chief Executive

Appendices:

1. **WDC Risk Policy 2017** [↓](#)
2. **HSW Incident Report for July 2025** [↓](#)

1. PURPOSE

- 1.1 This report is an information only report and is a standing agenda item as requested by the committee.

RECOMMENDATION

The Chief of Operations RECOMMENDS that Committee accepts the report.

2. BACKGROUND

- 2.1 The purpose of this report is to provide to the Finance, Assurance, and Risk Committee a report that shows how we are tracking in the areas of health, safety, and wellbeing (HSW). Including the progress of initiatives to improve HSW, as well as the current state of selected reports for the period of July 2025.

3. HSW MONTHLY INCIDENT REPORT – JULY 2025

The attached Health, Safety, and Wellbeing Report for July 2025 (appendix 2) outlines a series of minor incidents recorded in July and dealt with accordingly by the teams, described in table below:

Department	Incident Type	Incident Description
Rates	Psychosocial	Customer harrassment on phone
Animal Control	Psychosocial	Customer aggressive behaviour at front counter
A&I	Property damage	Minor vehicle incident
Customer Services	Pain/discomfort	Change in workstation set up required.
Library	Near Miss	Imitation firearm by child
Property	Security	Cemetary location – public drinking on site
Animal Control	Near Miss	Ceiling panel records room required moving back in place by contractor
Property	Property damage, fire/smoke	Fire in public toilet, minor damage
A&I contractor	Near Miss	Threatening behaviour from customers to a contractor

4. ORGANISATIONAL RISK

- 4.1 The Health and Safety Officer role is now vacant. Effective 19 August 2025. Council is exploring shared services with QRS's Health and Safety department. Current status is the Health and Safety Manager from QRS is assessing Council's processes and policies and will report back to Council's Chief Executive.
- 4.2 WDC's Risk Policy was adopted 5 December 2017 (appendix 1). The policy is scheduled for review by the end of this year. The review will ensure the policy remains relevant, reflects current operational practices, and supports the development of a more structured and integrated approach to organisational risk.

RISK MANAGEMENT POLICY

DATE ADOPTED: 5 DECEMBER
2017



TE WAIROA
WAIROA DISTRICT

PERSON RESPONSIBLE:	Chief Executive Officer	COMMITTEE RESPONSIBLE:	Finance, Audit & Risk Committee
CATEGORY:	Office of the Chief Executive	STATUS:	FINAL
DATE POLICY ADOPTED:	5 December 2017	APPROVAL BY:	Council
REVIEW PERIOD:	Annual review by FAR Committee	NEXT REVIEW DUE BY:	December 2018
DATE PREVIOUSLY ADOPTED:	N/A	REVISION NUMBER:	0

1. Purpose

Risk management is recognised as an integral part of good management practice and is an important aspect of corporate governance. The purpose of this policy is to explain the Council's underlying approach to strategic risk and risk management, both financial and non-financial.

This document outlines the policy, strategy, guidelines, process and approach to risk management to ensure that sound risk management practices are incorporated into the Council's planning and decision-making processes are aligned with the *ISO31000: 2009 Risk Management Standard*. The Risk Management Policy is the governing framework with respect to the Council's risk management profile and where other frameworks exist to manage categories of risk, these principles, expectations, processes and approach must be adopted.

2. Organisational scope

This is a Council-wide policy overseen by the Chief Executive Officer. Staff, contractors, and elected members have a shared role to play in the identification, reporting and management of risk through risk management processes being integrated with planning processes and embedded in management activities.

3. Definitions

The following definitions are sourced from AS/NZS ISO31000.2009.

Risk	Effect of uncertainty on objectives
Risk assessment	The overall process of risk identification and evaluation.
Risk management	Coordinated activities to direct and control an organisation with regard to risk.
Risk management process	Systematic application of management policies, procedures and practices to activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risks: <ul style="list-style-type: none"> communicate and consult – with internal and external stakeholders at all stages of the risk

- consideration and decision-making processes;
- establish the context – determine the criteria against which the risk is to be evaluated and managed, considering both internal and external stakeholders;
- identify the risk – consider the range of potential likelihood and consequence of the occurrence of risk events;
- analyse the risk – consider the range of potential likelihood and consequence of the occurrence of risk events;
- evaluate the risk – by comparison with pre-established criteria, and consideration of the balance between benefits and adverse outcomes;
- treat the risk – develop cost-effective strategies, options, and action plans for the treatment of risks that show both positive and negative outcomes;
- monitor and review the risk – monitor the effectiveness of all steps, and measures taken in order to achieve improvements, to react to changes in circumstances, and to ensure priorities are still relevant;
- record the process – all relevant data pertaining to decision-making should be recorded, to satisfy legal and business needs, and to serve as a database for reuse. The scale and maintenance of such records should be cost-effective.

Other definitions:

Consequence	The impact on an organisation should an event occur.
Likelihood	The potential of an event occurring.
Risk rating	The level of severity applied to a risk based on its impact to Council, the community and other stakeholders.
Risk analysis	A systematic use of available information to determine how often specified events may occur and the magnitude of their consequences.
Risk evaluation	The process used to determine risk management priorities by comparing the level of risk against predetermined standards, target risk levels or criteria.
Risk assessment	The overall process of risk analysis and risk evaluation.
Risk mitigation	A selective application of appropriate control measures, techniques and management principles to reduce either the likelihood of an occurrence or its consequences or both. Risk can never be totally eliminated.
Risk owner	Person or entity with the accountability and authority to manage a risk.
Risk register	Record of information about identified risks.
Risk control	That part of risk management which involves the implementation of policies, standards, procedures and physical changes to a thing, work process or system of work to eliminate or minimise both adverse and moderate

Risk appetite

risks.

The level of risk that Council is prepared to accept, before action is deemed necessary to reduce it. Acceptable risk levels represent a balance between the potential benefits of calculated risk and the threats that it inevitably brings.

4. Policy content and guidelines

Wairoa District Council (WDC) is actively committed to the effective and efficient management of risk that realises opportunities for gains, whilst minimising losses. Council seeks to identify all key risks that could impact on the viability of its responsibilities and operations and has contingencies in place to avoid, minimise, mitigate and/or accept risks within its sphere of control or influence.

By this commitment to risk management, WDC aims to achieve the following objectives:

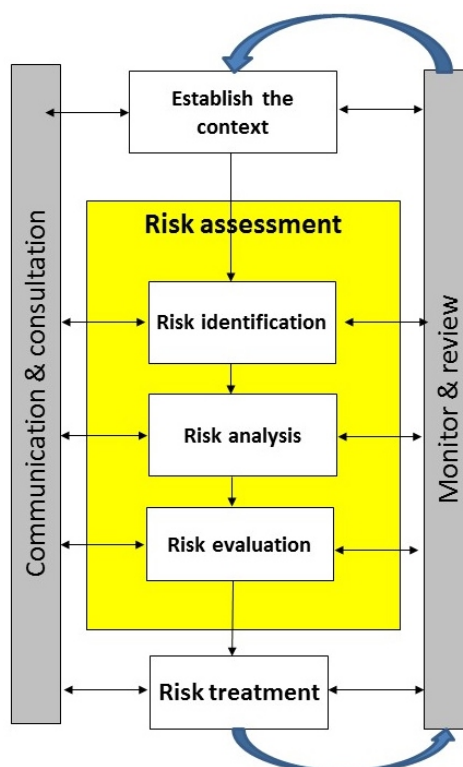
- a) Define risk in the context of Council;
- b) Articulate Council's commitment to risk management;
- c) Introduce the fundamental principles and measures of risk;
- d) Promote and support risk identification management and hazard identification practices and priorities throughout the organisation;
- e) Provide broad guidance to elected members, Council's managers, employees, contractors and other stake-holders which will be relevant to their risk management responsibilities with the following sub-outcomes:
 - A more confident and rigorous basis for decision-making and planning
 - Stronger identification of opportunities and negative consequences
 - Obtaining value from uncertainty and variability
 - Environmental protection
 - Effective allocation and use of resources
 - Improved incident management, reducing loss and risk costs
 - Improved stakeholder confidence and trust
 - Improved compliance with legislative requirements
 - Better corporate governance
 - Contingency planning for foreseeable emergency situations;
- f) Recognise that successful risk management relies on input from all employees;
- g) Recognise that successful risk management involves the community, ratepayers, and other external stakeholders of Wairoa;
- h) Protect Council's image.

4.1 Approach to risk management

For the Risk Management process to be efficient and effective within Council, it must be:

- an integral part of management;
- embedded in the culture and practices; and
- tailored to the business planning and processes of the organisation

The process comprises a number of steps as recommended by ISO AS/NZS 3100.2009. The steps are detailed in the flowchart below:



Communication and Consultation

Communication and consultation with internal and external stakeholders should take place during all stages of the risk management process.

External stakeholder communication informing and consulting on:

- the Council's approach to risk management;
- effectiveness of the council's risk management approach;
- and gathering feedback as appropriate on risk management including risk appetites and fiscal choice.

Internal stakeholder communication including:

- communicating the risk management processes;
- gathering feed-back in relation to risk management and processes;
- ensuring accountability of roles and responsibilities are clearly understood in relation to the risk management process.

Step 1: Establishing the Context

The establishment of the context is an integral element within the process of risk management as it establishes and defines the various environments in which risk is to be considered, assessed and managed.

The level of contextual relevance should be considered on;

- an external context - which is the extent to which the Council's external environment will impact on its ability to achieve its corporate objectives;
- an internal context – which is about understanding the internal operating environment;
- the context of the risk management process – establishment of the objectives, strategies, scope;
- defining the risk criteria – the organisation should define criteria to be used to evaluate the significance of risk.

Step 2: Identify Risks

Risk identification is a key step to ensure the risk exposures which Council may be subject to are recorded. This sets the foundation for the establishment of effective and efficient risk mitigation, control and review.

All risks must be linked to Council outcomes, strategies and plans and form part of Councils overall vision for the city, sphere of responsibility and/ or influence.

The key elements of Councils risk identification processes are:

- the cyclical risk assessments undertaken by Council's internal and external auditors;
- risk assessments undertaken within individual divisions and departments including asset management planning, activity planning, contract management, legislative compliance, occupational health and safety, human resources, professional advice; security, financial management, reputational exposure, management reporting, records management, information technology, and systems;
- the liability risk assessments undertaken by Councils public liability insurer;
- legislative, regulatory and /or industry information obtained from various sources;
- feedback received from the communication and consultation process both from external and internal stakeholders;
- employees and members of the public are also encouraged to report potential risk exposures.

Each risk identified will be entered and maintained in the risk register.

Step 3: Risk Assessment

Risk analysis aims at understanding the level of significance of a risk and ways to control and/or mitigate it.

A full accurate and objective assessment of any identified risk must be undertaken to:

- determine existing controls;
- determine the risk likelihood;
- determine the consequence of the risk;
- establish the risk rating.

An assessment of risk should be carried out three times during the life of the risk:

- Stage 1:
Inherent risk - the risk exposure prior to management controls being put in place;
- Stage 2:
Managed risk – the risk exposure with the current level of management controls;
- Stage 3:
Residual risk – when no further controls are required and the level of risk is tolerable.

Step 4: Risk evaluation

After the likelihood and consequence factors have been determined, the level of risk is calculated by multiplying the Probability/Likelihood of the risk occurring with the Consequence or Impact Levels. The final outcome is the risk rating.

The results of the risk evaluation will determine in the first instance the risk management strategies that will be required to be tailored to the risk profile. Once the risk has been assessed according to the relative risk level it poses, it is then possible to target the treatment of the risk exposure.

Step 5: Risk Treatment

The treatment of risk is dependent on a number of factors including Councils risk appetite and selection of risk control options.

Risk control options include:

- **Risk avoidance** – avoid the identified risk by deciding not to proceed with the activity likely to generate risk (where this is practicable);
- **Risk transfer** – reducing exposure by transferring the risk to another party e.g. contracting out;
- **Reduce the likelihood** of occurrence through measures such as audit compliance, programmes, contract conditions, preventative maintenance, engineering controls, inspections, process policies and procedures; and
- **Reduce the consequence** through measures such as contingency planning, disaster recovery plans, contractual arrangements, financial management controls and risk minimisation plans.

Residual risk

Residual risk is the risk left after the risk treatment process has been performed and controls applied. The acceptance of residual risk is dependent on Council's agreed risk appetite and cost-benefit analysis of options.

Monitoring and review

Risks are constantly changing so risk needs to be systematically and periodically monitored and reviewed.

4.2 Key principles in risk management

The following key principles outline the Council's general approach to risk management:

- (a) The identification and management of risk is linked to the achievement of the Council's strategic goals and responsibilities;
- (b) The Council, through its Finance, Risk and Audit Committee is responsible for overseeing a sound system of internal control that supports the achievement of its operations;
- (c) The Council makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks;
- (d) Review procedures cover reputational, strategic, operational, compliance and financial risk;
- (e) Risk assessment and internal control are embedded in on-going operations, business as usual;
- (f) The CEO and Senior Leadership Team are responsible for encouraging and implementing good risk management practice; and,
- (g) The Finance, Risk and Audit Committee will receive reports at each meeting on internal control and risk identification, evaluation and mitigation review.

4.3 Specific principles

WDC's attitude and approach to risk has been informed by the eleven risk principles contained in *ISO3100: 2009 Risk Management*, and can be articulated through the following risk management principles:

- (a) WDC intends to comply with all applicable laws, regulations and policies;
- (b) WDC employees will model behaviours that are consistent with our values, good practice, and relevant policies;
- (c) Risk is inherent in all endeavours. Taking calculated risks is fundamental to organisational planning and decision making and the successful achievement of objectives;

- (d) Risk taking that is uninformed and/or outside of WDC's defined risk appetite will not be tolerated;
- (e) All employees of WDC are the owners of the risks and obligations arising from within their areas of operations or as a result of their actions; and,
- (f) All employees have an obligation to appropriately report any issues, risks, compliance breaches or exceptions that they encounter.

4.4 Objectives

In the context of these principles, the objectives of the Risk Management Policy are to:

- (a) Provide a simple method and balanced approach for all staff to minimise exposure, loss and damage whilst realising opportunity and delivering improvement;
- (b) Integrate risk management with governance and management arrangements, embedded in major organisational and business processes, and to clearly specify its accountability; and,
- (c) Align the Council's risk management approach with the *ISO 31000 Risk Management Standard* and provide a consistent language in the consideration of risk across all Council activities.

4.5 Risk appetite

The risk management strategies developed and acceptable residual risk are required to take into account Council's agreed risk appetite.

The appetite is reviewed and updated on an annual basis following the consideration of a range of factors including organisation and Council views, strategies and the internal and external risk environment. Once implemented, the appetite is used to drive decision making about risk.

The WDC risk matrix in Appendix 1, which covers a number of critical risk categories, serves as a statement to the Council's appetite and the boundaries of acceptable risk taking. Responsibility to define the risk appetite rests with the Council through the Finance, Risk and Audit Committee and will be done by approval of this framework on an annual basis.

4.6 Statutory framework

Though there is no explicit requirement for local authorities to have in place a risk management framework, numerous legislative requirements talk to the demonstration of risk management elements. By providing a whole-of-Council approach to managing risk, based on the *ISO31000: 2009 Risk Management Standard*, this policy gives WDC a method to demonstrate appropriate risk management arrangements, now and into the future.

5. Roles

5.1 Elected members

Council will:

- (a) ensure an appropriate risk governance structure is in place;
- (b) support Corporate Risk Management Framework including risk management as an element of the Councils' Long Term Plan and Annual Plans as well as other strategies, plans and documents;
- (c) be responsible for setting risk appetite.

Finance, Audit & Risk Committee will deliver on its mandate as outlined in its delegations including acting in a risk monitoring advisory and improver role for Council. The Audit and Risk Committee should support the overall risk management process by:

- (a) ensuring Council has appropriate risk management and internal controls in place;
- (b) approving and review risk management programmes and risk treatment options for extreme risks;
- (c) being responsible for making recommendations to Council for setting risk appetite;
- (d) providing guidance and governance to support significant and/or high profile elements of the risk management spectrum.

5.2 Role of management

Senior management must familiarise themselves with this policy so that they can:

- (a) Understand and implement the policy on risk management within their respective areas of responsibility;
- (b) Ensure compliance with risk assessment procedures such as the Internal and External Audit Programme; and,
- (c) Embed risk management activities as part of the system of internal control.

5.3 Three lines of defence

WDC has adopted a 'three lines of defence' approach to governance assurance as illustrated below

First line of defence; Council staff	Responsibilities
Risks reported to line managers	<p>All staff including management, team leaders and General Managers are required to:</p> <ul style="list-style-type: none"> • Apply the risk management framework day-to-day. • Identify, manage and report risks, issues and incidents that may impact on operational, project and strategic objectives. • Take ownership and demonstrate accountability for risk. • Actively promote a positive risk culture. • Participate in risk training and awareness requirements and improvement activities.
Second line of defence; senior management	Responsibilities
Risks reported to the Chief Executive and the senior management team	<ul style="list-style-type: none"> • Oversight and integration of risk management activities conducted by the first line of defence into business activities. • Conduct activities to develop risk culture. • Design risk management frameworks and methodologies. • Ensure risk owners manage their risks. • Undertake risk reviews and monitor risk management control procedures and performance against risk appetite. • Manage the risk registers and reports.
Third line of defence; internal audit	Responsibilities
Risks reported to the Finance, Risk and Audit Committee	<ul style="list-style-type: none"> • Provide independent assurance and oversight for first and second line defence. • Provide assurance to the Council, via the Committee of the design and operating effectiveness of systems and internal controls in order for the Council to discharge its

governance responsibilities.

5.4 Business as usual procedures

Business as usual procedures encompass a number of elements that together facilitate an effective and efficient operation, enabling WDC to respond to a variety of risks. These elements include:

- (a) Environmental scans (keeping ourselves updated on our operating environment);
- (b) The Integrated Reporting Framework for the Council and the Senior Leadership Team tracking progress towards the achievement of the strategic goals;
- (c) Department planning and budgeting – the department planning and budgeting process is used to set actions and allocate resources. Progress towards meeting plan targets is monitored regularly;
- (d) Major projects (risk assessment and mitigation strategies are essential elements);
- (e) High-level Risk Register – to identify, assess, and monitor risks significant to the Council. The risk register is revised four times a year and emerging risks are added as required; and,
- (f) Assurance measures (internal audit, reporting).

5.5 Internal audit programme

The internal audit is an important element of the internal control process. Apart from its normal programme of work, internal audit is responsible for aspects of the annual review of the effectiveness of the internal control system within the organisation. The internal audit strategy is developed around the Council's goals and responsibilities.

5.6 Third party audits

External audits will be conducted in line with the Council's established audit procedures and legislative requirements.

6. Types of risk

All risks must be identified and managed, however due to limited resources; a prioritised approach has been adopted. Only key risks or material risks that will impact WDC's strategic and business objectives are recorded in the WDC strategic risk register and administered by the Finance, Risk and Audit Committee. There are currently operational and tactical risk registers and risk management in place, these are maintained and overseen by the relevant member of the Senior Leadership Team.

To ensure there is practical approach to identifying, managing and reporting risks, it is useful to understand that risk cascades through each level of the organisation and is inherent in all of WDC's activities, systems and processes. Risk generally falls into three broad types:

- (a) **Strategic risks** - generally emanate from WDC's strategic activities, systems and processes and would impact or impede achievement of WDC's strategies.
 - Captured through key planning documents, e.g., long-term plans, annual plans, asset management plans and financial strategy and reported through governance reports.
- (b) **Tactical risks** - generally emanate from key project activities, systems and processes and would impact or impede achievement of project objectives.
 - Captured and reported through project briefs and plans.

- (c) **Operational risks** - generally emanate from business unit and team activities, systems and processes and would impact achievement of specific business unit objectives.

- Captured and reported through business planning process.

Each risk owner remains responsible for managing all assigned risks whether they are recorded and managed in the Council's register or independently.

All risks that fall within the Council's risk reporting criteria or when a significant change in a risk that would cause it to breach the Council's risk appetite must be reported to the Chief Executive.

To ensure there is a dynamic iterative approach to risk management, the Finance, Risk and Audit Committee will conduct regular risk reviews.

Operational	
Potential losses or adverse impacts resulting from inadequate or failed internal processes, people and systems or from external events, excluding strategic risks.	<ul style="list-style-type: none"> • Occupational health & safety (there is a separate risk register for this area) • HR/people • Fraud • Information technology • Accounting/finance • Project management • Legal & compliance • Outsourcing & procurement • Business operations & practices • Business continuity • Environmental compliance
Asset	
The potential of financial loss or adverse impacts arising from WDC's assets.	<ul style="list-style-type: none"> • Capacity • Liability risk • Capital investment • Renewal Risk • Level and continuity of service • Property damage • RMA compliance
Financial	
The potential for loss or adverse impacts resulting from WDC's finance activities.	<ul style="list-style-type: none"> • Insurance management • Financial strategy • Debt risk • Financial sustainability • Treasury
Council	
The potential for loss or adverse impacts arising from poorly designed and implemented strategies, business decisions or improper implementation of those business decisions, unforeseen events beyond the Council's	<ul style="list-style-type: none"> • Tactical • Governance • Catastrophic • Strategic

control, lack of or ineffective planning, lack of responsiveness to change, ineffective governance, external factors and changes.	<ul style="list-style-type: none">• External• Reputational• Emerging• Environmental compliance
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7. **Legislative compliance**

The Council is bound by a wide range of legislation that sets out its powers, duties and responsibilities. Compliance with this legislation is a responsibility that is shared between the staff and the elected members. Oversight will be maintained by the Finance, Risk and Audit Committee reporting to the full Council.

8. **References**

ISO31000: 2009 Risk Management Standard

APPENDIX 1: PROBABILITY/LIKELIHOOD LEVELS

1 Likely	<ul style="list-style-type: none"> • The event will probably occur in most circumstances; or, • Not quarterly but within 6 months. • 70% chance of occurring in the next 12 months.
2 Moderate	<ul style="list-style-type: none"> • The event will possibly occur at some time; or, • Not within 6 months but at least annually. • 50% chance of occurring in the next 12 months.
3 Rare	<ul style="list-style-type: none"> • The event could occur at some time; or, • Not annually but within 3 years. • 20-30% chance of occurring in the next 12 months.
4 Very rare	<ul style="list-style-type: none"> • The event may occur only in exceptional circumstances; or, • Not every 3 years but at least every 10 years. • 10-20% chance of occurring in the next 12 months.
5 Unanticipated	<ul style="list-style-type: none"> • The event is not expected to occur; or, • Not within 10 years. • 2% chance of occurring in the next 12 months.

APPENDIX 2: CONSEQUENCE LEVELS

LEVEL	DESCRIPTOR	CATEGORIES						
		Health & Safety	Environmental Contamination	Statutory Obligations	Image & reputation	Loss of Service	Project Delay	Financial Loss
1	In-significant	No injury or potential minor injury	No contamination	Internal query	Customer complaint	Unable to operate for less than 1 day	Less than 6 months	<\$5,000; Council <\$50,000 Community
2	Minor	Minor injury	On-site release immediately contained	Special Audit by outside agency or enquiry by Ombudsman	Negative community coverage	Unable to operate for 1 day – 3 days	Between 6 month and a year	<\$10,000; Council <\$100,000 Community
3	Moderate	Risk of injury (Some severe injuries or potential injuries (near miss))	On-site release contained with outside assistance	Litigation	Negative community and some regional coverage	Unable to operate for up to a fortnight	Between 1 – 3years	<\$100,000 Council; <\$500,000 Community
4	Major	Actual injury or risk of serious injury (Significant illness or some deaths (up to 3))	Off-site release with significant detrimental effects	District or Environmental Court	Negative regional and some national media coverage	Unable to operate for up to 1 month	Between 3 – 5 years	<\$500,000 Council; <\$1,000,000 Community
5	Catastrophic	Serious injury and death (Wide-spread illness or several deaths (>3))	Toxic release off-site with major detrimental effect	High Court or Criminal Action	Sustained negative national media coverage	Unable to operate for >1 month	More than 5 years	>\$1,000,000 Council; >\$5,000,000 Community

APPENDIX 3: LEVELS OF RISK


Comparative Levels of Risk		
E	Extreme Risk	Immediate action required to manage risk - reported to Council
H	High Risk	Senior management attention to manage risk - reported to FARC
M	Considerable Risk	Management responsibility must be specified and risk controls reviewed
L	Low Risk	Managed by routine procedures

APPENDIX 4: RISK MATRIX

Probability/ Likelihood	Consequences				
	Insignificant	Minor	Moderate	Major	Catastrophic
	1	2	3	4	5
Likely	M	H	E	E	E
Moderate	M	H	H	E	E
Rare	L	M	H	E	E
Very Rare	L	L	M	H	E
Unanticipated	L	L	M	H	E

Appendix 5: Managing and reporting risks

Criteria for Management of Risk		Rating and Monitoring
<ul style="list-style-type: none"> • Risk Acceptance: Council • Risk Ownership: Finance, Audit and Risk Committee 		Extreme At least monthly
<ul style="list-style-type: none"> • High risks can exceed risk appetite and tolerance limits. • High risks within WDC's control must, where feasible, have effective key controls. • Immediate escalation to the Council is required. • Immediate action is required. 		
<ul style="list-style-type: none"> • Risk Acceptance: Finance, Audit and Risk Committee • Risk Ownership: SLT 		High At least every 2 months
<ul style="list-style-type: none"> • High risks usually exceed risk appetite and tolerance limits. • All High risks must, where feasible, have effective key controls. • Immediate escalation to SLT member. • Action begins within 1 day. 		
<ul style="list-style-type: none"> • Risk Acceptance: SLT • Risk Ownership: Tier 3 managers 		Considerable At least quarterly
<ul style="list-style-type: none"> • Considerable risks may exceed risk appetite and tolerance thresholds. • Considerable risks must have controls. • Escalate within 2 days to Tier 3 manager. • Action begins within 1 week. 		
<ul style="list-style-type: none"> • Risk Acceptance: Tier 3 manager • Risk Ownership: Relevant officer 		Low At least annually
<ul style="list-style-type: none"> • Low risks are usually within risk appetite and tolerance limits. • Low risks should have adequate controls in place. • Escalate within 1 week to Relevant Manager • Action by standard operating procedures 		



Some fields on this page are not yet supported by our new page design. We’re working to include them soon!







Health, Safety, Wellbeing Report July 2025

Created 11th Aug 2025

Updated Aug 11, 2025

[No upcoming events](#)



Wairoa District Council

Finance, Assurance, and Risk Committee Report

Showing

Date range

After

Tue, 1st July 2025 (NZST)

Before

Thu, 31st July 2025 (NZST)

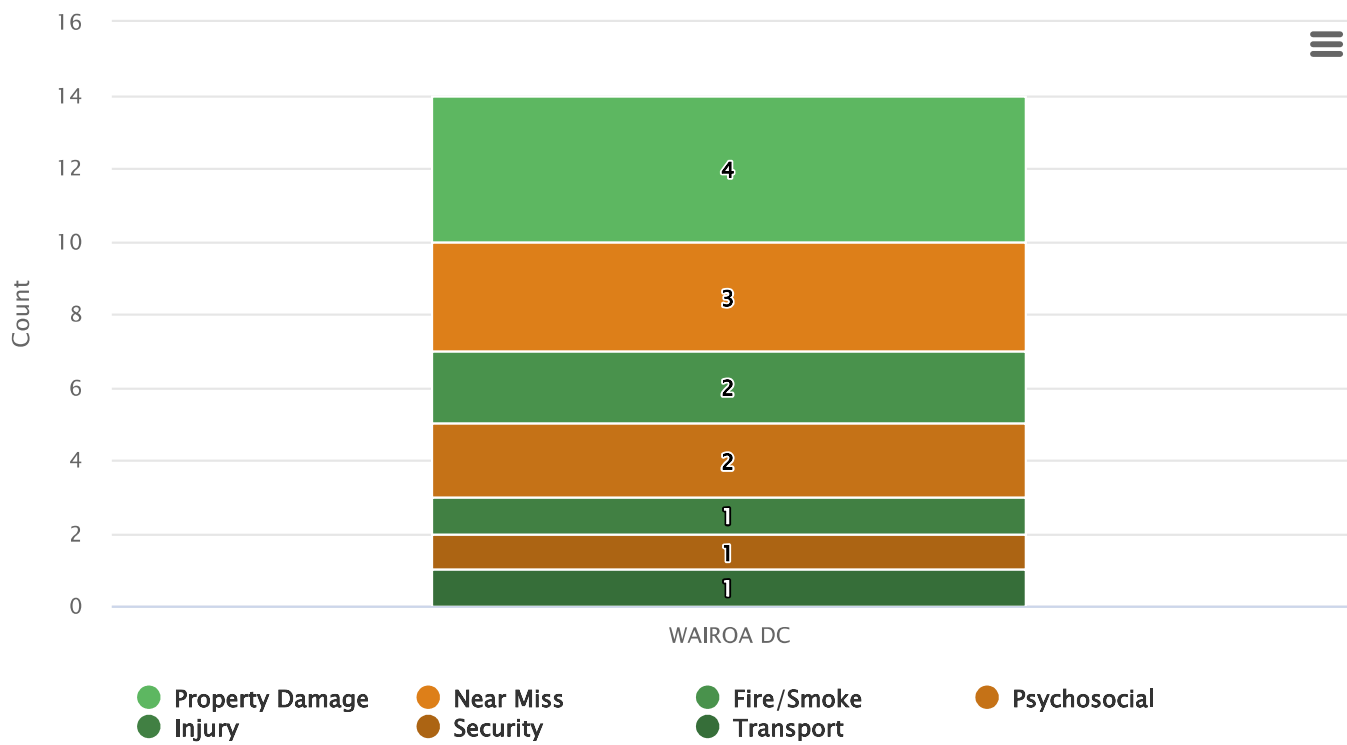
Total Incidents reported YTD

40

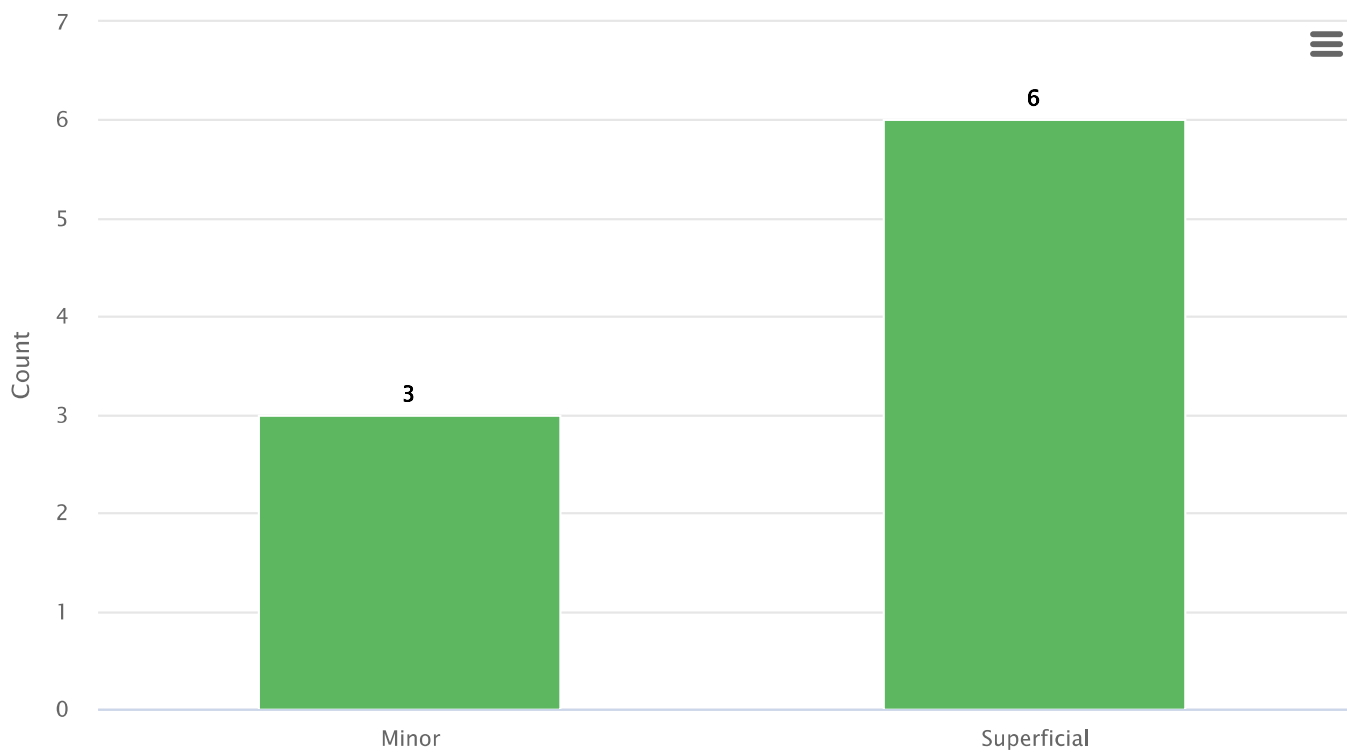
ANNUAL CHANGE

+1900%

Incident by type



Severity of Incident



Incident by person involved

Type of incident:

Property Damage	1	2	0	0
Fire/Smoke	1	0	1	0
Psychosocial	0	0	2	0
Near Miss	1	0	0	1
Security	1	0	0	0
Transport	0	1	0	0
Chemical	0	0	0	0
Illness	0	0	0	0
Injury	0	0	0	0

ContractorOtherTeam memberVisitor

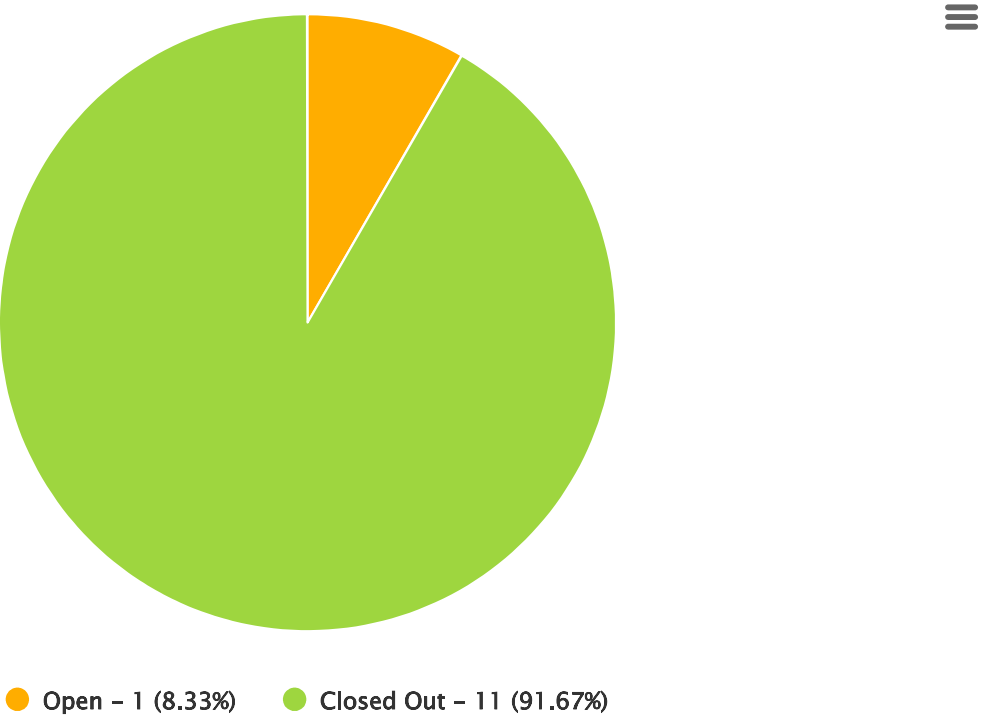
People involved or affected:

0

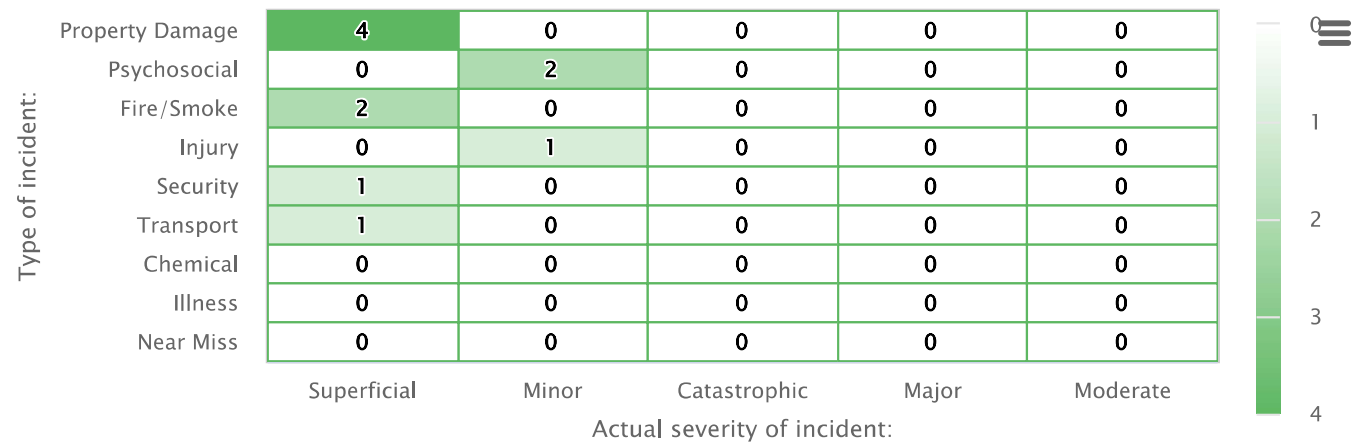
1

2

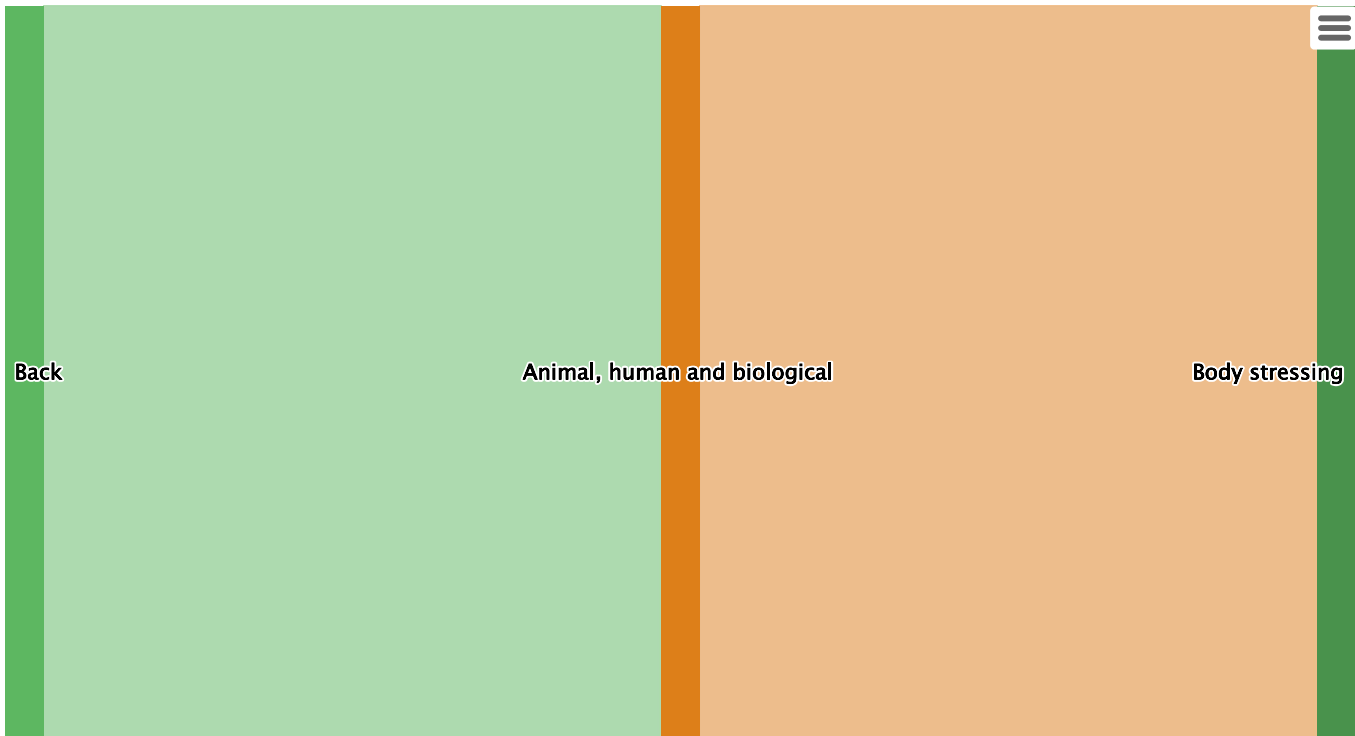
Incident status



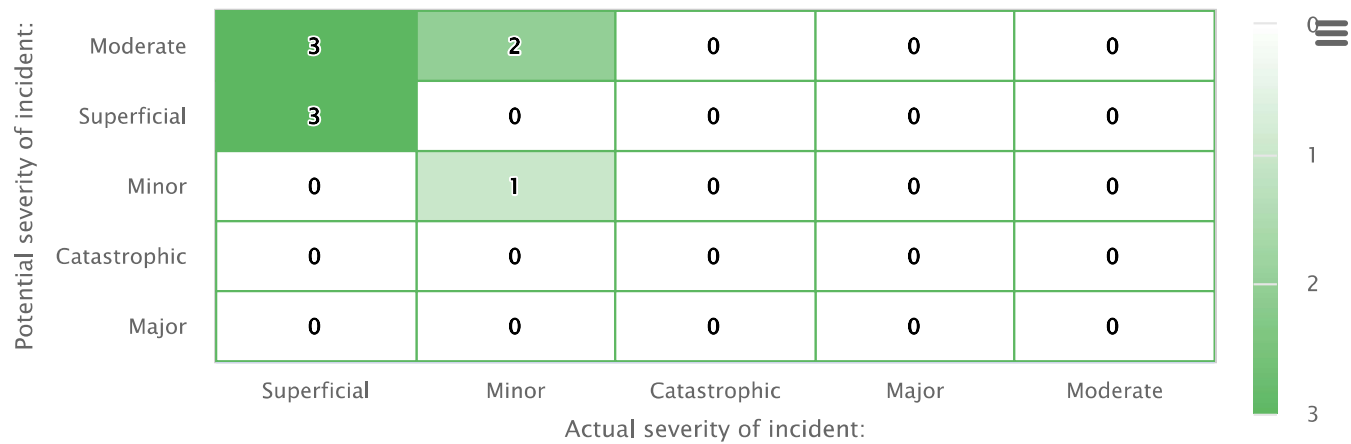
Event type by severity



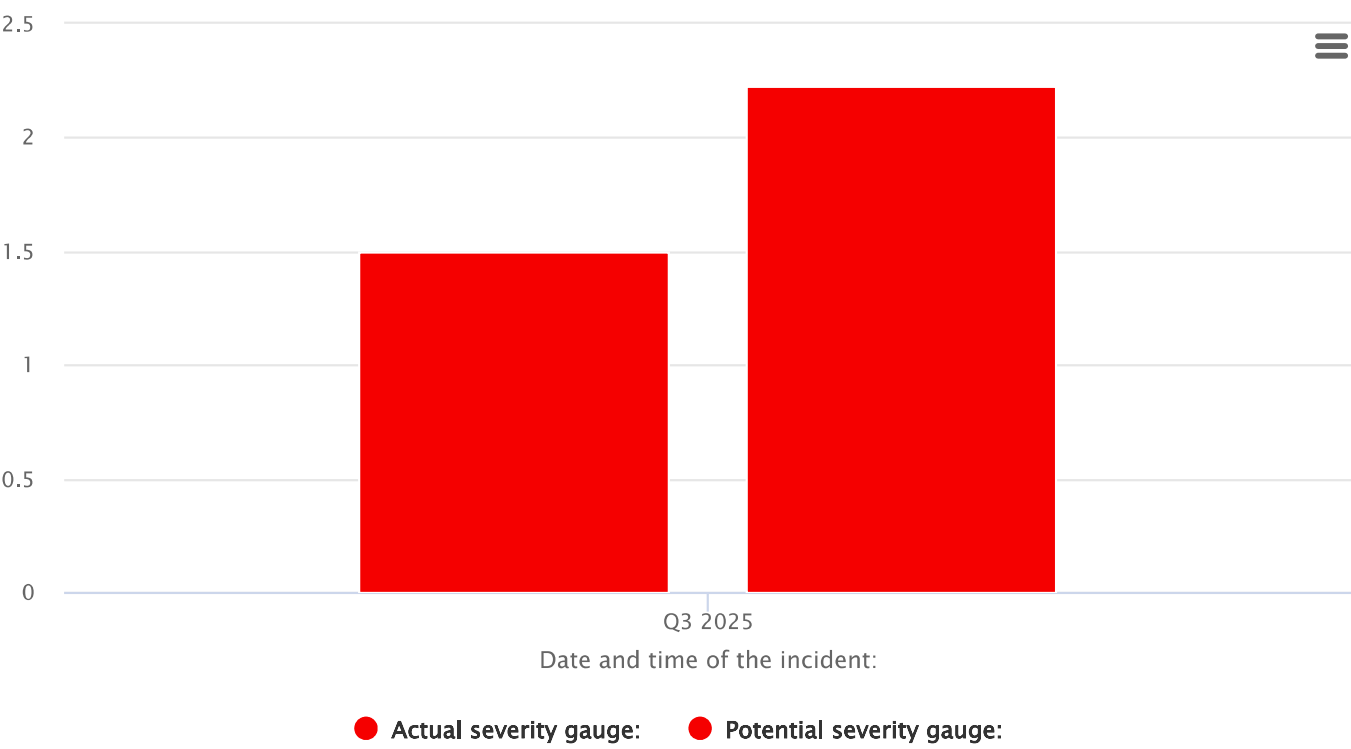
Body Parts by Injury Category



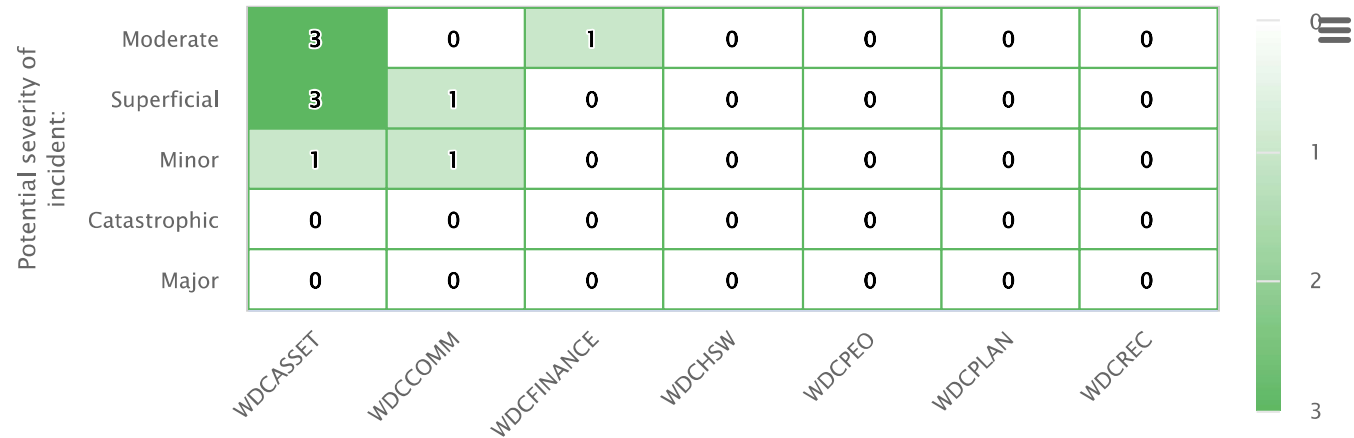
Actual vs Potential Severity



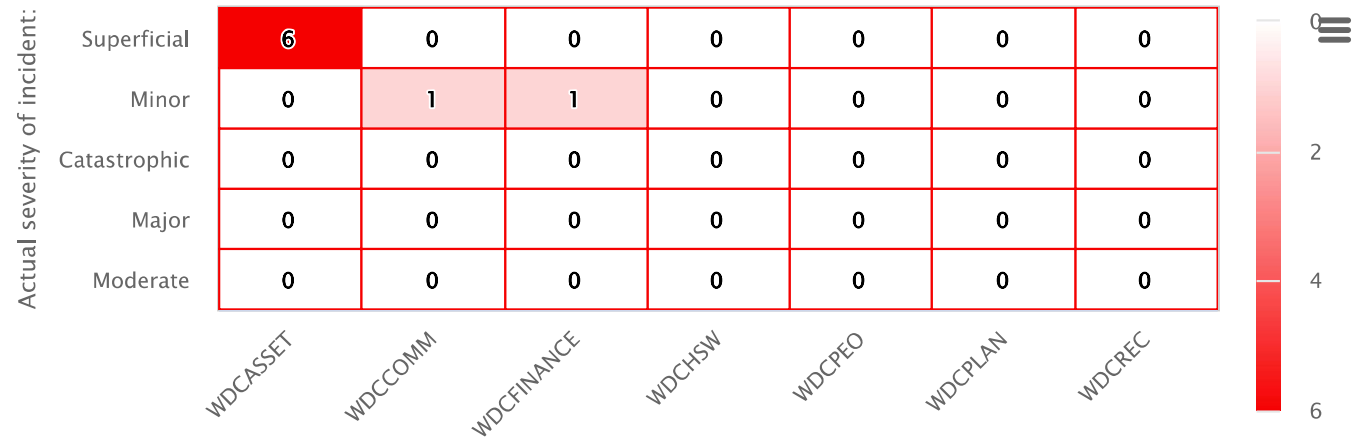
Actual & Potential Risks (Quarterly Average)



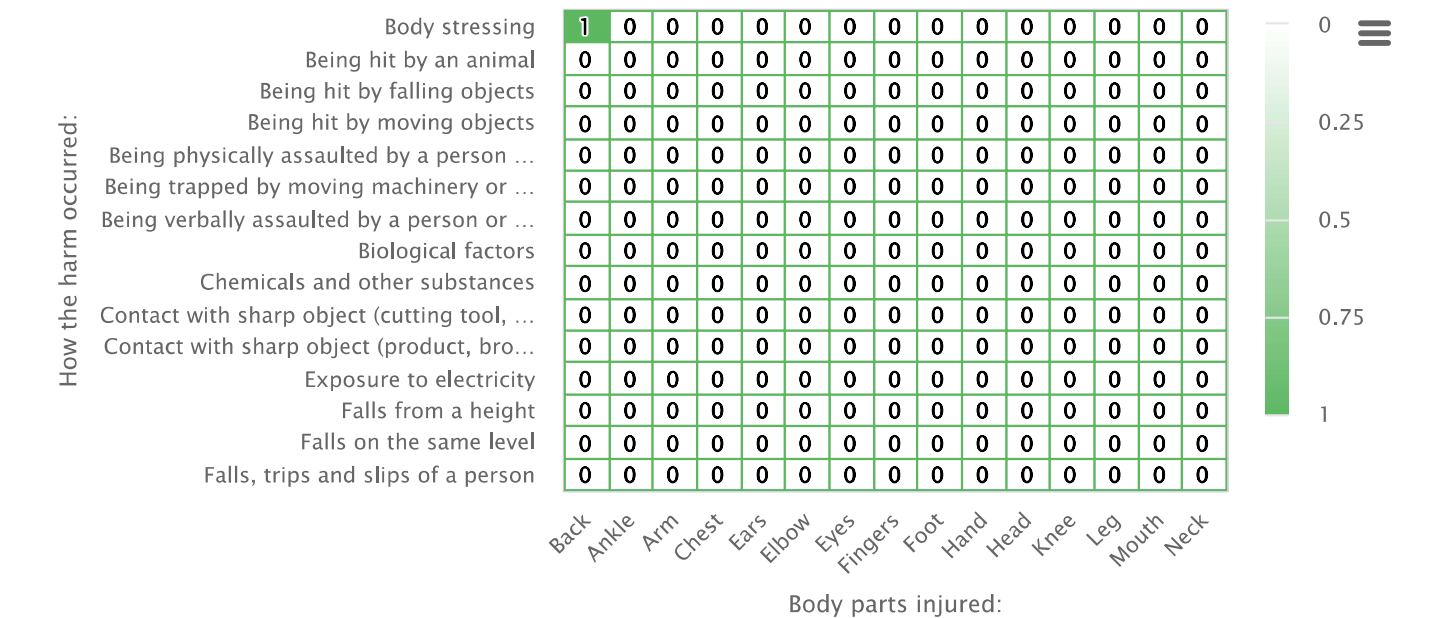
Severity by location



Severity by location



Injured body parts Vs how the harm occurred



8.3 2024/25 DRAFT ANNUAL REPORT

Author: Michael West, Business Analyst

Authoriser: Gary Borg, Tumu Whakarae Tuarua | Deputy Chief Executive & Group Manager - Finance and Corporate Support

Appendices: 1. Draft Annual Report [↓](#)

1. PURPOSE

- 1.1 This report provides a first draft of Wairoa District Councils Annual Report for 2024/25. No decisions are required by Committee at this stage.

RECOMMENDATION

The Business Analyst RECOMMENDS that Committee receive the report.

2. BACKGROUND

- 2.1 Section 98 of the Local Government Act 2002 requires all local authorities in New Zealand to produce an annual report detailing their performance over the last financial year.
- 2.2 Local Authorities' Annual Reports must contain both financial and non-financial results to provide their communities with a picture of how their Councils are performing.
- 2.3 Annual Reports must be audited by external auditing agencies acting on behalf of the Auditor-General and adopted by Council within four months after the end of the financial year.
- 2.4 The draft Annual Report attached has not yet been audited with our Audit team scheduled to be on site during September and October 2025.
- 2.5 Feedback on the contents of the attached draft are welcomed.

3. 2024/25 ANNUAL REPORT CONTENTS

- 3.1 The 2024/25 Annual Report follows the same structure as previous years consisting of three sections; section one introduces Council and provides a summary of the year. Section two provides results against the non-financial measures with the final section containing financial results. There have been no substantive changes to the format of the Annual Report this year.
- 3.2 A Summary Annual Report is also required to be produced and audited; this summary report will be produced alongside the final draft of the Annual Report.
- 3.3 As this is the first draft of the Annual Report and information is still being collated, the committee is reminded it does contain several blank areas and feedback is welcomed.

4. ADOPTION PROCESS FOR THE 2024/25 ANNUAL REPORT

- 4.1 Given the timing of Local Government elections and the timing of the Annual Audit, the Annual Report cannot be adopted by Council before the end of this triennium, to account for this it is suggested the completed Annual Report be endorsed by the Finance,

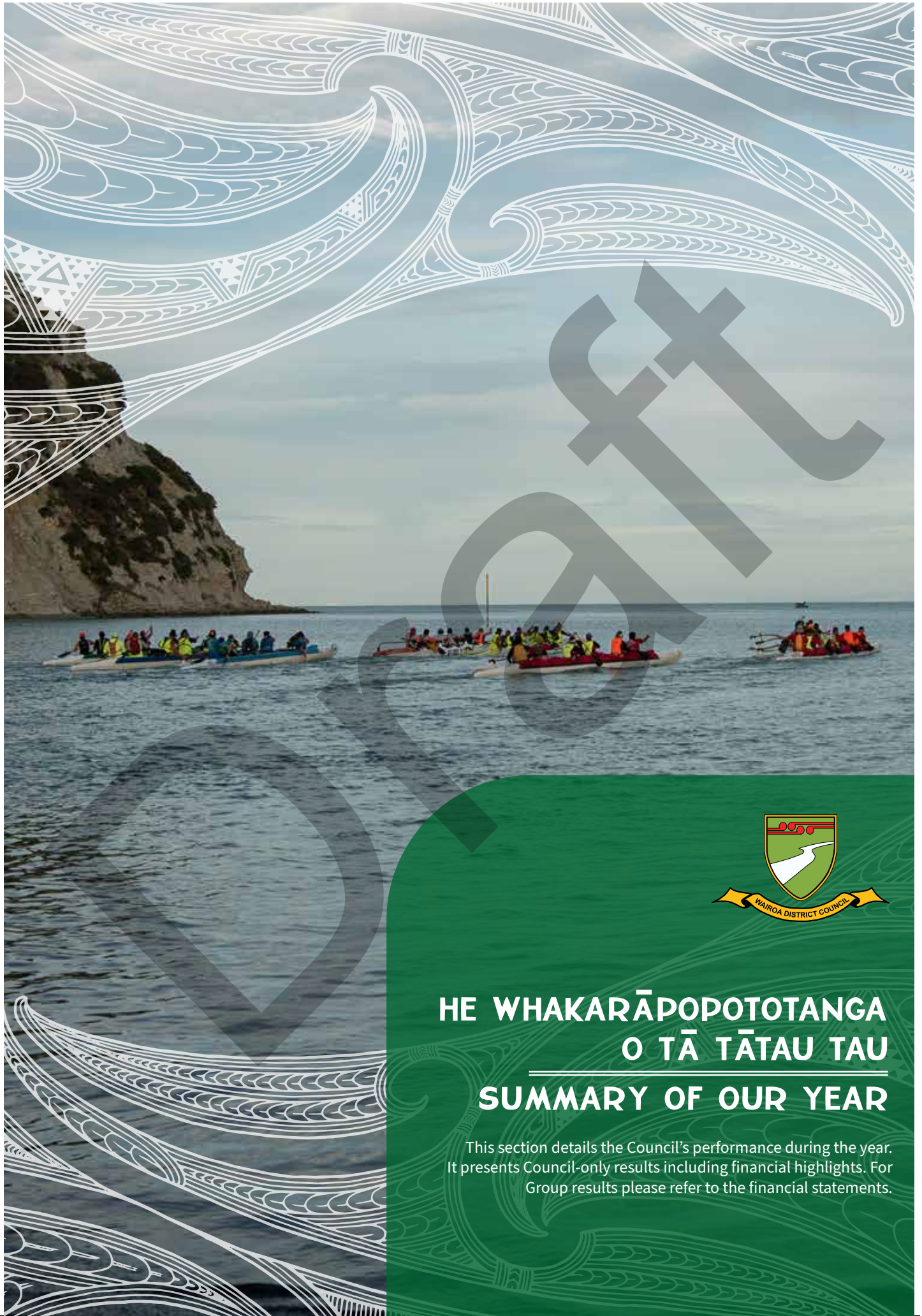
Audit and Risk Committee for recommendation to the incoming Council at their first meeting.

- 4.2 Our Audit team is scheduled to be on site at the end of September and beginning of October to complete those areas which cannot be completed remotely. Audit representatives have advised they will be available to provide the committee with an update of audit findings at the committee September Meeting.
- 4.3 Given the timings of the Audit process, Local body elections and the requirement to have an Annual Report adopted by 31 October 2025 it is expected an extraordinary meeting of the Finance Assurance and Risk Committee will be required in October 2025.



NGĀ RĀRANGI TAKE
CONTENTS

Draft



HE WHAKARĀPOPOTOTANGA O TĀ TĀU TAU SUMMARY OF OUR YEAR

This section details the Council's performance during the year. It presents Council-only results including financial highlights. For Group results please refer to the financial statements.

HE KARERE TAIHONOTANGA JOINT STATEMENT

Tēnā tātau and welcome to the Wairoa District Council's 2024/2025 Annual Report.

Tēnā tātau. It is a pleasure for myself, as Mayor, and Matt Lawson, who took up the position of Council Chief Executive in July this year, to welcome you to this year's Wairoa District Council Annual Report.

Wairoa is a great town and district, and we are excited to be moving past the challenges we have experienced over the past few years.

While our focus remains on recovery and rebuilding, it is also important to move forward to meet our community's needs and aspirations in an affordable and financially sustainable way.

The sting of Cyclone Gabrielle in February 2023 and the flooding in June 2024 have a long tail, and some of our whānau, particularly those still not back in their homes, are still hurting. It is encouraging that from the original 274 yellow-stickered homes across both events, 148 yellow placards remain. Wairoa's Recovery team has been scaled down and will remain active until mid-December, when the Council will then absorb any Recovery-related work.

We are grateful for the attention, support and funding we have received from the Central Government. External government funding has contributed to achieving this year's average rates increase of 5.2% - the lowest in Hawke's Bay and one of the lowest in the country.

Mitigating future flood risk remains a priority. A plan for the spillway/stopbank project has been confirmed, and the \$70 million Crown funding for this work has been released. Engagement with home and landowners directly impacted by the proposed flood mitigation solution is continuing.

The project will impact the Alexandra Park reserve area to the west of the town bridge, including the skatebowl, flying fox, playground, camping ground and reserve, which Adventure Wairoa and the Water Ski Club occupy. We are working through these impacts and see this as an opportunity to redesign the area and create a hub for our town.

A major focus remains on repairing our roading and bridge network to keep our communities well connected and accessible through reliable, resilient roading. Council secured \$94 million worth of external funding to repair road damage caused in six separate weather events, including Cyclone Gabrielle. We have had tremendous support from NZTA and have a planned and prioritised approach. It is expected the total works will take three to four years to complete, provided we do not have any other significant weather events.

The Government-funded Silt and Debris fund supported our flood recovery, particularly around the Wairoa landfill, which was overwhelmed with flood-impacted debris and silt and landfill capacity was used up much more quickly than planned. Through our collaboration with Central Government on waste management options, we secured funding support for transporting waste out of town and for on-site work, including the installation of a second weighbridge, a loadout platform, and the reconfiguration of access and roading at the landfill site, as well as the purchase of a shredder.

Moving forward, waste minimisation is key. Reducing the amount of waste the landfill cell receives means less waste to manage and, therefore, less associated costs. Our future is about living more sustainably, and as a community, we need to focus on reducing, reusing, repairing and recycling, from both environmental and cost perspectives.

Central Government is conducting a wide range of legislative reforms and changes, many of which affect local government activities.

One that has a significant impact on all Councils is Local Waters Done Well, which aims to address New Zealand's long-standing three water (drinking water, wastewater and stormwater) infrastructure challenges and represents a fundamental shift in how water services are delivered to communities.

Wairoa had two options, go it alone, which could cost more but retain our localism, or work together across the Hawke's Bay region, which could provide efficiencies, but we may lose our local voice.

Our Council unanimously voted to deliver future Wairoa water services through a local standalone Council Controlled Organisation (CCO), acknowledging that both models had affordability issues, but the best choice for Wairoa is to develop a localised plan and deliver it smartly, utilising Wairoa's nimbleness and drawing on specialised expertise where needed.

Elected members said they had already seen the detrimental impacts removing services from Wairoa has historically had on the district. Other key factors were the protection of localised arrangements, such as the water partnership with local processing plant Affco, improved social benefits through a local model, a lack of confidence in regional partners to provide and deliver a better alternative and retaining an ability to remain flexible to collaborate and cooperate with other water entities from other districts and be adaptive around potential changes and standards.

Wairoa has completed its Water Services Delivery Plan, and the expectation is that the new entity will be operational within two years. In the meantime, Council will continue to provide drinking water, wastewater, and stormwater services.

Community Leisure Management (CLM) took over the management of the Wairoa Community Centre in July, following a decision by Sport Hawkes Bay not to renew its management contract. CLM is a New Zealand company with nearly 30 years of experience in facility management. We look forward to the current service levels being maintained and grown to enable the community centre to evolve into an even more essential community hub.

It was exciting to have a visit from the Minister for Regional Development, the Hon. Shane Jones, who officially opened the new iSite building in August. This new, modern, fit-for-purpose building on the main street marks a reset for

tourism for our community.

We also note the importance of the Mayor's Taskforce for Jobs and how this continued funding helps to support employment pathways, training, and upskilling of our rangatahi.

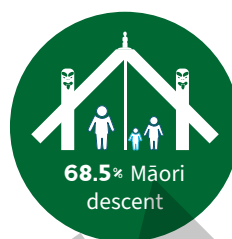
Thank you to the staff and contractors who have contributed to our growth and rebuild. This is an exciting time for our district. Wairoa has a lot to give, and we are strengthening our foundations to be poised to grow and seize opportunities.



Craig Little

Te Kahika
Mayor

TĀ TĀTAU RAUTAKI OUR STRATEGIC DIRECTION



OUR MISSION

To support the Wairoa Community through decision-making that promotes the cultural, social, economic and environmental wellbeing of the district now and in the future.

OUR VISION

Desirable Lifestyles, Thriving Economy, Treasured Environments, Connected Communities.

COMMUNITY OUTCOMES

Our **four outcomes** reflect the importance of the social, economic, environmental, and cultural wellbeing of our community.

Each of the outcomes connects to a corresponding wellbeing, which provides a strategic match between our community's interests and Council's wellbeing focus.

We want the Wairoa district to grow and prosper and to ensure that this growth is sustainable. To enable Wairoa to thrive we need intergenerational decision-making that aligns with our ngā pou e whā/community outcomes.

Our future activities need to blend Council's daily activities with our recovery and encompass:

- He Oranga Ōhanga – a thriving growing economy
- He Oranga Hapori – a vibrant, healthy and innovative community
- He Oranga Taiao – a protected, restored and connected environment
- He Oranga Tikanga – a culturally prosperous community



Social Wellbeing



Economic Wellbeing



Cultural Wellbeing



Environmental Wellbeing

*‘Mā te tini me te mano, ka rapa te whai oranga’
‘By working together we will prosper’*

TĀ TĀU TAU OUR YEAR AT A GLANCE



386
rates rebate applications assisted with
Last year: 346
See page ??



38,386
library visits
Last year: 33,158
See page ??



2,642
Service requests issued by
our customer service team
Last year: 2,639
See page ??



1,559 TONNES
of waste diverted from landfill
Last year: 301 tonnes
See page ??



23KM
sealed road resurfaced
Last year: 13km
See page ??



\$41.79 MILLION
value of building consents issued
Last year: 19.12m
See page ??



1,459
Landings at Wairoa Airport
Last year: 1,514
See page ??



??KM
Wastewater pipes relined
Last year: 3km
See page ??



24,870M³
maintenance metal applied to roads
Last year: 13,349m³
See page ??



96%
of users satisfied with the museum
Last year: 98%
See page ??



161
building consents issued
Last year: 107
See page ??



3,002
dogs registered
Last year: 2,923

Ā TĀTAU PŪTEA OUR FINANCES AT A GLANCE

The figures presented here are Council-only. For Group results please refer to the financial statements.

\$63.3M
Cost Of Running The District

Our total operating expenses for the year were \$63.3 million. (Last year \$75.8 Million). This spend supports our district by providing the funding for council activities outlined in section 2

\$9.6M
Borrowing Position

This is a decrease of \$9.6 Million from last year and equates to \$1,090 per person in the district. (Last Year \$11 Million). We use borrowing to spread the cost of new facilities or infrastructure over multiple generations that will benefit from the projects. We believe this is the fairest way to do things.

\$26.5M
Capital Spend

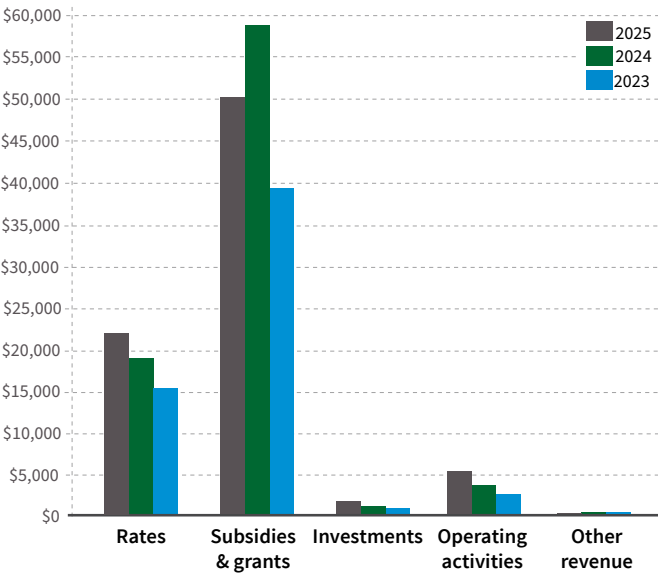
We spent \$26.5 million on new assets for the district. (Last Year \$21.7 Million). We completed several initiatives in our transport, Three Waters and leadership and governance activities, with total spending close to our planned \$28 million. Funding from New Zealand Transport Agency Waka Kotahi (NZTA), Crown Regional Holdings Limited (formerly known as the Provincial Growth Fund), and the Department of Internal Affairs supported several of these projects.

\$509.4M
Of Assets

The Council provides services to the district through a range of infrastructure networks and facilities (Council assets). These have been built up over many generations and equate to around \$???? net worth of value for every person in the district. (Last year's asset value was \$499 Million).

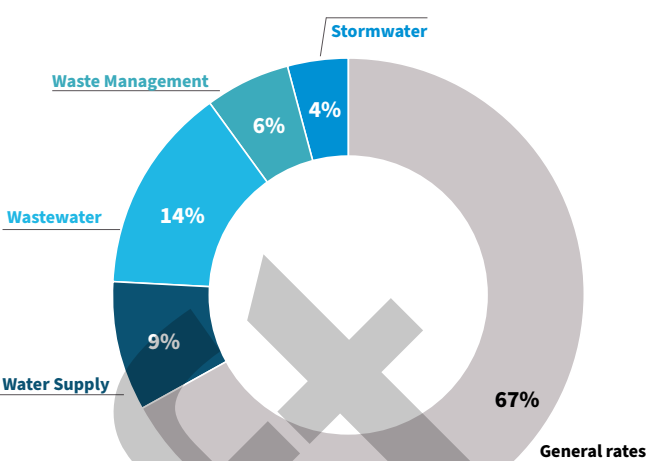
Where Our Money Comes From

Overall Sources of Revenue (\$000) for the Past Four Years



The above graph shows how our revenue sources have changed, with subsidies and grants now our main source of funding (77% in 2025 compared to 70% in 2024). This reduces the proportion of rates revenue (27% in 2024 compared to 27% in 2023) used to fund our projects. We also receive revenue from operating activities (including user fees) and investments.

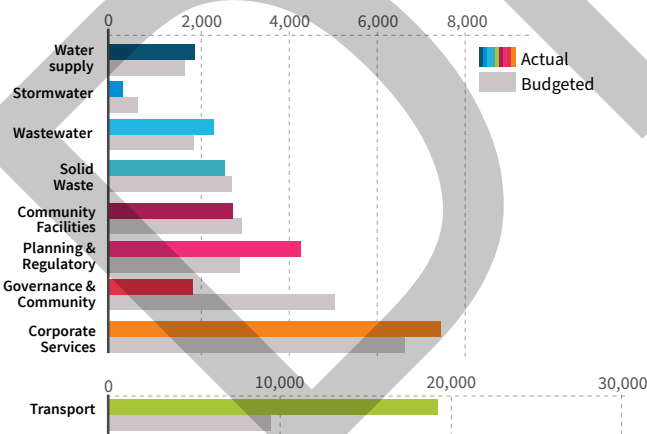
Components of Council Rates Revenue for the Year



The above graph shows the allocation of the Council's rates revenue for the year (based on the Long-Term Plan). During 2020/21, the Council conducted a rating review seeking a simple, affordable, and appropriate approach. The new rating system addresses the issues of consistency that we saw in the previous system, but it is still about the distribution of rates, not the total amount.

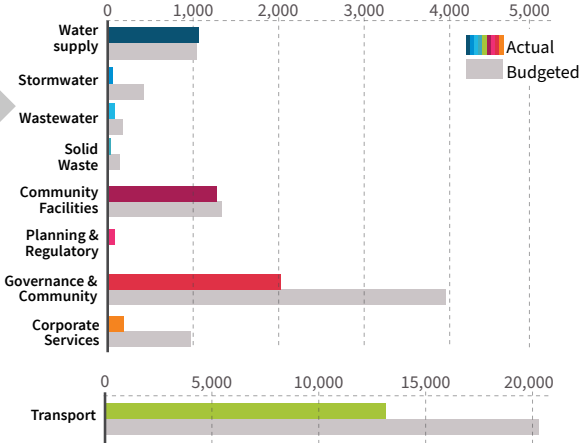
Where Our Money Goes To

Difference Between Actual & Budgeted Operating Expenditure (\$000)



The above graph summarises the difference between the actual and budgeted operating expenditure for each group of activities. It shows how the Council has prioritised its spending to support the operational and strategic direction that has been set during the Annual Plan process. Details of the financial performance against budget for each group of activities can be found in the Funding Impact Statements for each group (pages 97 - 105), and in the Financial Statements (pages 49 - 90).

Difference Between Actual and Budgeted Capital Expenditure (\$000)



The above graph shows capital expenditure by group of activities. We have a comprehensive renewal and upgrade programme for our assets and have completed \$12.8 million of capital expenditure during the 2024/25 year (refer to the Whole of Council Funding Impact Statement page 96).

Funding Impact Statement Summary Whole Of Council

	2023/24 AP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 Actual \$000
Whole of Council Operating Funding	29,831	67,975	39,731	61,772
Whole of Council Operating Costs	28,273	65,897	35,811	52,723
Surplus (deficit) of Whole of Council Operating Costs	1,558	2,078	3,920	9,049
Whole of Council Capital Funding	23,113	21,797	47,769	16,399
Whole of Council Capital Costs	24,671	23,875	51,689	25,448
Surplus (deficit) of Whole of Council Capital Funding	(1,558)	(2,078)	(3,920)	(9,049)

TĀ TĀTAU ROHE WHĀNUI
OUR DISTRICT



8,920 residents*



67.8% Māori descent
highest rate nationally



20.9% of population
speaks te reo Māori



\$67,200
median household
income



18.6%
of population
over 65



4,260
Dwellings



2.7 persons per
household
(average)



38.6 years
median age
(increasing over time)

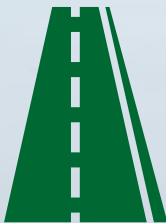
WHERE WE LIVE



4,119km²
area of district

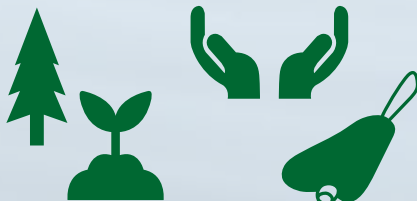


130km
of coastline



871km
of roads

51km
of footpaths



KEY INDUSTRIES
Agriculture, Forestry, Primary
production and public services
(GDP contribution)

Local Statistics have been taken from the 2023 Census Usually Resident population results - The census Usually Resident Population Count has a Quality rating of very high. Median Income results have been taken from the Household Labour Force Survey.

TĀ TĀTAU KAUNIHERA OUR COUNCIL

Our elected members set the direction and priorities for the district and provide oversight of the organisation. Wairoa District Council is made up of six elected members and a mayor. Along with all other local authorities in New Zealand, the Council is elected every three years. The mayor is elected 'at large,' meaning by all the district's residents. Three Councillors are elected by voters from the Māori roll and three Councillors from the general roll. The next election is in October 2025.

Setting the direction

Elected Members have the responsibility to set the direction and priorities for the district and provide oversight of the organisation. The Council appoints the Chief Executive Officer to deliver the programme and services needed to fulfil its direction.

Under the Local Government Act 2002, certain powers are reserved for the elected Council. They include setting bylaws and rates, setting the Council's budget through the adoption of Long-Term Plans and Annual Plans, making decisions about borrowing money and buying or selling assets, and adopting Annual Reports.

Subject to these powers, day-to-day management of Council services and operations is delegated to the Chief Executive, with Councillors monitoring progress.

Community advocates

Elected Members provide representation to the people of the Wairoa District. This involves meeting people and organisations and advocating on their behalf or addressing any issues they may face.

However, when Councillors come together to make decisions in the Council or a Council committee or subcommittee, they are required to put aside local interests and exercise their powers in the best interests of the entire district.

Making the tough decisions

Whatever decisions the elected members make, some people will like it better than others – that is the nature of democracy. Council decisions are made in a climate where public organisations are scrutinised more than ever before.

Before elected members make any decisions, they, with advice from Council staff, examine situations from every angle. They think about the wellbeing and collective needs and aspirations of the Wairoa District's people, as well as legal requirements and contractual obligations, how it fits with the Council's strategic direction and policies, and whether it is a sensible use of ratepayer funding.



Elected members will often ask for information such as: How much will it cost? How can it be funded? Can someone else do the work if we do not? Will the benefits be significantly less or the costs significantly greater if we wait? And are there any risks involved?

Council engages with our community on many matters requiring decisions, ensuring people can have their say, contribute, and influence how their district is shaped. Council strives to ensure decision-making processes are fair, robust, and transparent.

Council committees and subcommittees

Council conducts its business at open and publicly advertised meetings. The mayor (as required by section 41A of the Local Government Act 2002) puts in place the current structure of committees and subcommittees and Council retains the power to revisit the structure if needed.

The Council’s committee structure ensures that all decisions take account of the wider issues facing the district. All services are linked, so it makes good sense to consider them all together. Our decision-making structure ensures that all elected members are aware of the full range of issues facing the district. The beginning of each meeting is set aside for members of the public to have their say on any item within the agenda.

The structure adopted for the 2022-2025 triennium comprises several committees and panels as follows:

- Strategy, Wellbeing & Economic Development Committee.
- Finance, Assurance & Risk Committee.
- Infrastructure & Regulatory Committee.
- Licensing Committee.
- Māori Standing Committee.
- Conduct Review Committee.
- Chief Executive Review Panel.

Council also has representatives on four joint committees with other Councils in the region. The mayor is an ex-officio member of all Wairoa District Council committees.

Elected Members meeting attendance.

The meeting attendance figures relate to Council and committee meetings (excluding pre-meeting briefing sessions and workshops) of which the Councillor is a member. The meeting attendance figures provided do not include Councillors’ attendance at external meetings, including for boards of Council-controlled organisations, community boards, working parties, advisory groups, and other external bodies. Such meetings can conflict with Council meeting times and as such impact on these attendance figures.

2023-2024 Meeting Attendance
(Committee and Council Meetings)

Current Council	Number of Council Meetings Attended	Number of Committee Meetings Attended
Craig Little Mayor	17/20	24/34
Denise Eaglesome-Karekare Deputy Mayor	19/20	30/32
Jeremy Harker Councillor	18/20	16/16
Roslyn Thomas Councillor	14/20	15/20
Melissa Kaimoana Councillor	17/20	15/15
Benita Cairns Councillor	16/20	24/26
Chaans Tumataroa-Clarke Councillor	11/20	5/8

DECLARATIONS OF INTEREST AND CODE OF CONDUCT
Declarations of interest

At the start of the triennium, all elected members declared their potential, perceived and actual interests, and follow-ups occur to ensure that elected members keep their register up to date and comply with the provisions of the Local Authorities (Members’ Interests) Act 1968, which covers financial interests, and with other requirements relating to non-pecuniary conflicts of interest.

At Council and committee meetings, members are asked to declare any interest in relation to any items or reports on the agenda. If an elected member declares an interest, they will not vote or speak to the item or may remove themselves from the discussions.

Code of Conduct

A copy of the Elected Members’ Code of Conduct was provided as part of the induction process at the beginning of the triennium and covered the following: roles, responsibilities, relationships, behaviours, compliance, and review. The Code of Conduct provides guidance on the standards of behaviour that are expected from the mayor and elected members.

The Code of Conduct also applies to elected members in their dealings with each other, the Chief Executive, all staff, the media, and the public.

All complaints made under the code must be made in writing and forwarded to the Chief Executive. On receipt of a complaint the Chief Executive must forward the

complaint to the Mayor/Chair or, where the Mayor/Chair is a party to the complaint, an independent investigator, drawn from a pool of names or agencies agreed in advance.

Any allegation is considered in a manner that is fair to all parties involved, including ensuring that due process is respected.

Māori Standing Committee

The Māori Standing Committee met seven times in the 2024/25 year. The representatives are selected from each takiwā and serve a term of three years.

Chair: Henare Mita

Members: Theresa Thornton , Erena Hammond, Fiona Wairau , Amanda Reynolds, Whaiora Maingdonald.

Council representatives: His Worship the Mayor, Benita Cairns, Roslyn Thomas.

TĀ TĀTAU KĀHUI AMOKURA

OUR SENIOR LEADERSHIP TEAM


The Mayor and Councillors are responsible for appointing Te Tumu Whakarae the Chief Executive, who holds the delegated authority to manage and oversee the delivery of Council services. As the sole employee directly accountable to the elected Council, the Chief Executive is charged with leading the organisation, including the recruitment and management of all Council staff.

Operational leadership of Wairoa District Council is undertaken by the Rangatira Whakahaere Chief Operations Officer, who ensures alignment with the Council’s Annual and Long-Term Plans, as well as compliance with relevant legislation, policies, and regulatory frameworks.

The Chief Executive is responsible for implementing Council decisions efficiently and effectively, within the agreed governance parameters, and for maintaining an organisation capable of fulfilling this mandate. Supporting this role is Te Kahui Amokura, the Council’s Senior Leadership Team, which provides strategic leadership, oversees operational performance, and facilitates the implementation of Council resolutions.


Prior to formal Council decision-making, the Chief Executive delivers objective and impartial professional advice to support informed governance. The performance of the Chief Executive is subject to regular review by the Council’s Chief Executive Review Panel.

As at 30 June 2025, Te Kahui Amokura (Senior Leadership Team) and their respective areas of responsibility were as follows:




Malcom Alexander
*Te Tumu Whakarae
Chief Executive Officer (interim until 1 July 2025)*

Malcolm had responsibility for Strategy, stakeholder engagement, governance, legal compliance, official information, policy, and human resources.




Juanita Savage
*Rangatira Whakahaere
Chief Operating Officer*

Juanita has responsibility for Governance, Strategy, community engagement, emergency management and leading the Chief Executive Office.



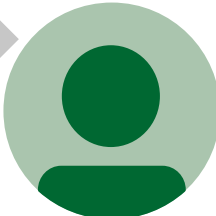
Gary Borg
*Chief Financial Officer
Te Pouwhakarae Pūtea me te Tautāwhi Rangapū
Group Manager Finance and Corporate Support*

Gary has responsibility for the team delivering accounting and financial management, revenue collection, rating, treasury services, tax compliance and strategic planning.



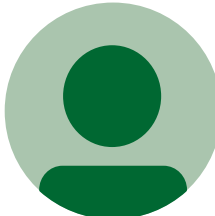
Hinetaakoha Viriaere
*Pouwhakarae Whakamahere me te Waeture
Group Manager Planning and Regulatory*

Hine has responsibility for district planning, building compliance, animal control, environmental health, resource consents, and bylaws.



Langley Cravers
*Te Pouwhakarae Hua Pūmau
Group Manager Assets and Infrastructure (Interim)*

Langley has responsibility for the infrastructure team delivering roads, streets and bridges, cemeteries, sports grounds, reserves, airport control, water supply, sewerage, stormwater drainage, waste management, street lighting, traffic management, public toilets, footpaths, and property.



Te Aroha Cook (TC)
*Pouwhakarae
Rātonga Hapori me te Whakawhanake
Group Manager Community Services and Development*

TC has responsibility for economic development, Wairoa archives, Wairoa Centennial Library, Wairoa Information Centre (isite), The Gaiety Theatre and the Wairoa Recovery Office.

TĀ TĀTAU KAIMAHI

OUR STAFF

The Wairoa District Council is deeply committed to fostering an environment that not only attracts but also nurtures and retains a highly skilled and qualified workforce. Our strategic focus on making the Council an attractive place to work is paramount to ensuring we have the expertise necessary to serve our community effectively.

As at 30 June 2025 Wairoa District Council proudly employs a dedicated team of 84 individuals. This core staff is further augmented by a valuable network of 67 contractors, contributing to the diverse skill sets available to the Council. A notable demographic feature of our workforce is the strong representation of women, who constitute 64 percent of our employees.

80 percent of our staff are permanent employees, providing a strong foundation of institutional knowledge and continuity. With 11 percent on a part-time or casual basis, this dynamic blend of full-time, part-time, and casual employees, along

with our diverse contractor base, creates a rich tapestry of experiences and backgrounds. This rich mix of people who work at the Council has a tangible and overwhelmingly positive impact on our work culture, fostering collaboration and innovation, and ultimately driving enhanced productivity across all departments.

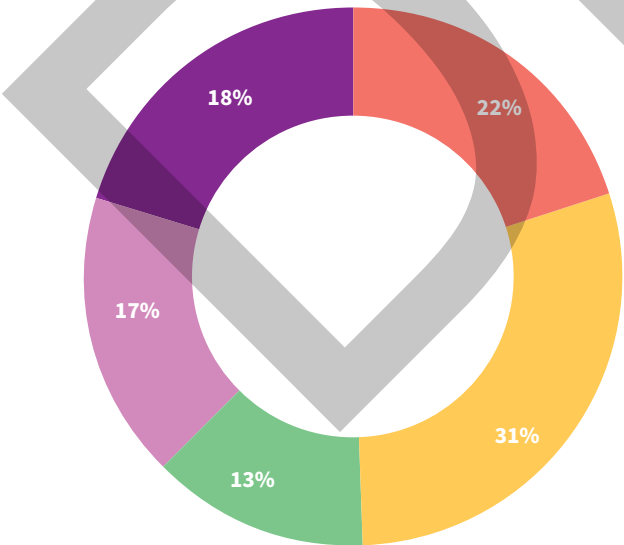
In terms of workforce stability, staff numbers have remained remarkably consistent since the 2023/24 Annual Report. While there was a slight decrease in total headcount from 85 in 2023/24 to 84 in 2024/25, this minor adjustment coincided with an increase in Full Time Equivalent (FTE) numbers, rising from 77 to 78.

For a more comprehensive understanding of our human resources landscape, the subsequent graphs and tables within this section provide detailed insights. of our workforce as of 30 June 2025.

BREAKDOWN OF STAFF BY ACTIVITY AREA AND CONTRACT TYPE

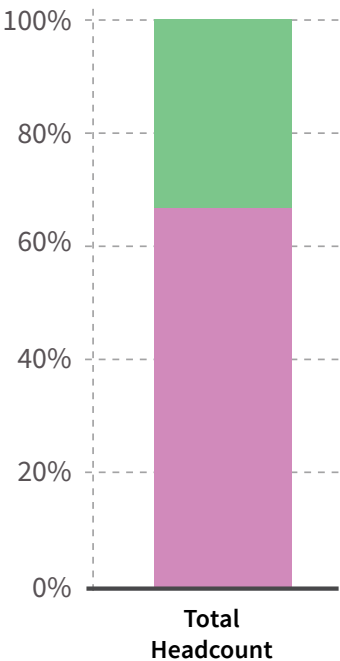
	Permanent		Fixed Term		Casual	Head Count	FTE
	Full-Time	Part-time	Full-time	Part-time			
Community & Engagement	14	0	3	0	0	17	17
Community Assets & Services	20	2	1	1	0	24	24
Finance and Corporate Support	10	0	0	0	1	11	10
Information & Customer Experience	11	3	0	0	0	14	13
Regulatory & Compliance	12	1	2	0	2	17	14
Total	67	6	6	1	3	83	78

FTE BY ACTIVITY



- Community & Engagement
- Community Assets & Services
- Finance and Corporate Support
- Information & Customer Experience
- Regulatory & Compliance

GENDER BREAKDOWN














- Women
- Men

Ā TĀTAU MAHI

WHAT WE DO

Wairoa's infrastructure is the backbone of our district, ensuring the Council can deliver the essential services our community relies on. Maintaining and improving these services is key to supporting the social, economic, environmental, and cultural wellbeing of our people—both today and for future generations.

Activity	Description	Replacement Value
Transport 	<ul style="list-style-type: none"> 871km road (323km sealed) 174 bridges 448 retaining structures 54km footpaths 7.4km cycleways maintenance of an operational airport maintenance of streetlights across the district maintenance of Marine Parade CBD 	\$638.7M*
Drinking Water Supply 	<ul style="list-style-type: none"> 3 water supply networks 118km Water pipes numerous valves hydrants water reservoirs 	\$76.5M*
Wastewater 	<ul style="list-style-type: none"> 4 wastewater networks 59km of wastewater pipes numerous manholes treatment plants wastewater pump stations 	\$59.3M*
Stormwater 	<ul style="list-style-type: none"> 41km stormwater pipes 24km of channels and drains maintenance of sumps and traps 	\$40.1M*
Waste Management 	<ul style="list-style-type: none"> kerbside rubbish and recycling collection management of the Wairoa transfer station management of active and closed landfills operation of public litter bins rural recycling services 	\$1.7M**
Pensioner Housing 	<p>We have 32 pensioner flats across six locations. These consist of 16 bedsits, 10 single and six double bedroom units.</p>	\$8.9M**
Activity	Description	
Community Facilities 	<ul style="list-style-type: none"> public toilets lighthouse civic buildings/halls cemeteries playgrounds library sports parks reserves Gaiety Theatre Wairoa Museum gardens street trees community centre boat ramps rural transfer stations 	
Governance & Community 	<p>Provide community representation and support community participation in democracy. Provide support and development in the areas of emergency management, community engagement, economic development, archives and records. Develop relationships with tangata whenua and facilitate Māori participation in decision-making.</p>	
Corporate Services 	<p>Provide corporate services (incl. customer services, finance, administration, rates services, legal compliance, policy development) and property services for Council-owned properties. Hold investments and manage funds to support Council activities.</p>	
Planning and Regulatory 	<p>Regulatory activities including resource planning, environmental health, building control, alcohol control, dog and livestock control, and general bylaw enforcement.</p>	
Recovery 	<p>The Wairoa Recovery Office was established in the wake of Cyclone Gabrielle and remained functioning after the 2024 June flooding. The initial focus was on people, as well as rebuilding homes, businesses and infrastructure, such as roading connectivity. Council acknowledges that many people and businesses are still in the Recovery phase requiring guidance or assistance. Improving the resilience of the Wairoa district continues to be the priority as Recovery becomes imbedded into Council activities.</p>	

*Source: WDC 2024 Fair Value Update of Roading and 3 Waters Assets. **Source: WDC 2025 Insurance Schedule

Ā TĀTAU KAUPAPA

OUR PROJECTS

This section provides an update on the Council led projects we set out in our 2024/27 Long Term Plan.

Project	Update
Our Roads	<p>43% of the multi-year emergency work programme has been completed exceeding the targets we set for 2024/25. The Opoiti Bridge has been repaired. Te Reinga Bridge replacement began construction in May 2025 adding to further roading resilience in the region.</p> <p>The Mahia Blowhole dropout along the Nuhaka-Opoutama Road was completed during the 2024/25 year with the road realigned into the rail corridor restoring this road to two-lanes and improving long term resilience.</p>
Solid Waste Management and Minimisation	Work continues to identify a long-term solution to managing and minimising Wairoa’s Solid Waste
Kerbside Collection	Work continues to improve our current kerbside collection with improvements to our recycling model.
Tautoko Wairoa	Tautoko Wairoa aims to support our business sector. The Marine Parade Ahi Kōmau hospitality, retail and community courtyard development has been a boost to the main street. The neighbouring visitor information centre which is nearing completion in the former Winter's building will complete this stage of the project.
Protecting our Taonga – The future of our Archives	A relocation plan has been set for archives and records files with a location in Wairoa identified. The new site is being assessed for compliance.

WAIROA RECOVERY OFFICE



In the wake of Cyclone Gabrielle's devastating impact in early 2023, the Wairoa District was left grappling with widespread damage to homes, infrastructure, and livelihoods. The Wairoa Recovery Office was established to provide coordination and strategic leadership to turn recovery into long-term regeneration.

The Office was formed with funding and operational support from central government, including the Department of the Prime Minister and Cabinet (DPMC) and Te Whatu Ora, the Recovery Office was designed to integrate local voice with national recovery frameworks. Rather than imposing top-down solutions, it embedded a partnership approach, reflecting the needs of mana whenua, affected whānau, and wider community stakeholders.

The Wairoa Recovery Office is led by local people and is a focal point for recovery coordination — liaising across agencies, streamlining support services, and anchoring

decisions in local context. Its establishment signified a shift from emergency response to structured recovery, with a mandate to pursue not just restoration, but transformation.

The Wairoa Recovery Office operates on a whānau-centred model — prioritising community wellbeing, equitable access to support, and local-led solutions. Housing repairs, land assessments, mental health services, and income recovery are all addressed with a view toward intergenerational wellbeing and resilience.

The Wairoa Whakapiri – Uniting Through Recovery newsletter produced by the Wairoa Recovery Office was honoured with the FrankGroup Award for Excellence in Community Engagement at the 2025 Tutira Local Government Awards.

At its peak (March 8 2023) there were 198 white stickers, 146 yellow stickers and 2 red stickers, more flooding in November 2023 resulted in a further 16 yellow stickers and another 2 red stickers. The June 2024 event added a further 128 yellow stickered homes. For a total of 198 white stickers, 274 yellow stickers and 4 red stickers.

There are still a total of 131 white stickers, 235 yellow stickers and 3 red stickers which the team are working through.
www.wairoarecovery.co.nz



**TĀ TĀTĀU
WHAKATUTUKITANGA-Ā-
TAIPITOPITO NEI**

**OUR PERFORMANCE
IN DETAIL**

TĀ TĀTĀU WHAKATUTUKITANGA-Ā-TAIPITOPI TO NEI

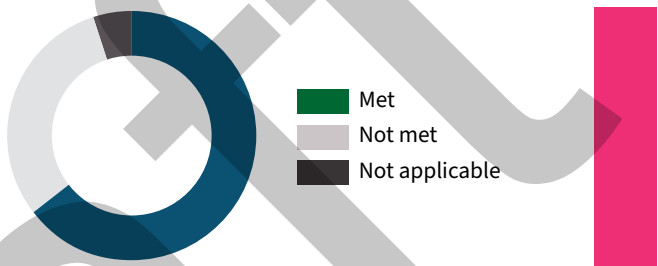
OUR PERFORMANCE IN DETAIL

Delivering on Our Core Activities

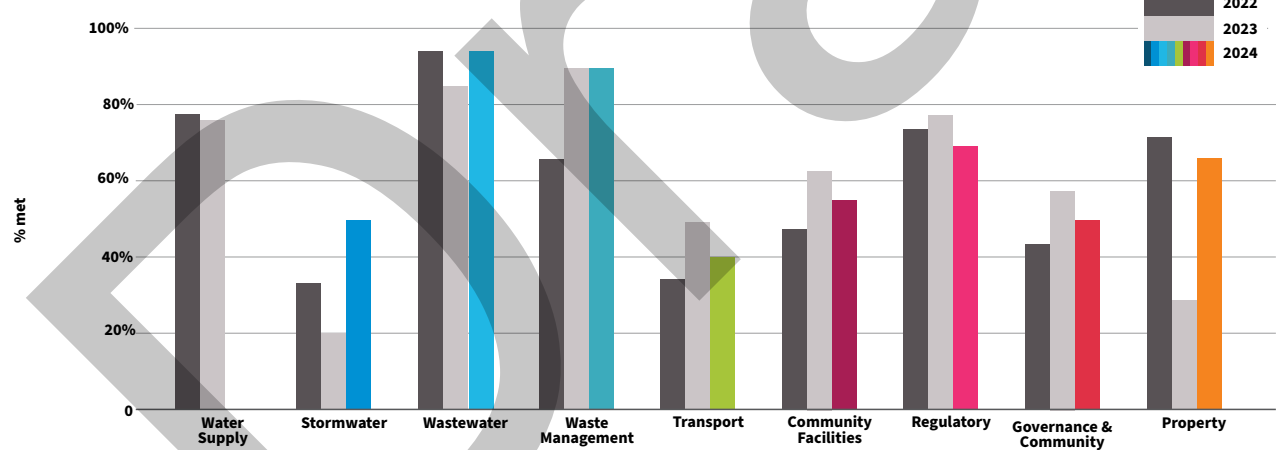
Most of Council’s operations, expenditure, and service delivery are structured around the nine key activity areas detailed in this section. These represent the core functions through which we support our communities and deliver on our strategic commitments.

The performance targets were set through the Long-Term Plan 2024–2027 and include 46 performance measures mandated by Central Government. These mandatory measures cover our core infrastructure services such as Water Services (stormwater, wastewater, and water supply), Roads and Footpaths. This year we have met 75% (35/46) of these mandatory measures, the remaining 11 measures are still to be reported.

These mandatory measures allow the public to compare service levels provided by different councils across the country. In addition to these mandatory measures Wairoa District Council also reports on a further 58 measures aimed at providing elected members and the public a view as to the performance of Council delivered services. This year we have met 75% (35/46) of the total measures in this section. The graph below shows our performance in meeting these measures across the past 5 years.



% key performance measures met: 3 year trend



This graph shows the percentage of measures met by activity over last 3 years. By displaying trends in performance measures, we can gain a sense of which of councils' services are performing as expected and which services require further attention to bring these up to the level our community expects.

WATER SERVICES

(Drinking Water, Stormwater and Wastewater)

Despite facing significant challenges—including adverse weather, supply chain disruptions, and increased reactive maintenance caused in part from extreme weather events — our three waters team ensured drinking water compliance was maintained, advanced infrastructure upgrades, and strengthened community engagement.

Building Capability and Compliance

A strong emphasis was placed on professional development of team members during 2024/25 to meet evolving regulatory demands. Staff completed a range of certifications and training, including Water NZ digital badges, wastewater management qualifications, and cultural competency courses such as Te Reo Māori. Attendance at national conferences and health and safety training further reinforced the team's readiness and expertise.

Infrastructure Delivery and Innovation

Major capital projects progressed across all three waters:

- **Water Supply:** Water Supply: The Tuai Water Main Upgrade saw 850m of new pipeline installed, while the Nuhaka Rugby Club received a full supply upgrade including UV filtration and safety planning. A renewal of the water supply network servicing Lahore Street is set to be released for tender early next year.



Installation of Nuhaka Rugby Club UV system.

- **Wastewater:** Wastewater: Key upgrades included the River Parade Pump Main and Blue Bay odour mitigation system. Repairs at the Wairoa Wastewater Treatment Plant restored critical functionality, and preparations began for a network-wide inflow and infiltration study.
- **Stormwater:** Upgrades to the Stormwater system in Carroll Street was completed, and over 5.5km of the network was inspected via CCTV to inform future resilience planning.

Operational Excellence

Fulton Hogan's contract delivery remained strong, with KPIs met despite increased reactive work. SCADA and telemetry systems were refined, and the Kinikini irrigation system saw manual updates and zone upgrades. CCTV installations improved security and operational oversight.

Compliance and Community Engagement

Stormwater sampling and contaminated site assessments supported consent renewals, while engagement with tangata whenua began for cultural impact assessments. Updated Drinking Water Safety Plans were prepared for small supplies, and the Council supported local marae, sports clubs, and businesses with water access and upgrades.

Health, Safety, and Risk Management

Safety protocols were enhanced following a vehicle incident at Fitzroy Pump Station. Staff participated actively in quarterly safety reviews, and confined space and sampling procedures have been refreshed to ensure they reflect best practice.

Digital Transformation and Public Access

A major overhaul of the 3 Waters website is underway to improve transparency, consolidate information, and enhance public access. These efforts reflect our ongoing commitment to clear communication and maintaining community trust.



Oputama – odour control, installed December 2024 – doses magnesium hydroxide to help with control odour.

TE PUNA WAI WATER SUPPLY



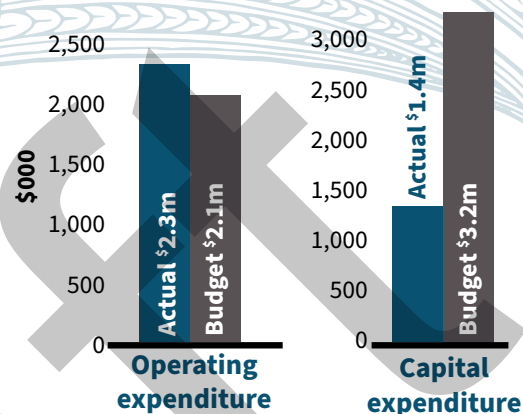
3 MILLION LITRES
of Drinking Water Produced Per Day

Performance Summary



Met
Not met
Not applicable

Financial Summary



Funding Impact Statement Summary

	2023/24 AP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 Actual \$000
Water Supply Operating Funding	2,011	2,280	2,933	3,068
Water Supply Operating Costs	1,646	2,059	2,087	2,274
Surplus (deficit) of Water Supply Operating Costs	365	221	846	794
Water Supply Capital Funding	(364)	(222)	2,337	640
Water Supply Capital Costs	1	(1)	3,183	1,434
Surplus (deficit) of Water Supply Capital Funding	(365)	(221)	(846)	(794)

Water Supply Performance Data

Levels of Service	Performance Measure	2022/2023 Actual	2023/24 Actual	2024/25 Target	2024/2025 Actual	
Safe, high quality water supply is provided	Compliance with the Drinking Water Standards (Part 4 bacterial compliance criteria):					
	Wairoa / Frasertown and Tuai	Compliant	Compliant	Compliant	Compliant	✓
	Compliance with Drinking Water Standards (Part 5 protozoal compliance criteria):					
	Wairoa / Frasertown	Compliant	Compliant	Compliant	Compliant	✓
Provide reliable water networks	Residents (%) satisfied with the water supply	76%	63%	≥80%	63%	✗
Water Pressure and flow appropriate for its intended use	Number of complaints about water supply per 1,000 connections:					
	Drinking water clarity	1 per 1,000	1.8 per 1,000	10 per 1,000	0 per 1,000	✓
	Drinking water taste	0 per 1,000	9.9 per 1,000	10 per 1,000	0.9 per 1,000	✓
	Drinking water odour	0 per 1,000	0.9 per 1,000	10 per 1,000	0 per 1,000	✓
	Drinking water pressure or flow	2 per 1,000	7.2 per 1,000	20 per 1,000	1.4 per 1,000	✓
	Continuity of supply	21 per 1,000	25.3 per 1,000	20 per 1,000	16.3 per 1,000	✓
	Responsiveness to issues	0 per 1,000	5.0 per 1,000	10 per 1,000	0 per 1,000	✓
	Percentage of real water loss from our networked reticulation system (calculated using minimum night flow)	44%	33%	32%		
Water supply assets are managed prudently to ensure long term financial sustainability for current and future generations	Median response time for urgent callouts					
	Wairoa / Frasertown (attendance time)	0.2 hours	0.7 hours	1 hour	0.35 hours	✓
	Other areas (attendance time)	0.3 hours	1.8 hours	2 hours	0 hours	✓
	Wairoa / Frasertown (resolution time)	3 hours	1.2 hours	4 hours	0.1 hours	✓
	Other areas (attendance time)	0 hours	1.3 hours	5 hours	0 hours	✓
Water supply assets are managed prudently to ensure long term financial sustainability for current and future generations	Median response time for non-urgent callouts					
	(attendance time in days)	0.4 days	0.6 days	2 days	0.2 working days	✓
	(resolution time in working days)	2 working days	0.7 working day	3 working days	0 working days	✓
Water resources are used efficiently and sustainably	Average drinking water consumption per day per resident	405.9 Litres	535.6 Litres	500 Litres		

TE WAI ĀWHĀ

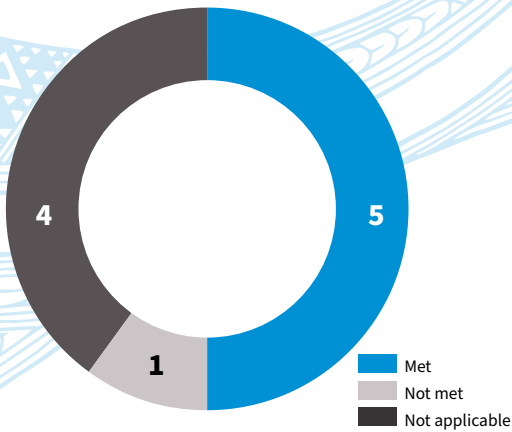
STORMWATER



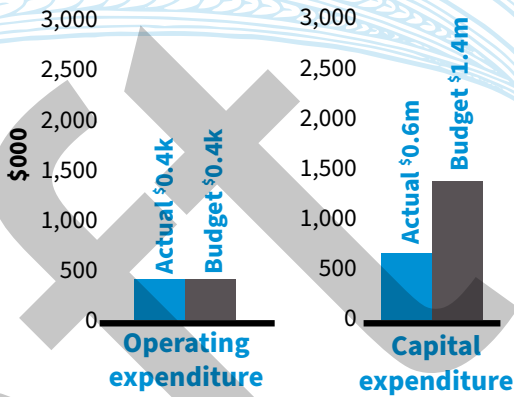
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Open Drains Piped In Mahia

Performance Summary



Financial Summary



Funding Impact Statement Summary

	2023/24 AP \$'000	2023/24 Actual \$'000	2024/25 LTP \$'000	2024/25 Actual \$'000
Stormwater Operating Funding	638	409	708	684
Stormwater Operating Costs	624	696	446	405
Surplus (deficit) of Stormwater Operating Costs	14	(287)	262	279
Stormwater Capital Funding	351	778	1,125	365
Stormwater Capital Costs	365	491	1,387	644
Surplus (deficit) of Stormwater Capital Funding	(14)	287	(262)	(279)

Stormwater Performance Data

Levels of Service	Performance Measure	2022/23 Actual	2023/24 Actual	2024/25 Target	2024/25 Actual	
Mitigate risk of flooding in urban areas	Number of flooding events in the district	11	47	≤10	0	✓
	For each flooding event, number of habitable floors affected (per 1,000 properties)	0.43 per 1,000 properties	8.26 per 1,000 properties	≤50	0	✓
To provide reliable stormwater networks	Residents (%) satisfied with the stormwater system	47%	38%	≥80%	41%	✗
	Number of complaints about stormwater system performance (per 1,000 connections)	36.09 per 1,000 connections	37.00 per 1,000 connections	≤50	23 per 1,000 connections	✓
Stormwater disruption during natural disaster events are minimised	Median response time for emergency flooding event (attendance time in hours)	During Cyclone Gabrielle these were received by Civil Defence	317.4 hours	1 hour	No emergency flooding events	✓
	Median response time for urgent flooding event (attendance time in hours)	No Urgent Flooding events	317.7 hours	2 hours	No Urgent Flooding Events	✓
Effects on the natural environment are minimised	Compliance with Council's resource consents for discharge from its stormwater system:					
	Abatement notices			0		⊖
	Infringement notices	No Consent Application underway	No Consent Application underway	0	No Consent Application underway	⊖
	Enforcement orders			0		⊖
	Convictions			0		⊖

TE WAI PARU

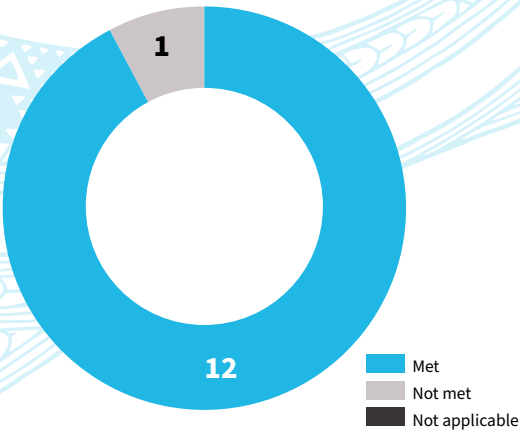
WASTEWATER



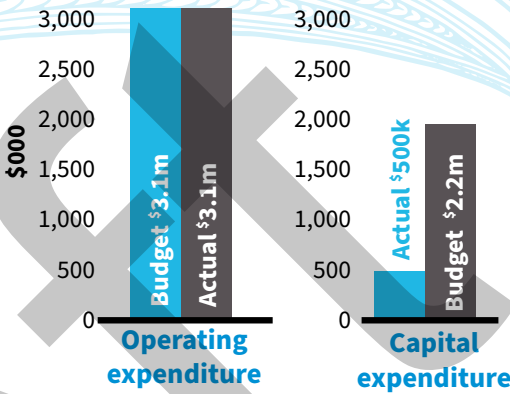
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Wastewater Pipes Relined

Performance Summary



Financial Summary



Funding Impact Statement Summary

	2023/24 AP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 Actual \$000
Wastewater Operating Funding	2,447	2,577	3,666	3,539
Wastewater Operating Costs	1,864	2,316	3,139	3,149
Surplus (deficit) of Wastewater Operating Costs	583	261	527	390
Wastewater Capital Funding	(479)	(710)	1,708	128
Wastewater Capital Costs	104	(449)	2,235	518
Surplus (deficit) of Wastewater Capital Funding	(583)	(261)	(527)	(390)

Wastewater Performance Data

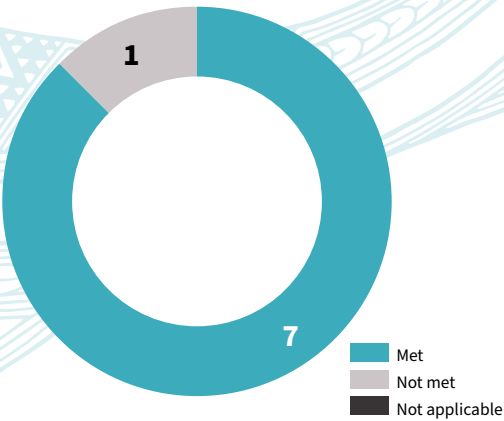
Levels of Service	Performance Measure	2022/23 Actual	2023/24 Actual	2024/25 Target	2024/25 Actual	
Mitigate risk of environmental and public health impacts	Dry weather wastewater overflows per 1000 connections	0	2.1	10	1.2	✓
To provide safe and reliable wastewater service to customers	Number of complaints about wastewater per 1,000 connections:					
	Sewage odour	2 per 1,000	3 per 1,000	15 per 1,000	1.8 per 1,000	✓
	Sewerage system faults	1 per 1,000	3 per 1,000	15 per 1,000	1.8 per 1,000	✓
	Sewerage system blockages	5 per 1,000	4 per 1,000	15 per 1,000	1.3 per 1,000	✓
	Responses to issues with sewerage system	0 per 1,000	1 per 1,000	15 per 1,000	2.1 per 1,000	✓
Wastewater assets are managed prudently to ensure long term financial sustainability for current and future generations	Median response time for wastewater overflows:					
	Wairoa / Frasertown (attendance time)	1 hours	5.9 hours	1 hour	0	✓
	Other areas (attendance time)	0.5 hours	0.67 hours	2 hours	0	✓
	Wairoa / Frasertown (resolution time)	2 hours	5.9 hours	4 hours	5.3 hours	✗
	Other areas (resolution time)	25 hours	5 hours	5 hours	0	✓
protection is provided to the community and environment	compliance with Council's resource consents for discharge from its wastewater system:					
	Abatement notices	0	0	0	0	✓
	Infringement notices	0	0	0	0	✓
	Enforcement orders	0	0	0	0	✓
	Convictions	0	0	0	0	✓

TE WHAKAHAERE PARA WASTE MANAGEMENT

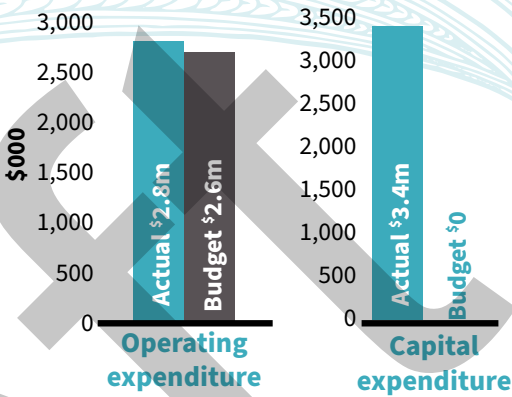


1,559 TONNES
Of Waste Diverted
From Landfill

Performance Summary



Financial Summary



In a continued effort to improve operational efficiency and environmental stewardship, significant advancements were made in waste processing and infrastructure this year.

Through the support of the Silt and Debris Fund, a new shredder machine has been acquired and successfully trialed across a variety of waste types. This initiative has not only increased the volume of waste that can be diverted from landfill but has also introduced a cost-

effective solution for processing on-site waste streams, particularly green waste. The shredder's versatility and performance have positioned it as an asset in our waste management strategy as can be seen by the sharp increase in materials diverted away from landfill.

Infrastructure upgrades at the Fraser Street site have also progressed during the 2024-25 year, these are required to support the temporary transporting of waste to the Omarunui landfill in Hawkes Bay, upgrades include the installation of a second weighbridge and other essential repairs and upgrades. The second weighbridge will streamline the weighing process for larger vehicles, enhancing both safety and efficiency at the site.

These improvements will facilitate better access for containers and processing equipment, ensuring smoother logistics and operational continuity. Together, these initiatives reflect our commitment to innovation, sustainability, and continuous improvement in waste management operations.



Funding Impact Statement Summary

	2023/24 AP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 Actual \$000
Waste Management Operating Funding	2,851	3,760	2,642	3,459
Waste Management Operating Costs	2,668	2,856	2,596	2,803
Surplus (deficit) of Waste Management Operating Costs	183	904	46	656
Waste Management Capital Funding	(63)	(925)	3,358	(656)
Waste Management Capital Costs	120	(21)	3,404	-
Surplus (deficit) of Waste Management Capital Funding	(183)	(904)	(46)	(656)

Waste Management Performance Data

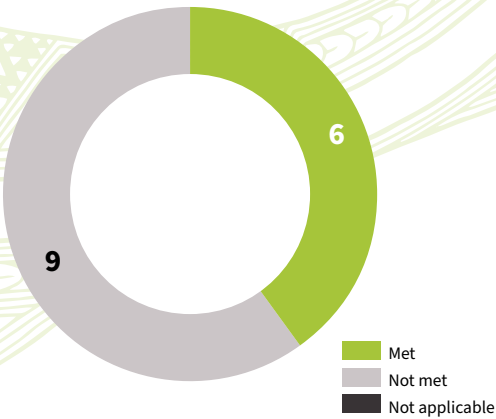
Levels of Service	Performance Measure	2022/23 Actual	2023/24 Actual	2024/25 Target	2024/25 Actual	
Provide safe and reliable refuse and recycling kerbside collection services and rural waste services	Number of times when minimum frequency of kerbside refuse and recycling service in Wairoa and Frasertown (fortnightly) is not met, per year	1	0	0	0	✓
	Number of times when minimum frequency of collection from specified drop-off points from Māhia, Nuhaka and Mohaka (twice a month) is not met, per year	3	0	0	0	✓
	Number of health and safety breaches by waste services contractors, per year	0	0	0	0	✓
	Percentage of missed household refuse service requests responded to by 12 pm the next day	100%	100%	100%	100%	✓
Provide the Wairoa Landfill for safe waste disposal	Council will operate and maintain the Wairoa landfill for the disposal of domestic and commercial refuse, being open for the public at least 6 hours per day, 4 days per week	100%	98%	100%	100%	✓
Effects on the natural environment are minimised	Number of non-compliance events with the resource consent conditions for the Wairoa landfill, per year	1	0	0	20	✗
	Number of non-compliance events with the resource consent conditions for the closed landfill sites, per year	0	0	0	0	✓
Council facilitates waste minimisation practices and promotes reduction of the amount of waste going to landfill	The amount of material diverted from landfill by the Wairoa community in tonnes (excludes green waste)	126 tonnes	301.25 tonnes	≥75 tonnes	1,559.03 tonnes	✓

TE RANGA
TRANSPORT

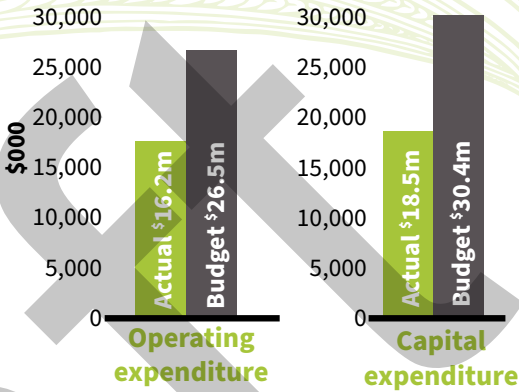


23KM
Sealed Road Resurfaced

Performance Summary



Financial Summary



Ranga Whenua | Land Transport

The transport sector of Wairoa District Council Community Assets and Services Department is responsible for such assets as 875km of pavement (560km unsealed, 315km sealed), 346 retaining structures, 3,000 signs, over 30,000m2 of carparks, footpaths, kerb and channel, and a large amount of guardrails/sight rails. We maintain the drains and culverts, vegetation control including roadside spraying, and any emergency events such as tree fell and slips.

This year has been one of both steady progress and determined recovery for our roading team. From the quiet reliability of day-to-day maintenance to the scale and complexity of emergency works, the focus has remained on keeping our district moving safely and efficiently.

Across our rural roads and sealed networks, the team delivered a strong programme of business-as-usual works. More than 8.6 kilometres of heavy metal build-up were laid, extending the life of unsealed roads and improving access for rural communities. On top of that, the team maintained approximately 92 kilometres of maintenance metal, ensuring a smoother, safer ride for road users.

Around 23 kilometres of reseals refreshed road surfaces and reduced wear and tear. Strengthening the backbone of our network, the team completed over 24,870 square metres of stabilisation and digout repairs, preventing small problems from becoming costly failures. Drainage was another focus, with 50 kilometres of roadside drains cleared and 30 culverts renewed, both critical to protecting the road network.



The Te Reinga Bridge replacement is now well underway, with contractors firmly established onsite and work tracking towards a December 2025 completion. The Waikare Bridge (Glenbrook) replacement moved through design and into procurement planning, while the Te Puna Bridge repair is already three-quarters through design. Alongside these major bridges, the wider recovery programme pushed ahead, with 123 sites on this programme. Two substantial work packages have already been secured, with progress being made on the next package.

Ensuring resilience in our roading network is a guiding principle in planning. The Blacks Beach resilience project was awarded and is now well underway, strengthening a vulnerable coastal section. The Mahia East Coast Road

(Rangatahi site) is underway aiming to address coastal stability and protect vital access for communities. Two further resilience projects are already in the pipeline, continuing the momentum to build a stronger, more reliable network.

Papa Rererangi | Airport

Wairoa Airport serves as a critical hub for both medical transport to and from the local hospital and essential agricultural operations, including top dressing and spraying. Additionally, the recent introduction of weekday flights by Sunair Aviation between Wairoa and Napier has significantly improved regional accessibility.

A major highlight for the airport's future is the \$1.2 million grant from Central Government for a runway extension. This strategic expansion will accommodate larger aircraft, thereby strengthening the districts disaster response capabilities and overall connectivity.

The 2024/25-year has seen a strong emphasis on enhancing health and safety at the airport. Key projects include upgrades to security fencing and access control systems, along with more robust management protocols for all airport users.

Airport Landing Report			
	2022/2023	2023/2024	2024/2025
July	124	85	138
August	187	259	113
September	158	189	177
October	108	110	142
November	160	111	159
December	119	124	79
January	83	82	75
February	242	110	113
March	316	82	162
April	167	188	92
May	287	98	117
June	108	76	92
Total	2059	1514	1459

Landings at the airport were down in 2024/2025, compared to last year by 3.6%. Average monthly landing numbers are in line with the past 3 years landing numbers, this equates to around four landings per day at the Wairoa Airport. Numbers for 2023/24 are over inflated given the increase in landings due to the Cyclone Gabrielle response.

Funding Impact Statement Summary

	2023/24 AP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 Actual \$000
Transport Operating Funding	10,740	42,889	17,635	29,207
Transport Operating Costs	9,771	42,486	16,160	26,516
Surplus (deficit) of Transport Operating Costs	969	403	1,475	2,691
Transport Capital Funding	18,224	16,231	28,887	15,830
Transport Capital Costs	19,193	16,634	30,362	18,521
Surplus (deficit) of Transport Capital Funding	(969)	(403)	(1,475)	(2,691)

Transport Performance Data

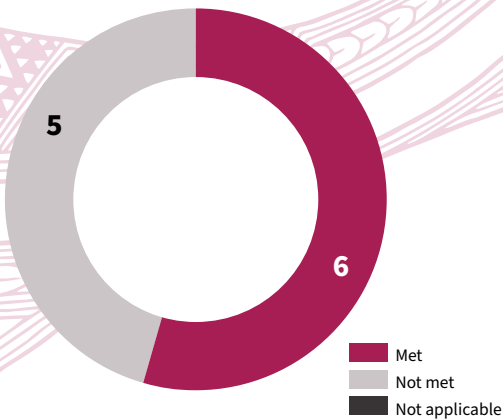
Levels of Service	Performance Measure	2022/23 Actual	2023/24 Actual	2024/25 Target	2024/25 Actual	
The land transport network is designed and maintained to be safe	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	-3	2	≤0	-2	✓
Road users will experience a fair ride quality on a well-maintained and managed sealed road network asset	Average Roughness – sealed roads which meet smooth road standards for 'fair' ride quality	86%	94	Average NAASRA of the sealed road network <110	132	✓
	The average quality of ride on a sealed local road network, measured by Smooth Travel exposure	97%	95%	≥90% of sealed network smoother than specified threshold	89%	✓
	The percentage of footpaths in average condition or better (measured against WDC condition standards)	87%	83%	95%	85%	✗
	Road users consider the land transport service to be "fairly good, very good or better"	22	29%	>75%	26%	✗
The land transport network is managed in a manner that assists the economic development of the district	Percentage of network unavailable to Class 1	2.20%	0.50%	<0.1%	0.35%	✓
	Percentage of network unavailable to 50 max	4.30%	4%	<15%	4.00%	✓
	Number of bridges not meeting HCV Class 1 requirements	9	6	≤4	5	✗
Road assets are managed prudently to ensure long term financial sustainability for current and future generations	The percentage of sealed road network that is resurfaced annually (by area)	4%	6%	6%	6%	✓
	Response to service requests: Percentage of customer service requests responded to within 5 days	72%	67%	>90%	85%	✗
Council quickly restores access on key routes after natural event	No. of journeys impacted by unplanned events	97,111	54,699	2% decrease on previous year	73,730	✗
	No. of instances where road access is lost	96,226	30,979	Decreasing trend on previous year	54,020	✗
	CSR complaints related to dust	11	24	Decreasing trend on previous year	40	✗
	Percentage of programmed dust reduction initiatives completed annually	100%	100%	100%	0%	✗
Airport	Number of times when the airport is closed (not available to be used), per year	7 days	1 day	0 days	0 days	✓

NGĀ TAPUTAPU HAPORI COMMUNITY FACILITIES



96%
Of Users Satisfied With
Museum Visits

Performance Summary



Over the past year, we have continued to provide and maintain public cemeteries across Wairoa, Nuhaka, Frasertown, Ruakituri, and Mōrere, ensuring respectful and uninterrupted access for our communities—even during extreme weather events. This commitment reflects our dedication to upholding public service standards in the face of environmental challenges.

To enhance security and reduce antisocial behaviour, traffic barriers and entry gates were installed at the upper cemetery exit road. These measures have significantly curbed fly dumping and deter unwanted camping, contributing to a safer and more dignified environment.

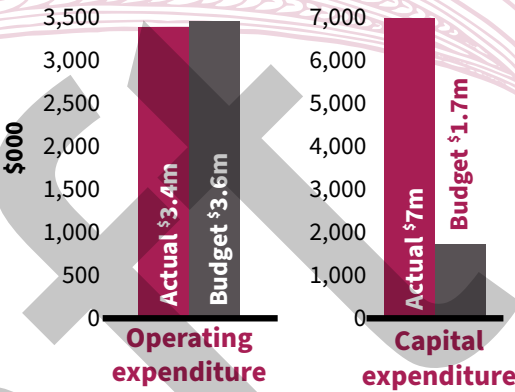
A major milestone was achieved with the installation of plot markers across all plots in the new cemetery. This initiative streamlines the interment process, reduces the risk of errors, and supports more efficient cemetery operations—an accomplishment that marks a leap forward in service quality and operational precision. Ongoing maintenance efforts include contractor-led clearing of invasive weeds and bamboo in one of our oldest cemeteries.

Additionally, we are actively evaluating boundary fence alignment and replacement to ensure long-term sustainability and respect for historical sites. These improvements reflect our proactive approach to cemetery management, balancing heritage preservation with modern service delivery.

Public Toilets

The provision of public toilets that are safe and well maintained is an important council funded facility. We undertake this activity to support public demand and deliver a duty of care to our community.

Financial Summary



Growing demand for public toilet facilities in Wairoa has placed significant pressure on existing infrastructure. In response, Council has initiated a design-phase upgrade of the North Clyde toilets, aiming to transform the site into a highly visible and attractive rest area for travellers. The upgraded facility will feature amenities to support popup food vendors, enhancing both utility and visitor experience.

Council has secured support from the Tourism Infrastructure Fund (TIF) to upgrade the ablution blocks at Oraka Beach.

The new Oraka ablution block was delivered ahead of the Christmas period and has been designed to accommodate campers and enhance usability. Visitor feedback for this ablution block has been positive and the project reflects Council’s agility in adapting to financial constraints while delivering meaningful infrastructure improvements.

Parks And Reserves

The Wairoa River reserves continue to face environmental challenges, with silt accumulation and ongoing flooding from Spooners Point to the Yacht Club impacting usability and safety

The June 2024 flooding event caused significant damage across river reserves, triggering extensive cleanup operations. Hawke’s Bay Regional Council (HBRC) provided vital support by clearing woody debris along Kopu Road and assisting with ground reinstatement following machinery-related damage. This collaborative effort helped restore public access and safety in a timely manner.

Despite environmental setbacks, progress in park and reserves infrastructure has been notable. Upgrades at the Standing Park netball and basketball courts have been successfully completed. The basketball courts have become a popular hub for youth activity, although disappointingly surface damage from vehicle vandalism is becoming all too common and Bollard or fencing installation is being considered.

Operational playground inspections revealed safety issues at Mitchell Road, Memorial Park, and Lion Street playgrounds. The Mitchell Road and Memorial Park playgrounds were past the end of their usable life and as such have been removed as a result of failing these inspections. A replacement for Lion Street playground is currently in the design phase, ensuring continued recreational opportunities for local families.

The Destination Playground suffered severe damage during the June flood, requiring soft-fall replacement and unbudgeted drainage improvements for the carousel and mini trampolines. These repairs were completed swiftly to restore functionality and safety.

Wairoa Community Centre

2024/25 saw the end of 13 years of management of the community centre by Sports Hawkes Bay. Management of the complex has been taken over by Community Leisure Management from 1 July 2025. Visitor numbers this year saw a slight drop of 1.12% (1,056 visits) from last year. The Community Centre is more than just a pool, sports, and fitness centre. It is a community hub with a community wellbeing focus, and a facility to enhance the sport, recreation, and personal wellbeing of the community.

Aquatic based activities continue to thrive. Learn to Swim classes remain at capacity. Schools participate in Water Safety and Survival Skills programmes. Kahungunu Executive Water Walking sessions take place three times a week. The Wairoa College Special Needs Unit utilise both pools for wheelchair and more active students. Rukuhia Wāhine Toa utilise the pool space to share knowledge of diving technique, and for trainings and wānanga.

The growing interest of Pickleball, continued support for our Indoor Netball Night League, and the popularity of our basketball sessions demonstrate the need our community has for this facility.

Wairoa Centennial Library

The past year at the library has been marked by strong community engagement and a diverse array of services. We recorded over 38,000 visits, reflecting the library's role as a vibrant community hub. Our lending services remained robust, with more than 27,800 physical books and 2,917 eBooks issued. Furthermore, we facilitated learning and skill development through over 370 workshops spanning various topics.

A standout initiative this year has been the flourishing volunteer Seed Exchange Group, which celebrated its first anniversary. This dedicated collective of around a dozen women embodies a powerful commitment to personal sovereignty and local resilience.

Through their passion for gardening and community, they operate a "seed bank" model, distributing 1,800 packets of free vegetable and flower seeds to community members. This initiative is founded on the belief that everyone deserves the opportunity to grow their own food, free from financial barriers. The "Seedies" meet twice monthly to package seeds, ingeniously recycling magazines for envelopes. Beyond seed distribution, the group actively supports growers through seasonal courses on cultivation and harvesting, a tailored growing calendar, and a recent successful competition for plants grown from their seeds.

The library's Digital Hub continues to bridge the digital divide, serving over 17,300 patrons this year. It provided essential support for activities ranging from scanning and basic computer literacy to more advanced skills like coding and 3D printing. A particularly successful partnership saw three rural schools utilizing the Digital Hub weekly for lessons in coding and fundamental computer applications, significantly expanding digital access for young learners.

Our winter reading program captivated young minds and fostered a love for literature. Ninety-four children actively participated in our popular escape rooms, which ingeniously combined reading with learning Morse code and applying various STEAM (Science, Technology, Engineering, Arts, Mathematics) techniques to solve challenges. The demand for these engaging activities was so high that waiting lists were necessary. In parallel, a winter reading log encouraged children to record and rate their reading, resulting in an impressive 663 books read within a two-week period.

The positive feedback from parents underscored the program's success, with one parent remarking on their child's unprecedented reading during the holidays and another stating, "we are so lucky to have a library that does so much amazing stuff to get our children to read."

Kōpututanga Taonga o Te Wairoa - Wairoa Museum

Kōpututanga Taonga o Te Wairoa - The Wairoa Museum experienced a dynamic 2024–2025, reaffirming its vital role in the community through a dedicated focus on Taonga/Artefacts, Ngā Tāngata/People, Te Ako/ Teaching and Learning, and Te Oranga/Wellbeing. This year's achievements reflect our deep commitment to our taonga and the people of Wairoa.

A significant 5,003 visitors walked through our doors, engaging with a diverse range of exhibitions. From the evocative Ū Mai Ko Te Taniwha to the rhythmic Roots Rock Reggae Wairoa and the intricate Te Koru, each

exhibition offered unique insights into our shared heritage. Our public programs, including engaging art workshops, cultural celebrations, and wellness talks, were designed to foster connection and learning. The special screening of *The Doctor's Wife* documentary, followed by a lively Q&A, was a testament to our ability to spark meaningful conversations.

Our educational offerings expanded, providing hands-on experiences like Bob Marley stencil t-shirt workshops and bracelet weaving, alongside children's art workshops that promoted intergenerational learning. We continued to champion cultural education, focusing on traditional weaving, oral traditions, and environmental restoration.

The museum's collection grew with 51 new acquisitions (251 items), ranging from precious photographs to historical documents, each adding to the rich tapestry of Wairoa's story. Our rigorous conservation efforts saw 131 items assessed, with ongoing work to preserve these treasures. We also facilitated outward loans to MTG Hawke's Bay and Knowledge Bank Hawkes Bay, sharing Wairoa's heritage with a wider audience.

Beyond our exhibitions, the museum served as a crucial resource, responding to 133 inquiries about our collection and local history, and supporting the Wairoa District Council on heritage matters. Plans are in motion to collaborate with the Wairoa i-SITE to further enhance the museum's integration into regional tourism initiatives.

Our dedicated volunteers were indispensable, contributing an incredible 1,568 hours to various aspects of museum operations, from welcoming visitors to supporting conservation efforts. While we proactively addressed facility maintenance issues like roof leaks and installed the impressive Pirinoa Pou, the age and heritage status of our building necessitate a feasibility study to plan for its long-term future and continued service to the Wairoa community.

Wairoa Visitor Information Centre (isite) and Gaiety Theatre

The Wairoa Information Centre is a member of isite New Zealand. There are almost 60 isite Visitor Centres throughout New Zealand providing comprehensive, up to date information and a New Zealand wide booking service for attractions, activities, accommodation, and transport.

The Wairoa Visitor Information Centre is run and funded by Wairoa District Council as part of its economic development function. The centre provides a transport hub for Intercity buses and hold the local hunting licence agency. The centre also sells products promoting Wairoa and showcasing local businesses.

The Wairoa isite welcomed over 22,500 visitors during 2024-25, marking a steady increase across all quarters, with peak activity during the summer months. Booking

inquiries and retail transactions also rose consistently, reflecting the success of targeted marketing and improved service delivery.

Operational highlights this year have included:

- The completion of customer service and civil defence training for all staff.
- Implementation of an upgraded online booking system.
- Launch of new local tour partnerships and infrastructure improvements.

We have addressed challenges such as seasonal dips in foot traffic through off-season promotions and expanded e-commerce strategies. We have identified growth opportunities in deeper collaboration with local Māori groups.

With a focus on innovation, inclusivity, and excellence for the coming year, the team have identified the following focus areas for 2025-26:

- Ensuring a seamless digital booking experience.
- Enhanced cultural tourism through Māori partnerships.
- Expanded sponsorship outreach.
- Hosting the regional isite cluster hui in November 2025.

Gaiety Theatre

The Gaiety Theatre hosted 129 events with a total attendance of 15,880 during the 2024-25 year. These events showcased a diverse mix of theatre productions, film screenings, and youth workshops.

Operational highlights this year have included:

- Major upgrades to lighting and sound systems.
- A 20% expansion of the volunteer program.
- Strengthened partnerships with schools for arts education.

While our venue capacity remains a constraint, plans are underway to explore alternative venues and outdoor formats. Enhanced sponsorship packages are also being developed to support future programming. Joint initiatives between the isite and Gaiety Theatre have amplified the impact of:

- Cross-promotion boosted ticket and tour bookings.
- Digital integration is progressing, with a unified booking platform set to launch in Q3 2025.
- Community engagement through cultural programming and youth outreach has broadened audience demographics.

Funding Impact Statement Summary

	2023/24 AP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 Actual \$000
Community Facilities Operating Funding	3,841	3,938	3,777	3,862
Community Facilities Operating Costs	2,901	2,972	3,561	3,416
Surplus (deficit) of Community Facilities Operating Costs	940	966	216	446
Community Facilities Capital Funding	(234)	358	6,767	1,206
Community Facilities Capital Costs	706	1,324	6,983	1,652
Surplus (deficit) of Community Facilities Capital Funding	(940)	(966)	(216)	(446)

Community Facilities Performance Data

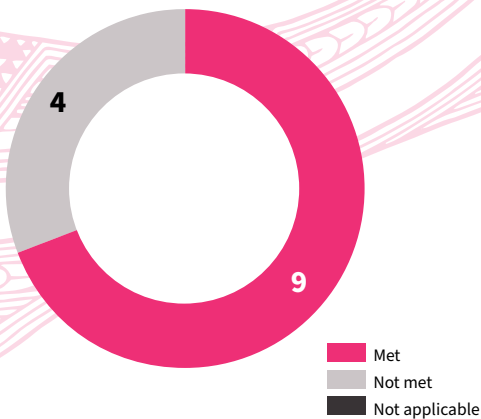
Levels of Service	Performance Measure	2022/23 Actual	2023/24 Actual	2024/25 Target	2024/25 Actual	
Parks, Reserves & Cemeteries						
Cemetery assets are well maintained	Percentage of residents' overall satisfaction with cemetery maintenance	64%	66%	80%	63%	⊗
Parks and reserve assets are well maintained	Percentage of residents' overall satisfaction with parks and reserves maintenance	52%	60%	80%	58%	⊗
Provide prompt responses for service	Percentage of open space requests responded to within 24 hours	76%	29%	≥85%	50%	⊗
Library						
Library delivers positive and high quality experiences	User satisfaction (%) with library services	93%	95%	≥80%	93%	✓
	User satisfaction (%) with library collection	77%	88%	≥80%	77%	⊗
Library is accessible and well utilised by community	Completion rate (%) of programme attendees	91%	89%	≥80%	95%	✓
	Library physical visits	41,740	33,158	32,000	36,786	✓
Museum and Community Centre						
Community Centre is accessible and well utilised by community	Total visits to the Wairoa Community Centre	87,259	94,242	Visitor numbers ≥ previous year	93,186	⊗
	User satisfaction (%) Community Centre	75%	76%	≥80%	86%	✓
Museum is accessible and well utilised by community	Total visits to the Wairoa Museum	895	3,359	Visitor numbers ≥ previous year	5,003	✓
	User satisfaction (%) Wairoa Museum	99%	98%	≥80%	96%	✓

TE MAHERE ME TE WAETURE PLANNING & REGULATORY

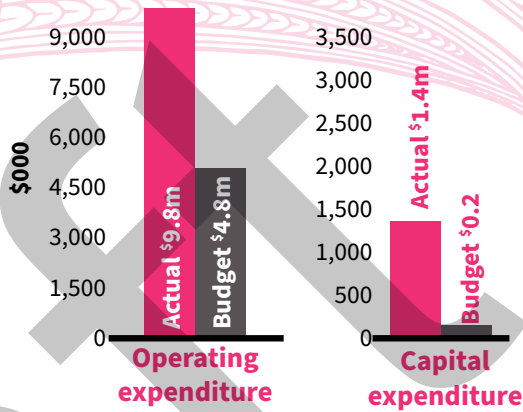


\$41.79 M
Value Of Building
Consents Issued

Performance Summary



Financial Summary



Bylaw Enforcement

Traditionally, the Wairoa District is a prime camping destination over the Christmas/New Year holidays. This year, challenging weather conditions contributed to a quieter season, with fewer campers visiting our popular sites. In response, our Compliance team maintained a proactive presence, focusing on educating visitors about designated and restricted camping areas.

This proactive engagement aims to empower campers with knowledge, minimizing the need for immediate regulatory action. Although the freedom camping ambassador program was not implemented this year following the cessation of its funding, the reduced visitor numbers provided an opportunity for the Compliance team to effectively monitor and manage freedom camping activities across the district.

Resource Consents

48 resource consent applications were received in the 2024/25 year. Of these, 39 were processed within statutory timeframes, with the remaining 9 currently in progress.

A significant highlight this year is the progress on two major subdivisions in Wairoa; Te Raua, a 35-lot subdivision project led by Tātau Tātau o Te Wairoa Trust, has obtained Resource Management approvals. With Tihi Tihi Pa, a 43-lot subdivision by Whakamanamana Limited, having secured Resource Management approvals for Stage 1. These crucial approvals mean both projects can now apply for new titles.

We have also seen a steady number of resource consents, consistent with the volumes from FY22/23 and FY23/24. Good progress is being made on reinstating homes impacted by both Cyclone Gabrielle and the June 2024 floods. As of June 30, 2025, only five temporary accommodation units supplied by the Temporary Accommodation Service remain across four properties, a substantial decrease from the peak of twenty-two units across fifteen properties.

Building Control Building consents

For the period spanning July 1, 2024, to June 31, 2025, the BCA processed and granted 161 building consent applications, representing a total value of \$41.79 million. The average processing time for building consents was 12 days, significantly outperforming the statutory requirement of 20 working days.

Building inspection activity saw a substantial increase, with 763 inspections completed during the year. This marks a notable rise from 517 inspections in the previous year and establishes a new record for the number of inspections conducted within a single year.

Challenges and achievements

Workforce Capacity and Retention: A significant challenge faced by the BCA continues to be the intense nationwide competition for skilled Building Control Officer (BCO) staff. Central Government agencies and private contractors offer highly competitive remuneration packages, which local councils, including WDC, struggle to match. This competitive environment

has resulted in the departure of one BCO from WDC during the year.

The BCA has been unable to retain its full complement of four BCOs and two Regulatory Administration staff. Currently, the BCA operates with 2.8 FTEs in technical roles and two Regulatory Administration staff. Of the technical FTEs, only 0.8 FTE holds full competency for residential dwellings, necessitating increased reliance on external contractors and consultants to manage the escalating inspection workloads effectively.

Regulatory Scrutiny and Accreditation: Increased auditing scrutiny from external bodies has placed additional demands on BCA resources, requiring intensive input from staff throughout the year. Despite these heightened workloads, the BCA successfully retained its accreditation as a low risk Building Consent Authority, a testament to the team's dedication and adherence to stringent standards.

Operational Efficiencies and Customer Service Enhancements: The BCA has proactively instigated multiple system improvements aimed at enhancing efficiencies and reducing the cost of building services for Wairoa ratepayers. Following valuable customer feedback, the BCA has reviewed its invoicing methodology and is transitioning back to upfront invoicing, a method previously well-received by customers and the public.

Furthermore, for the past 18 months, the BCA has successfully utilized a time-tracking software. This initiative is expected to provide significantly more accurate estimations of the time invested in each consent, enabling a more precise calculation of costs. This change aims to substantially reduce unexpected invoices at project completion while upholding a user-pays system.

Meeting our required targets

The BCA consistently met or exceeded its key performance targets:

- **Building Consent Issuance:** 98% of building consents were issued within their stipulated performance measures.
- **Code Compliance Certificates:** 93% of Code Compliance Certificates were issued within the 20-day statutory timeframe.
- **LIM Applications:** 100% of Land Information Memorandum (LIM) applications were processed within the 10-working day statutory timeframe.

Improvements

A significant enhancement has been implemented through the transition from the "Alpha1" Building Consent Request for Information (RFI) system to the more advanced "Build" RFI system. This new processing system builds upon the previous migration from the Alpha1 application portal to the objective Build application portal. This strategic shift in how RFIs are transmitted and received from applicants has been

specifically designed to streamline and simplify the consent process by establishing clear pathways for information exchange, ultimately improving efficiency and customer experience.

Number of Building Consents Issued	
2022/23	124
2023/24	107
2024/25	161

Environmental Health
Food control

There has been a notable increase in new food business registrations this year, with 17 new businesses registered in the past year. Despite this growth, the department continues to effectively manage its verification workload, with a total of 44 verifications undertaken. Most premises have remained compliant with the requirements of the Food Act 2014, and any issues identified during verifications have been promptly addressed. Significant efforts have been dedicated to investigating unregistered online food sellers, particularly those operating through Facebook.

As a result, five sellers have been formally educated and legally registered. Additionally, infringement notices for failing to register a food control plan or national program under the Food Act 2014 were implemented.

Ministry for Primary Industries levies will be put on top of our registration fees for food registrations, and then will be billed yearly, a new regulation has been passed by the Government to make Councils responsible for collecting these on behalf of MPI. During the consultation phase of this proposal our Council submitted opposing to having to be the collection agent for MPI. However, the law is now in place and Council will be responsible for this from 1 July 2025. Officers will work with our registrations to help them understand this new fee.

Alcohol Control

The department is actively conducting random compliance checks to ensure that licensed premises adhere to the conditions of their alcohol licenses. These checks are being carried out at various times, including both daytime and nighttime inspections, to provide an assessment of compliance across different operational hours. Findings from these compliance checks indicate that most premises are meeting their licensing obligations, with only minor issues identified.

Additionally, a new District Licensing Committee (DLC) and Chair were elected in December 2024. The DLC considers the applications, agency reports, evidence and submissions presented to it against the criteria in the Act and any relevant case law. It then objectively determines facts and draws conclusions from them to make its decision. A District Licensing Committee Procedure Manual has been adopted. Council had its first ever DLC hearing in April this year following several public objections to the renewal of a licensee's on and off licence. Another hearing is scheduled for August 2025.

Noise Control

Over the reporting period staff have continued to attend to noise complaints during working hours if available and a contractor taken over after hours and attended during working hours when an Environmental Health Officer has not been available. Generally, noise complaints have been assessed objectively by the officer without the use of a noise level meter. The number of noise complaints are up from last year. This year, new excessive noise direction notices and seizure notices were developed and implemented, further ensuring compliance with the Resource Management Act 1991.

Nuisance Control

Complaints regarding matters relating to Environmental Health have been investigated by the Environmental Health Officers. These complaints can become very time consuming, particularly where Council staff are approached in situations where there are disagreements between neighbors. Wairoa District Council staff work with the Regional Council’s Pollution Response Team regarding environmental issues.

The most common nuisance issues are long grass complaints which are called in mainly reported as a fire hazard or rat issue. On investigation in most cases no pest activity can be found, and no action is able to be taken. Fire hazard issues sit with Fire and Emergency New Zealand. In most cases complaints are more around the aesthetics of the long grass. When pest activity is identified, property owners are promptly contacted and advised on the necessary corrective actions.

Litter infringements were also established under the Litter Act 1979. Environmental Health and Property have been working together to reduce the instances of fly dumping in the district.

Water Testing

In October, the Water Testing Laboratory at the Frasertown Water Treatment Plant was permanently closed, as upgrading the facility to achieve IANZ Level 1 accreditation, required under the Water Services Act 2021, was not feasible.

Despite this closure, Environmental Health Officers remain committed to supporting the community by providing guidance on water treatment and the proper decontamination of contaminated residential water supplies. Additionally, they have been assisting residents and food businesses in obtaining water sample results from laboratories outside the district, ensuring continued access to accurate water quality assessments.

Hairdresser Regulations

The New Zealand Government have announced that the Health (Hairdressers) Regulations 1980 are being revoked. This revocation will take effect from the end of July 2025, meaning hairdressers will no longer require registration with Council and inspections.

All registered hairdressers usually receive a renewal invoice in July, but this will not be happening in 2025. The Ministry for Regulation are currently developing a new regulatory system which focuses on guidance for the industry in relation to hygiene, disinfection, and sanitation practices. Council strongly encouraged all hairdressers to keep an eye out for these new guidance documents, and ensure they are adhered too. If a compliant is received about a premises, Council officers still have authority to investigate.

Bylaw Compliance

Dog control

For the 2024/25 registration year, 95% of the 3,002 known dogs in the district have been successfully registered. To support residents impacted by the June Floods, the Council extended the dog registration period by one month, with over 80% of registrations completed within this timeframe. Of the registered dogs, 30 are classified as menacing and one as dangerous.

We've seen an increase in dog control service requests this year, totalling 474. To ease the financial burden on owners, we continue to offer payment plans for dog registrations. Additionally, the Fred Lewes Foundation funding has significantly benefited dog owners with community service cards by supporting desexing procedures. This year alone, the Council issued 53 desexing vouchers, which helps promote compliance and control unwanted pregnancies, roaming, and aggression in dogs. We also continue to provide traps to residents for managing stray cats.

To enhance our operational capabilities, two new fit-for-purpose animal control vehicles have been purchased. These vehicles are being outfitted with equipment based on SPCA's vehicle design, featuring an improved cage design that allows for the transport of more dogs than our previous two-cage setup.

Livestock control

We recorded 140 customer service requests related to livestock incidents this year: a drop on the past 2 years incident numbers. The team has identified key problem areas which has helped ensure proactive collaboration between our compliance officers and Police. We've issued notices to livestock owners to address concerns and found social media announcements to be an effective communication tool. Our commitment continues towards educating the community and working alongside stock owners. Where our educative measures are found to be ineffective, we will take action to impound livestock especially in cases of owner negligence.

	Number of Incidents responded to	
	Dog Control	Livestock Control
2022/23	591	227
2023/24	438	203
2024/25	474	140

Funding Impact Statement Summary

	2023/24 AP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 Actual \$000
Planning & Regulatory Operating Funding	2,351	6,903	4,821	12,069
Planning & Regulatory Operating Costs	2,957	7,460	4,817	9,804
Surplus (deficit) of Planning & Regulatory Operating Costs	(606)	(557)	4	2,265
Planning & Regulatory Capital Funding	606	545	150	(885)
Planning & Regulatory Capital Costs	-	(12)	154	1,380
Surplus (deficit) of Planning & Regulatory Capital Funding	606	557	(4)	(2,265)

Planning & Regulatory Performance Data

Levels of Service	Performance Measure	2022/2023 Actual	2023/24 Actual	2024/25 Target	2024/2025 Actual	
Building Control						
Provide an efficient, responsive and compliant building control service	Building consents (%) processed within statutory time frames	90%	91%	90%	97%	✓
	Certificates of acceptance (%) processed within statutory time frames	100%	100%	90%	93%	✓
	Users (%) who rate building control service as good or very good	64%	34%	≥80%	39%	✗
	Building Consent Authority (BCA) accreditation retained	Retained	Retained	Retain	Retained	✓
Bylaw Compliance						
Provide an efficient, responsive and compliant dog and stock control service	Known dogs (%) registered by 30 June each year	99%	95%	≥75%	95%	✓
	Annual Report about the administration of Councils policy and dog control practices adopted by 30 August each year.	Not Achieved	Achieved	Achieved	Achieved	✓
Liquor Licensing and Environmental Health						
Provide an efficient, responsive and compliant liquor control service	Management licenses (%) processed within 30 days	100%	100%	100%	84%	✗
	Renewal and new licences (%) processed within statutory time frames	100%	100%	100%	100%	✓
Provide an efficient, responsive and compliant environmental health service	Non-food premises registrations required under legislation completed (%)	100%	100%	100%	100%	✓
	Noise Control (unreasonable noise) complaints responded to in accordance with legislation, regulations, and council policy	95%	89%	90%	90%	✓
	Verification reporting to be completed within 10 days of verification as per Quality Manual.	90%	100%	90%	90%	✓
Resource Planning						
Provide an efficient, responsive and compliant resource planning service	Resource consent % processed within statutory timeframe	97%	100%	100%	94%	✗
	Users (%) who rate resource consent service as good or very good	47%	57%	≥80%	52%	✗

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GOVERNANCE & COMMUNITY

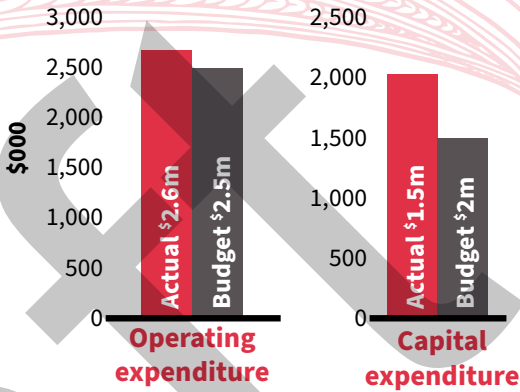
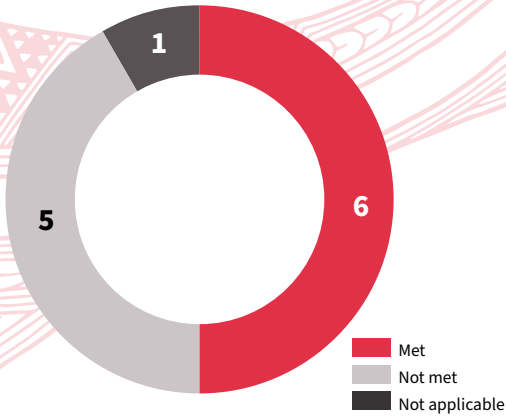


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Official Information
Requests Received

Performance Summary

Financial Summary



Draft

Funding Impact Statement Summary

	2023/24 AP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 Actual \$000
Governance & Community Operating Funding	3,881	4,521	2,490	2,729
Governance & Community Operating Costs	5,028	3,973	2,468	2,649
Surplus (deficit) of Governance & Community Operating Costs	(1,147)	548	22	80
Governance & Community Capital Funding	5,053	3,649	1,428	1,957
Governance & Community Capital Costs	3,906	4,197	1,450	2,037
Surplus (deficit) of Governance & Community Capital Funding	1,147	(548)	(22)	(80)

Governance & Community Performance Data

Levels of Service	Performance Measure	2022/2023 Actual	2023/24 Actual	2024/25 Target	2024/2025 Actual	
Elected members are accessible and responsive to community	Residents (%) who know how to contact elected members	76%	45%	≥85%	73%	⊗
	Residents (%) satisfied with Mayor and Councillors	48%	47%	≥85%	40%	⊗
Council facilitates democratic decision-making, and community engagement opportunities	Meeting and committee agendas (%) made available to the public within statutory time frames	100%	100%	100%	100%	✓
	Residents (%) who believe they have adequate opportunities to have their say in Council activities	45%	60%	≥85%	42%	⊗
	Residents (%) who state they are satisfied with how the Council makes decisions	34%	25%	≥80%	22%	⊗
Council information is accessible and service compliant	Residents (%) who agree that Council information is easy to access (via website, libraries, social media, newspapers etc)	53%	39%	≥80%	46%	⊗
	Official information requests (%) handled within legislative time frame	74%	100%	100%	100%	✓
Council supports and facilitates Māori participation in decision-making	The required number of nominations are received within established timeframes and appointments made to Council's Māori Standing Committee	Achieved	Achieved	Achieved	Achieved	✓
	The Māori Standing Committee meetings are scheduled and attended no less than bi-monthly	Achieved	Achieved	Achieved	Achieved	✓
Council supports progressive and collaborative economic development for the district	Actions in the Economic Development Plan and Action Plan completed (% of actions completed)	88%	84%	80%	Not measured*	⊖
isite is accessible, well utilised by visitors and delivers positive experiences	Total visits to the isite	1911	10,823	Visitor numbers ≥ previous year	13200	✓
	User satisfaction (%) with isite	90%	91%	≥80%	83%	✓

*Economic Development Plan measure is recorded as not measured in 2024/25 as Council is in the process of adopting a new Economic Development Plan for the region.

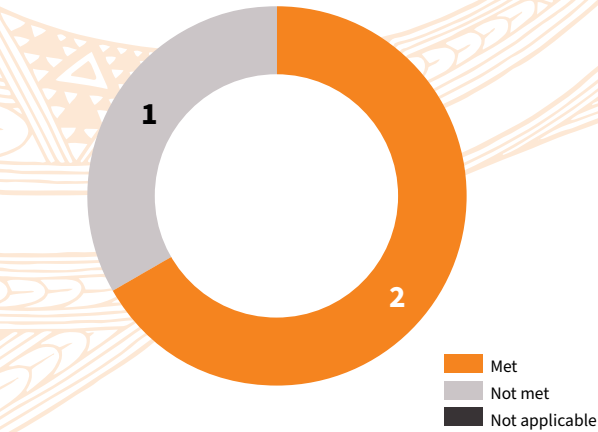
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CORPORATE SERVICES

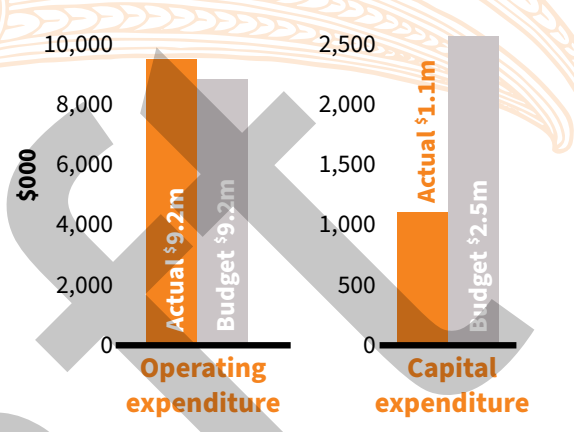


2,642
Service Requests Issued by
our Customer Service Team

Performance Summary



Financial Summary



Property

Pensioner Housing

Wairoa District Council owns 32 Pensioner Housing units across 6 sites in Wairoa. Over the 2023/24 year we have continued to upgrade units as required to ensure we are meeting healthy homes criteria and ensure we meet the standards of a responsible landlord.

Number of Units	32
Occupancy	29 (90%)
Waiting List	24

The age and health of tenants are proving to be an issue with mobility into and around the units. More requests for ramps and accessibility into to the units have been received from family members of the tenants. Council have remedied these issues as best they can, but this has increased spend on our operating budget.

Property Corporate

During the 2024/25-year fire and emergency systems have been upgraded and completed in the Library Building and a detailed Seismic Assessment for the Administration building was carried out by a local contractor.

Community Halls & Facilities

Civil Defence Emergency management have carried out assessments to identify 4 new Community Hubs across the district. This includes the scoping of several halls to determine required weatherproofing and upgrades to establish community hubs.

The Council Owned Wairoa Celtic Clubrooms is currently being renovated scheduled to be completed by September 2025. These renovations include painting, flooring,

plumbing, building and electrical work. Projects also nearing completion are the new Isite (Winters building) and the Netball Pavilion upgrades.

Support Services

Support Services encompass the operational expenses of the Council's administrative and support functions, along with other unallocated costs. These costs, excluding those attributed to special reserves, are allocated to activity groups through an overhead allocation process and are reported within those respective groups. This category includes essential functions such as finance, records and archives, administration and customer service, information services, and GIS (Geographic Information System).

Finance

At the core of the Council's financial strategy lies our Treasury function, responsible for the prudent management of investments, cash reserves, debt obligations, equity, and property assets. Through our specialized services, we ensure the availability of low-cost capital for critical projects, immediate financial readiness for emergencies, and robust daily operational funding.

We are proactively strengthening our Business Partnering framework, delivering integrated expert advice, dedicated support, and strategic insights directly to Council departments. This collaborative model is instrumental in elevating the quality of reporting, project execution, and long-term planning.

Additionally, our Rates team provides an essential, free service, guiding ratepayers through the complexities

of rates rebates and other inquiries. This commitment ensures that all residents, particularly those with fixed incomes, can easily access the government support designed to assist them.

Rates Rebate Applications	
2022/2023	330
2023/2024	346
2024/2025	386

Customer Services

Our dedicated Customer Services Team is the primary point of contact for the public, serving as the crucial link between our community and the Council services. This team is instrumental in ensuring seamless communication and accessibility for all residents.

They manage incoming council phone lines, providing prompt and helpful assistance to a wide range of inquiries,

they handle general email enquiries, ensuring these receive timely and comprehensive responses and provide comprehensive support through front desk services, welcoming visitors and addressing their needs directly.

Number of Calls taken by Council Customer Services		
2022/2023	2023/2024	2024/2025
2,950	2,639	2,642

Information Services

The Information Services Team has focused on ensuring the continued reliability and efficiency of the Council's information technology systems during the 2024/25 year. A primary objective was to enhance our business continuity capabilities. This was achieved through the successful implementation of cloud-based server solutions, replacing outdated physical infrastructure, and a robust program of cybersecurity training to equip our staff against evolving threats, thereby positioning the Council for future technological resilience.

Funding Impact Statement Summary

	2023/24 AP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 Actual \$000
Corporate Services Operating Funding	6,929	7,272	9,767	10,328
Corporate Services Operating Costs	6,673	7,656	9,244	8,879
Surplus (deficit) of Corporate Services Operating Costs	256	(384)	523	1,449
Corporate Services Capital Funding	20	2,096	2,010	(313)
Corporate Services Capital Costs	276	1,712	2,533	1,136
Surplus (deficit) of Corporate Services Capital Funding	(256)	384	(523)	(1,449)

Corporate Services Performance Data

Levels of Service	Performance Measure	2022/23 Actual	2023/24 Actual	2024/25 Target	2024/25 Actual	
To provide Council buildings that are compliant with legislative requirements	All pensioner housing units are proactively inspected six monthly	100%	100%	100%	100%	✓
Provide prompt responses for service	Percentage of requests responded to within 3 days (including safety defects)	93%	50%	≥80%	80%	✓
To provide Council buildings that are well maintained	Percentage of defects in pensioner housing resolved within 24 hours	85%	100%	100%	0%	✗

TE WHAKAHAERE-Ā-KAUNIHERA

COUNCIL CONTROLLED ORGANISATION

Quality Roothing and Services (Wairoa) Limited (QRS) is a Council Controlled Organisation (CCO) wholly owned by Wairoa District Council.

Council Controlled Organisations (CCO)

Council Controlled Organisations (CCO) are defined by the Local Government Act 2002 as entities in which the Council holds over fifty percent shareholding or has the authority to appoint over fifty percent of directors. There are trading and non-trading CCOs, with trading ones like Council-Controlled Trading Organisations (CCTO) functioning akin to profit-making companies. An example is QRS, serving as both a CCO and CCTO.

Reasons for owning a CCO

Ownership of a CCO serves several purposes. It allows the Council to maintain expertise in construction, roading, and other areas while fostering competition to reduce ratepayer costs. Supporting community initiatives is also central, with QRS being a major local employer and contributor to various community events, sports, and strategic sponsorships.

Accountability

Accountability is crucial, with QRS answerable to the Council, which sets objectives and monitors performance. The Council, in turn, is accountable to ratepayers for QRS’ effectiveness and cost-efficiency. Annually, QRS agrees to a publicly available Statement of Corporate Intent with the Council, detailing activities, performance targets, reporting requirements, and more. QRS reports its performance against this statement at the financial year-end.

The Local Government Act 2002 outlines key objectives for CCOs, including meeting shareholders’ objectives, being a responsible employer, exhibiting social and environmental responsibility, and for trading CCOs, adhering to sound business practices.

As per legal requirements, the Long-Term Plan includes information on Council-Controlled Organisations, with the following section summarising details from QRS’ Statement of Corporate Intent.

Nature and scope of activities

QRS is an ISO-accredited civil construction company that provides solutions and excellence across a range of infrastructural services including:

- Roothing maintenance and associated construction
- Traffic management
- Civil construction projects
- Quarrying operations
- Concreting Services

Ownership policy and objectives

Any surplus profits generated by QRS are directed to the Council in the form of dividends and community support initiatives.

The Council’s plans for QRS remain unchanged, with no intention to alter its ownership or control. The objectives set for QRS are:

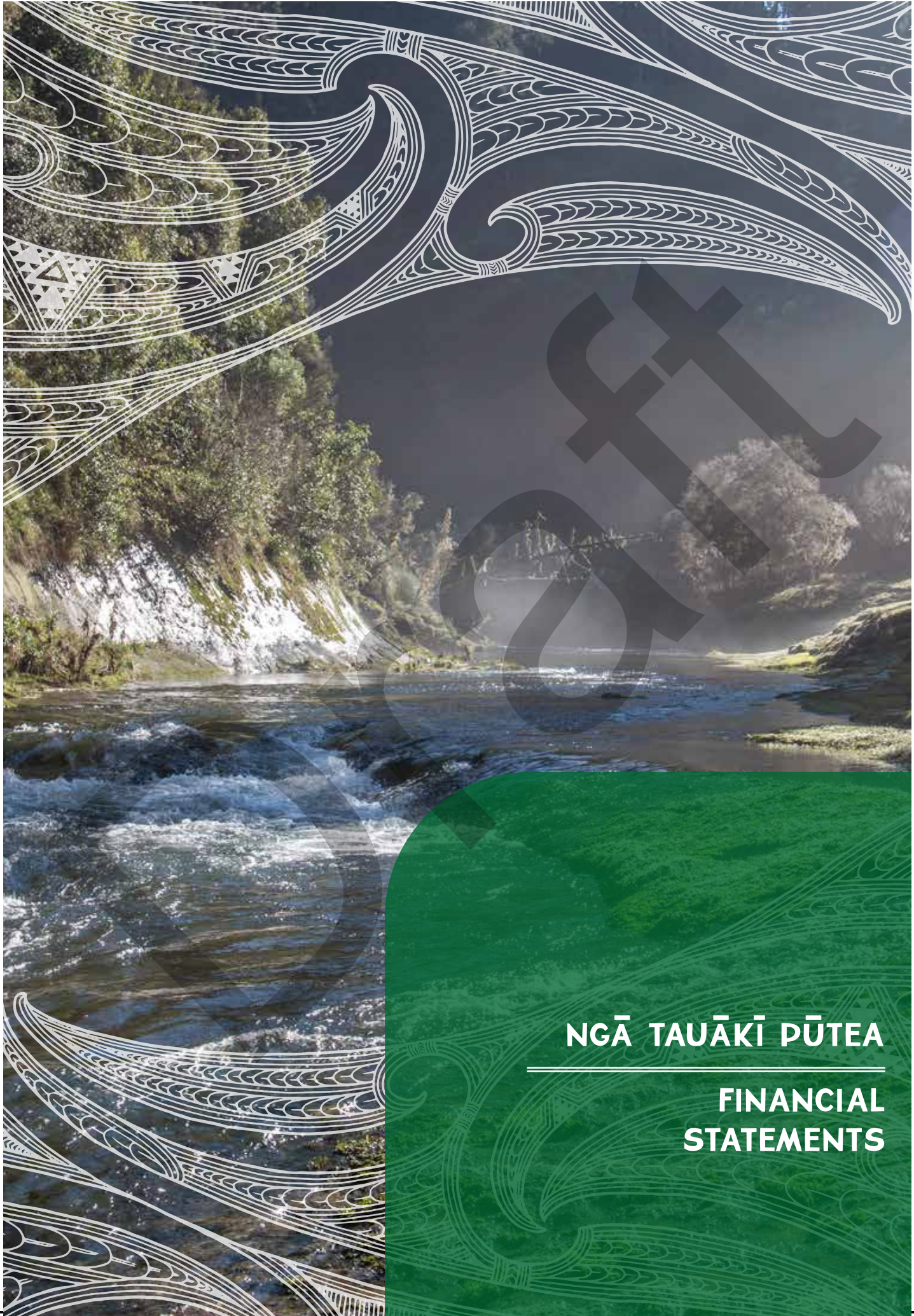
- Maintain profitability and achieve all financial targets.
- Ensure positive cash flow for the company.
- Maintain effective governance within the company.

Further details can be found on QRS’ website at www.qrs.co.nz



Key Performance Indicators

	30 June 2023	30 June 2024	2024/25	30 June 2025
	Actual	Target	Target	Actual
Net Profit as a percentage of opening Shareholder Funds (pre-tax)				
Net Profit as a percentage of revenue (after tax)				
Distributions to shareholder (uninflated)				
Ratio of shareholder funds to total assets				



NGĀ TAUĀKĪ PŪTEA

**FINANCIAL
STATEMENTS**

TE WHAKAMĀRAMATANGA I TĀ TE KAUNIHERA TAUĀKĪ PŪTEA
UNDERSTANDING COUNCIL'S FINANCIAL STATEMENTS

The following descriptions have been provided to help explain the Council's Financial Statements.

For further information, please contact Wairoa District Council.

☎ 06 838 7309
✉ info@wairoadc.govt.nz
🌐 www.wairoadc.govt.nz

Statement of Financial Position

This is Wairoa District Council's Balance Sheet and shows its financial position at the end of the 2024/25 financial year. The council's financial position is determined by subtracting the value of all its liabilities, or what it owes, from all its assets, or what it owns. Wairoa District Council's assets include items such as cash and property, and its liabilities include items such as creditors and loans. The result is represented as equity and describes in financial terms what the Council is 'worth.' Due to the high investment in infrastructure, like roads and water networks, the value of Council's assets are significantly more than its liabilities and so its equity is substantial.

Statement of Comprehensive Revenue And Expense

This is the Council's Income Statement and shows how much total revenue or income Wairoa District Council received in the 2024/25 financial year versus how much it spent on running costs. Council's financial performance is determined by subtracting the value of its expenses or 'what it costs to run Council' from its total income. However, this is because the revenue includes capital subsidies from NZ Transport Agency Waka Kotahi (NZTA), the Department of Internal Affairs and Crown Regional Holdings Limited (CRHL). This money is spent on assets which are recorded in the balance sheet.

Statement of Changes In Equity

This statement shows the changes to the Council's equity or 'worth.' The change is represented by the difference in equity at the start of the 2024/25 financial year versus the end. The equity at the end of the 2024/25 year is determined by adding the net surplus from the Council's Statement of Comprehensive Revenue and Expense to the value of the Council's equity at the beginning of the 2024/25 financial year.

Equity is divided into 3 components:

1. **Ratepayer's Equity:** the total of all operating surpluses and deficits since Council began
2. **Special Funds:** represent amounts accumulated and held for specific purposes, such as township development and asset renewals. When these funds are used or topped up there are transfers between Ratepayer Equity and Special Funds.
3. **Revaluation Reserve:** this reflects changes in the value of infrastructure and the current cost of replacing assets that were built years ago. Wairoa District Council's roading and Water assets are revalued every 3 years or more frequently if required.

Statement of Cash Flows

This statement shows the flow of cash within Council's operating, investing and financing activities in the 2024/25 financial year. Council's cash at the end of the 2024/25 financial year is determined by subtracting the cash that flows out (is spent) from the cash that flows in (is received). The council's inflows of cash include rates and investment income, and its outflows of cash include payments to suppliers and loan repayments.

Budget Data

The budget data used in the following financial statements is the third year of the Long Term Plan 2021-2031, which equates to the 2024 year (LTP 2024).

HE TAUĀKĪ TŪTOHU ME TE TAKOHANGA STATEMENT OF COMPLIANCE AND RESPONSIBILITY

Reporting Entity

Wairoa District Council is a territorial local authority governed by the Local Government Act 2000.

The Council group consists of Wairoa District Council and its 100% owned subsidiary, Quality Roding and Services (Wairoa) Limited. The reporting date of the Council and its controlled entity is 30 June.

The group operates in one geographic segment (New Zealand) and in two industries, being that of local government and construction and maintenance activities (operated by the 100% owned subsidiary). Both entities included within the Group are domiciled in Wairoa, New Zealand.

The primary objective of the Council and Group is to provide goods or services for the community or social benefit rather than making a financial return. As a defined public entity under the Public Audit Act 2001, the Council is audited by the Office of the Auditor General and is classed as a Public Sector Public Benefit Entity for financial reporting purposes.

Compliance

The Council and management of Wairoa District Council confirm that all statutory requirements in relation to the Annual Report, as outlined in Schedule 10 of the Local Government Act 2002, including the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP) have been complied with. The financial statements have been prepared to comply

with Public Sector Public Benefit Entity Accounting Standards (PBE accounting standards) for a Tier 1 entity* and were authorised for issue by the Council on ?? October 2025.

Responsibility

The Council and management of Wairoa District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them. They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the opinion of the Council and management of Wairoa District Council, the Annual Report for the year ended 30 June 2025 fairly reflects the financial position, results of operations and service performance of the Wairoa District Council and Group.



Craig Little

Te Kahika
Mayor

?? October 2025

HE TAUĀKĪ PŪTEA WHIWHI ME TE PŪTEA WHAKAHAERE

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the period ended 30 June 2025

	NOTE	COUNCIL			GROUP	
		Actual 2025 \$000	LTP 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Revenue						
Rates	2	22,472	22,266	19,141	22,472	19,141
Subsidies and grants	2	49,939	50,739	58,491	49,939	58,491
Petrol tax		61	80	82	61	82
Construction revenue		-	-	-	-	-
Fees and charges		5,322	3,447	3,324	5,322	3,324
Investment revenue	2	1,541	1,483	1,077	1,541	1,077
Miscellaneous revenue		238	-	-	238	-
Total revenue		79,573	78,015	82,115	79,573	82,115
Expense						
Water supply		3,422	3,310	3,187	3,422	3,187
Stormwater		816	841	1,090	816	1,090
Wastewater		4,022	3,929	3,107	4,022	3,107
Solid waste		2,941	2,862	3,173	2,941	3,173
Transport		33,538	23,200	48,543	33,538	48,543
Community facilities		3,694	3,764	3,459	3,694	3,459
Planning and regulatory		9,656	4,585	7,446	9,656	7,446
Leadership and governance		2,653	2,472	4,423	2,653	4,423
Corporate		2,558	1,196	1,403	2,558	1,403
QRS						
Total expense		63,300	46,159	75,831	63,300	75,831
Net surplus / (deficit) before taxation		16,273	31,856	6,284	16,273	6,284
Subvention income		-	-	-	-	-
Taxation	9	-	-	-	-	-
Net surplus / (deficit) for the year		16,273	31,856	6,284	16,273	6,284
Other comprehensive revenue and expense¹						
Fair value movement – property, plant and equipment		-	-	39,789	-	39,789
Total comprehensive revenue and expense for the year		16,273	31,856	46,073	16,273	46,073

The notes from pages 59 to 92 form part of, and should be read in conjunction with, the financial statements

¹Other comprehensive revenue or expense is non-cash in nature.

HE TAUĀKĪ TŪ PŪTEA

STATEMENT OF FINANCIAL POSITION

as at 30 June 2025

	NOTE	COUNCIL			GROUP	
		Actual 2025 \$000	LTP 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Current assets						
Cash and cash equivalents	6	1,981	10,493	2,307	1,981	2,307
Inventories	7	71	84	53	71	53
Trade and other receivables	5	13,312	12,263	17,161	13,312	17,161
Other current assets		-	-	-	-	-
Financial assets at fair value	8	-	-	-	-	-
Total current assets		15,364	22,840	19,521	15,364	19,521
Current liabilities						
Trade and other payables	10	16,505	14,654	19,832	16,505	19,832
Employee benefit liabilities		967	811	870	967	870
Borrowings	17	-	(173)	3,500	-	3,500
Taxes payable		-	-	-	-	-
Total current liabilities		17,472	15,292	24,202	17,472	24,202
Working capital		(2,108)	7,548	(4,681)	(2,108)	(4,681)
Non-current assets						
Property, plant and equipment	11	509,429	513,747	499,886	509,429	499,886
Work in progress	11	11,147	4	4,568	11,147	4,568
Investment in subsidiary	16	1,250	1,250	1,250	1,250	1,250
Loan to subsidiary	16	1,037	1,036	1,037	1,037	1,037
Investment Property	15	8,147	345	8,332	8,147	8,332
Biological asset - forestry	13	115	115	115	115	115
Intangible assets	12	197	719	373	197	373
Assets held for sale	11	18	18	18	18	18
Financial assets at fair value	8	828	1,091	781	828	781
Deferred tax	9	-	-	-	-	-
Total non-current assets		532,168	518,325	516,360	532,168	516,360
Non-current liabilities						
Trade and other payables	10	56	49	56	56	56
Landfill aftercare	18	2,032	1,378	2,032	2,032	2,032
Quarry aftercare	18	-	-	-	-	-
Borrowings	17	9,624	20,755	7,526	9,624	7,526
Deferred tax	9	-	-	-	-	-
Total non-current liabilities		11,712	22,182	9,614	11,712	9,614
Net assets		518,348	503,691	502,065	518,348	502,065
Represented by						
Equity	19	518,348	471,834	502,065	518,348	502,065

HE TAUĀKĪ MANA TAURITE

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2025

	NOTE	COUNCIL			GROUP	
		Actual 2025 \$000	LTP 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Total equity - opening balance		502,065	439,978	455,992	502,065	455,992
Net surplus (deficit) for period		16,273	31,856	6,284	16,273	6,284
Other comprehensive income		10	-	39,789	10	39,789
Total comprehensive income		16,283	31,856	46,073	16,283	46,073
Total equity - closing balance		518,348	471,834	502,065	518,348	502,065
Components of equity						
Ratepayer's equity						
Ratepayer's equity - opening balance		172,022	142,649	163,798	172,022	163,798
Net surplus/(deficit) for period		16,273	31,856	6,284	16,273	6,284
Transfers to special reserves		(3,496)	(3,496)	(3,691)	(3,496)	(3,691)
Transfers from special reserves		2,709	8,310	5,641	2,709	5,641
Transfer from revaluation reserve		3,072	-	-	3,072	-
Ratepayer's equity - closing balance		190,580	179,319	172,032	190,580	172,032
Special funds						
Special reserves - opening balance		22,697	27,511	24,656	22,697	24,656
Transfer to ratepayer's equity		(2,709)	(8,310)	(5,641)	(2,709)	(5,641)
Transfer from ratepayer's equity		3,496	3,496	3,691	3,496	3,691
Special funds - closing balance		23,484	22,697	22,706	23,484	22,706
Revaluation reserves						
Revaluation reserves - opening balance		307,327	267,516	267,538	307,327	267,538
Net transfer to ratepayer's equity		(3,043)	-	-	(3,043)	-
Transfer to revaluation		-	-	39,789	-	39,789
Revaluation reserves - closing balance		304,284	267,516	307,327	304,284	307,327
Total equity - closing balance		518,348	469,532	502,065	518,348	502,065

The notes from pages 59 to 92 form part of, and should be read in conjunction with, the financial statements

HE TAUĀKĪ KAPEWHITI

STATEMENT OF CASHFLOWS

for the year ended 30 June 2025

	NOTE	COUNCIL			GROUP	
		Actual 2025 \$000	LTP 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Cash flows from operating activities						
Receipts from rates revenue		21,153	22,266	18,866	21,153	18,866
Other revenue		24,525	(2,816)	2,540	24,525	2,540
Subsidies and grants received		42,796	50,739	56,278	42,796	56,278
Investment income		491	233	2,127	491	2,127
Payments to suppliers and employees		(60,865)	177,464	(61,211)	(60,865)	(61,211)
Taxation		-	-	-	-	-
Interest paid		(506)	(865)	(742)	(506)	(742)
Net cash flows from operating activities		27,594	247,021	17,858	27,594	17,858
Cash flows from investing activities						
Sale of property, plant and equipment		41	-	823	41	823
Insurance proceeds		-	-	-	-	-
Sale of financial assets		-	-	406	-	406
Purchase of financial assets		-	-	(87)	-	(87)
Purchase of property, plant and equipment		(26,559)	(257,110)	(22,576)	(26,559)	(22,576)
Purchase of intangibles		-	-	195	-	195
Loans made to subsidiary		-	-	-	-	-
Net cash flows used in investing activities		(26,518)	(257,110)	(21,239)	(26,518)	(21,239)
Cash flows from financing activities						
Loans raised		(1,402)	20,583	(8,000)	(1,402)	(8,000)
Borrowings repaid		-	-	-	-	-
Lease repayments		-	-	-	-	-
Net cash flows from/(used in) financing activities		(1,402)	20,583	(8,000)	(1,402)	(8,000)
Net increase/(decrease) in cash and cash equivalents		(326)	10,494	(11,381)	(326)	(11,381)
Cash and cash equivalents at beginning of year		2,307	-	13,688	2,307	13,688
Cash and cash equivalents at end of year		1,981	10,494	2,307	1,981	2,307
Made up of:						
Cash		1,981	10,493	2,307	1,981	2,307
Cash and cash equivalents at end of year		1,981	10,493	2,307	1,981	2,307

The notes from pages 59 to 92 form part of, and should be read in conjunction with, the financial statements

HE TAUĀKĪ KAUPAPA HERE MŌ TE KAUTE ME NGĀ PITOPITO KŌRERO KI NGĀ TAUĀKĪ PŪTEA

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1. REPORTING ENTITY STATEMENT AND PREPARATION OF THE FINANCIAL STATEMENTS

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 of the Council and group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with New Zealand Generally Accepted Accounting Policies (NZ GAAP).

The financial statements have been prepared in accordance with and comply with PBE Accounting Standards.

The financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000), unless otherwise stated.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Wairoa District Council (the Council) and its subsidiary Quality Roading and Services (Wairoa) Limited (QRS) Collectively the Group as at 30 June 2025.

Controlled entities are those over which the Council (the controlling entity) can govern the financial and operating policies to obtain benefits from their activities. All significant inter-entity transactions, balances and unrealised gains are eliminated on consolidation. The Council has a 100% interest in QRS (2024: 100%), a company incorporated in New Zealand (**refer note 14**). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

GOODS AND SERVICES TAX (GST)

All amounts in the financial statements are exclusive of GST, except for receivables and payables that are stated as GST-inclusive. When GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

BUDGET FIGURES

Long Term Plan 2024-2027

The Long-Term Plan 2024-2027 was adopted by Council on 1 August 2024. The reporting period ended 30 June 2025 is the first year of this plan. The budget figures were prepared in accordance with NZ PBE FRS-42, using accounting policies consistent with those adopted by Council for the preparation of the financial statements.

The Long-Term Plan budget figures included in these financial statements are for the Council as a separate entity. The budget figures do not include budget information relating to the controlled entity.

These figures do not include any additional expenditure subsequently approved by the Council outside the Long-Term Plan process. The Long-Term Plan figures have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and are consistent with the accounting policies adopted by the Council for the preparation of these financial statements. Explanation of major variances between actual results and forecasted figures is provided in **note 26**.

COMPARATIVES

To ensure consistency with the current year, certain comparative information has been reclassified:

- where classifications have changed between periods.
- where the Council has made additional disclosure in the current year.
- where a greater degree of disaggregation of prior year amounts and balances is therefore required; and
- where there has been a change of accounting policy (there has been no change in the 2023/24 year).

OVERHEAD COST ALLOCATION

The Council has derived the cost of service for each significant activity, as reported within the Statements of Service Performance, in the following way:

Direct Costs

Direct costs, which can be traced directly to a specific significant activity, are expensed directly to the relevant activity.

Indirect Costs

Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. Indirect costs are allocated as overheads across all activities. Indirect costs are charged to activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

CAPITAL MANAGEMENT

For the Group's capital management, the Group's capital is its equity (or Ratepayer's Funds), including accumulated comprehensive revenue and expense and all equity reserves attributable to the Council. Equity is represented by net assets.

The Council manages its capital largely as a by-product of managing its revenue, expenses, assets, liabilities, and general financial dealings. The Local Government Act 2002 requires the Council to manage its revenue, expenses, assets, liabilities, and general financial dealings in a manner that promotes the current and future interests of the community. In addition, The Local Government (Financial Reporting and Prudence) Regulations 2014 set out a number of benchmarks for assessing whether the Council is managing its revenue, expenses, assets and liabilities prudently.

The primary objective of the Group's capital management is to achieve intergenerational equity, which is a principle promoted in the Local Government Act 2002 and applied by the Council.

Intergenerational equity requires the Council to spread the funding of the cost of its assets over the current and future generations of ratepayers, such that:

- Current ratepayers are required to meet the cost of using the assets, but not the full cost of long-term assets that will benefit ratepayers in future generations and
- Ratepayers in future generations are not required to meet the costs of deferred asset renewals and maintenance.

To achieve this overall objective, the Council has in place asset management plans for major classes of assets, detailing renewals and programmed maintenance to ensure that future generations of ratepayers are not required to meet the costs of deferred renewals and maintenance.

An additional objective of capital management is to ensure that the expenditure needs identified in the Council's Long-Term Plan and Annual Plan are met in the manner set out in these plans. The Local Government Act 2002 requires the Council to make adequate and effective provision in its Long-Term Plan and in its Annual Plan to meet the expenditure needs identified in those plans. The factors the Council must consider when determining the most

appropriate sources of funding for each of its activities are in the Local Government Act 2002. The sources and levels of funding are set out in the funding and financial policies in the Council's Long-Term Plan. The Council monitors actual expenditure incurred against the Long-Term Plan and Annual Plan.

No changes were made in the objectives, policies, or processes for managing capital during the year (2024: nil).

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of these financial statements requires management to make judgements, estimates and assumptions concerning the future that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

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

1. Classification of property

The Council owns a number of pensioner housing units. The receipt of rental income 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. **Refer note 11 and 15.**

2. Landfill aftercare provisions

Note 18 discloses an analysis of the exposure of the Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

3. Infrastructural asset valuation

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

- The physical deterioration and condition of an asset, for example the council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then WDC could be over-or-under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense.

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

estimates. Accredited independent valuers perform Council's infrastructural asset revaluations, refer to **Note 11.**

4. Classification of costs

Judgement is used over the classification of costs between capital and maintenance. Items are reviewed regularly to ensure the cost allocation is reasonable.

CHANGES IN ACCOUNTING POLICIES

No changes in accounting policies.

2. REVENUE

Revenue comprises rates, revenue from operating activities, contracting services, investment revenue, subsidies, petrol tax and fees and charges and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions. Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duty.

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

EXCHANGE TRANSACTIONS

Exchange transactions are transactions where the Group receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange. Exchange revenue received by Group can be summarised into the following areas:

• Revenue from water by meter

Water billing revenue is recognised on an accrual basis. Unbilled usage as a result of unread meters at year end is accrued on an average usage basis.

• Provision of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

• Sale of goods

Sales of goods are recognised when a product is sold to the customer.

• Construction contracts

Revenue on construction contracts is recognised progressively over the period of each contract. The amount included in the statement of comprehensive revenue and expense, and the value of the contract assets or liabilities are established by assessment of the individual contracts taking into account the proportion of work completed, cost analysis and estimated final results. When the contract income cannot be reliably measured, revenue is recognised only to the extent of the expenses recognised which are recoverable.

• Interest revenue

Interest revenue is recognised on an accrual basis with movements in fair value profits and losses disclosed in the overall income statement as interest on investments.

• Dividend Revenue

Dividend revenue is recognised when the right to receive payment is established which is generally when QRS approves the dividend.

- Subvention Payments**

Subvention payments is recognised when the right to receive payment is established which is generally when QRS approves the payment.

The below table shows revenue received from investments for the year:

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Interest on financial assets at fair value through profit and loss	349	881	151	683
Gain / (loss) in market value and sales of bond portfolio	13	13	13	13
Cash dividends received	1,050	100	950	-
Rental income on other investments	115	69	115	69
Other income	13	14	13	14
Total investment income	1,540	1,077	1,242	779

NON-EXCHANGE TRANSACTIONS

Non-exchange transactions arise when the Group receives value from another entity without directly giving approximately equal value in exchange. Revenue received from a non-exchange transaction cannot be deferred unless there is both a performance obligation and a return obligation attached to it. For example, where grant or subsidy funding is received without performance obligation then revenue is recognised when receivable. Where a performance obligation exists, revenue is recognised upon satisfactory completion of the performance. Revenue from non-exchange transactions received by Group can be summarised as:

- Vested assets**

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as non-operating, or extraordinary revenue. Assets vested in Group are recognised as revenue when control over the asset is obtained.

- Provision of services**

Non-exchange revenue from the rendering of services consists of services in activities where the Group subsidises the activity. Such revenue is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total service to be provided, only when there are conditions attached that require the funds to be returned if performance does not occur. Where no conditions are attached revenue is recognised when receivable.

- Rates Revenue**

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when receivable.

	Council	
	2025 \$000	2024 \$000
General rates	15,261	13,779
Water	2,140	1,476
Sewerage	3,189	2,169
Waste management	1,254	1,628
Stormwater	916	483
Services	-	-
Roading	-	-
Recreation	-	-
Gross rates levied	22,760	19,535
Penalties charged	466	316
Less remissions	(754)	(710)
Less internal charges	-	-
Rating revenue received	22,472	19,141

Other Income

The Council received a dividend payment of \$1,050,000 for the year ended 30 June 2024. Subvention payments involve the purchase of tax losses by QRS from the Council leading to a reduction in tax payable and therefore an ultimate greater cash benefit to the Wairoa District. **See note 9.**

Other Comprehensive Revenue

The below table shows other comprehensive revenue received for the year:

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Fair value movement – property, plant and equipment				
Total other comprehensive revenue				

GOVERNMENT GRANTS AND SUBSIDIES

Grants and subsidies received are recognised as revenue when the Council obtains control of the transferred asset (cash, goods, other assets or services) and the transfer is free from conditions that require the Council to refund or return the asset if the conditions relating to the asset are not fulfilled. When grants and subsidies include a condition, liabilities are recognised until the Council has satisfied the conditions when revenue is recognised.

The Council receives the majority of grants and subsidies revenue from NZTA, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The right to receive the funding from NZTA arises once the work is performed therefore revenue is recognised when receivable as there are no further conditions attached to the funding.

The Government has invested in regional economic development through the CRHL. As the underlying CRHL contracts contain an obligation in substance to return the funds if conditions of the grant are not met, revenue from the CRHL is initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

The Government has invested in Three Waters upgrades through funding from the DIA. As the underlying contract contains an obligation in substance to return the funds if conditions of the grant are not met, revenue from the DIA is initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

During any year, other grants may be received towards the costs of constructing assets for the community's benefit or for passing to the community for supporting cultural and sporting activities, from government and other agencies. Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if the 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 the conditions of the grant are satisfied.

Subsidies and grants received and recognised as revenue for the year were:

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Planned Activities				
New Zealand Transport Agency roading subsidies	12,034	11,326	12,034	11,326
Ministry of Business and Innovation	2,463	2,755	2,463	2,755
Kanoa	914	-	914	-
Department of Internal Affairs	726	233	726	233
Other Subsidies & Grants	582	1,923	582	1,923
Total Planned Activities	16,719	16,237	16,719	16,237
Emergency Events				
New Zealand Transport Agency roading subsidies	22,532	37,311	22,532	37,311
Silt & Debris Fund	5,048	2,319	5,048	2,319
Crown Infrastructure Partners (Te Reinga Bridge)	3,695	-	3,695	-
Other Subsidies & Grants	1,946	2,624	1,946	2,624
Total Emergency Events	33,221	42,254	33,221	42,254
Total Government grants and subsidies	49,940	58,491	49,940	58,491

There are no unfulfilled conditions or other contingencies attached to subsidies and grants recognised as revenue (2023: nil).

Due to the impact of Cyclone Gabrielle, the Council received the following additional funding to date:

- \$33.9m from Waka Kotahi for emergency works and preventative maintenance.
- \$4m from Hawkes Bay Regional Council for silt and debris recovery.
- \$489k from National Emergency Management Agency for costs incurred in collecting and disposing of residential household waste, and welfare.

3. EXPENDITURE LEASES

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The substance of the arrangement depends on whether fulfilment of the arrangement is dependent on the use of a specific asset or assets, or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term. Rent received from an operating lease is recognised as income on a straight-line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

Investment property and property used for social housing are leased under operating leases. Both investment property and social housing leases are periodic agreements, with the tenant having a right to cancel with between one to two months' notice. Therefore, there are no non-cancellable leases held. No contingent rents have been collected during the year (2023: nil).

Group as a Lessee

Finance leases are leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group. Assets held under a finance lease are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Group also recognises the associated lease liability at the inception of the lease, at the same amount as the capitalised leased asset.

After initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in surplus or deficit. Contingent rents shall be charged as expenses in the period in which they are incurred.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group. Operating lease payments are recognised as an operating expense in surplus or deficit on a straight-line basis over the lease term.

INSURANCE OF ASSETS

Council ensures its buildings, contents, and critical plant and equipment primarily on a reinstatement basis, while motor vehicles are insured at their market value. The total material damage insurance coverage amounted to \$161.5 million in 2025(2024: \$131.7million).

In general, upon a major disaster the government will provide a 60% subsidy for infrastructure recovery costs. Council must demonstrate that it is able to meet the remaining 40% through insurance and other financial means.

The Council is a member of the New Zealand Local Authority Protection Program Disaster Fund (LAPP Fund) established by the New Zealand Local Government Association Incorporated. The LAPP fund is a mutual pool, created by local authorities to cater for the

replacement of infrastructure following catastrophic damage by natural disaster.

The LAPP Fund is intended to provide coverage for the balance of the replacement cost that is not expected to be covered by the provisions of the Ministry of Civil Defence and Emergency Management (i.e., 40%) of underground infrastructure assets. Council has an asset value of \$100.5 million in declared coverage under the LAPP Fund (2024: \$93.5 million).

Council does not operate a formal self-insurance scheme or maintain a specific fund for that purpose. Various assets are however not covered by insurance. The bulk of this relates to the roading network. Roads and associated assets are not covered by Council's insurance as in a major disaster, support is expected from central government to reinstate the roading network.

Other assets including land, playgrounds and sports fields are also not covered by insurance or any risk sharing arrangements.

Funding of uninsured risks and amounts over and above any insurance recovery and government support would be provided from a combination of reserve funds, debt and the reprioritisation of Council's planned capital and operating expenditure.

BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. The Group have chosen not to capitalise borrowing costs directly attributable to the acquisition, construction, or production of assets.

Items included in the calculation of net surplus

The following expenditure items are included in the calculation of the net surplus:

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Depreciation - Infrastructural assets	9,390	9,111	9,390	6,251
Depreciation - Operational assets	1,046	1,164	2,686	2,517
Amortisation charge - Intangible assets	1	2	15	22
Fees to auditors:				
• EY fees for financial statements audit	166	161	258	256
• EY fees for long term plan audit	-	-	-	-
• EY Fees for Debenture Trust fee	-	-	-	-
Fees to PWC for taxation advice	4,500	4	4,500	5
Interest paid - bank borrowings	504	742	725	519
Mayor and Councillor fees	525	451	525	375
Impairment of receivables (bad debts written off)	16	18	16	(2)
Impairment of receivables (provision for doubtful debts) (Note 6)	4,433	4,020	4,433	3,681

Impairment of property, plant and equipment	(570)	(5,022)	(570)	36,676
Operating lease expenses	34	34	34	34
Public ceremonies	9	11	9	8
Loss on disposal of assets	-	14	34	-
Directors fees	-	-	163	-
Donations	-	-	-	-

Items included in the calculation of total comprehensive revenue and expense for the year

The amounts in the table below show the value of the impairment of roading assets caused by damage from recent weather events.

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Impairment - Roading assets	(5,022)	(5,022)	(5,022)	(5,022)

The valuation includes an allowance for impairment or the replacement of damaged assets and therefore reflects the post-Cyclone assessment of value. The assessment of fair value recognises the impairment as calculated by WDC at the end of the financial year.

4. STAFF AND ELECTED MEMBERS' REMUNERATION

MAYORAL AND COUNCILLOR REMUNERATION

The following people held office as elected members of the Council's governing body, during the reporting period. The total remuneration attributed to the Mayor and Councillors during the year was \$450,512 (2023: \$375,405) and is broken down and classified as follows:

	2025 \$	2024 \$
Craig Little, <i>Mayor</i>	121,307	116,979
Denise Eaglesome-Karekare, <i>Deputy Mayor</i>	93,194	76,968
Jeremy Harker*, <i>Councillor</i>	62,131	51,313
Melissa Kaimoana, <i>Councillor</i>	62,131	51,313
Chaans Tumataroa-Clarke, <i>Councillor</i>	62,131	51,313
Roslyn Thomas, <i>Councillor</i>	62,131	51,313
Benita Cairns, <i>Councillor</i>	62,131	51,313
Total remuneration paid to council members	525,156	450,512

*Councillor J Harker is also a senior manager of the Council subsidiary, Quality Roding and Services (Wairoa) Ltd (QRS).

CHIEF EXECUTIVE OFFICER'S REMUNERATION

The Chief Executive Officer of the Council was appointed under section 42 of the Local Government Act 2002. Under the terms of his agreement, the Chief Executive Officer of the Council chooses how he wishes to take his remuneration package (salary only or a combination of salary and benefits).

KEY MANAGEMENT PERSONNEL REMUNERATION

	Council	
	2025 \$	2024 \$
Council members		
Total remuneration	525,156	450,512
CEO and senior leadership team		
CEO	295,110	253,522
Senior leader remuneration	777,032	707,364
Total remuneration paid to key management personnel	1,597,298	1,411,398

As of 30 June 2025, key management personnel comprised 13 individuals: 7 elected members (2024: 7) and 6 executive leaders, comprising the Chief Executive Officer and 5 senior management personnel (2024: 5 executive leaders).

Severance payments

In accordance with Schedule 10, section 33 of the Local Government Act 2002, the Council must disclose the number of employees who received severance payments during the year and the amount of each payment made.

Severance payments include any consideration (monetary and non-monetary) provided to any employee in respect of the employee's agreement to the termination of their employment with the Council. Severance payments exclude any final payment of salary, holiday pay and superannuation contributions or other contractual entitlement.

No severance payments were made in the year 2025 (2024: Nil).

Employee staffing levels and remuneration

The following table identifies the number of full-time employees as at the end of the reporting period and the full-time equivalent (FTE) number of all other part-time, fixed-term and casual employees. The table further identifies the breakdown of remuneration levels of those employees into various bands.

	Council	
	2025	2024
Full-time and full-time equivalent employee numbers		
Number of full time employees	73	74
Full time equivalent number of all other employees	5	5
Total full-time equivalent employees	78	79
Remuneration bands		
The number of employees receiving total annual remuneration of less than \$60,000	13	19
<i>Of the employees in this band, 10 are part-time or casual (2023: 11)</i>		
The number of employees receiving total annual remuneration of more than \$60,000 in bands of \$20,000		
\$60,000 - \$79,999	31	28
\$80,000 - \$99,999	14	19
\$100,000 - \$119,999*	16	10
\$120,000 - \$259,999*	10	9
Total employees	84	85

*If the number of employees for any band was 5 or less then we are legally required to combine it with the next highest band.

Total annual remuneration has been calculated to include any non-financial benefits and other payments such as the employer KiwiSaver contribution. Total annual remuneration is reported as the higher of base salary including employer superannuation contributions or total gross payments in the year.

	Council	
	2025 \$000	2024 \$000
Employment expenses		
Salaries and wages	8,719	6,588
Employer contributions to Superannuation	-	-
Increase (decrease) in employee benefit liabilities	(97)	67
Total employee benefit expenses	8,622	6,337

5. TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at the original invoice amount as the effect of discounting is immaterial. Short-term receivables are recorded at the amount due, less any provision for un-collectability. The provision is calculated by applying an expected credit loss model. A receivable is considered uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

The below table provides a summary of all receivables at year end:

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Rates receivable	6,340	5,387	6,340	5,387
Trade receivables	11,687	16,134	12,673	17,596
Prepayments	-	8	21	29
GST receivable / payable	(282)	(348)	(282)	(348)
Total receivables – gross	17,745	21,181	18,752	22,664
Less provision for impairment of receivables	(4,433)	(4,020)	(4,432)	(4,019)
Total receivables– net	13,312	17,161	14,320	18,645

Current trade, rates and sundry receivables are non-interest bearing and receipt is generally on 30-day terms, therefore the carrying value approximates their fair value. There is no concentration of credit risk with respect to receivables outside the group, as the group has many customers.

The Group provides for impairment provision on trade receivables and other debtors. The impairment provision has been calculated by applying an expected credit loss model based upon an analysis of the Group's losses in previous periods, and a review of specific debtors. The Group holds no collateral as security or other credit enhancements over receivables that are either past due or impaired. The provision is calculated by applying an expected credit loss model.

The Council provides for impairment on rates receivables, trade receivables and other debtors. The carrying amount is reduced directly when an asset is determined to be unrecoverable. An allowance for impairment is used when there is a reasonable likelihood that a debt may be impaired. A reversal to a write-down is made when an impaired debt is subsequently determined to be recoverable.

The impairment provision for rates has been calculated by applying an expected credit loss model based upon the percentage of rates debtors expected to be impaired. The impairment is collective and reflects the actual impairment of rates debtors over the past three years. The Council has power under the Local Government (Rating) Act 2002 to recover outstanding debts.

The Council can commence legal proceedings within 4 months after due date for payment. If payment has not been received within 3 months of the Court judgement, then the Council can apply to the Registrar of the High Court to have judgement enforced by sale or lease of the rating unit for land that is not Māori freehold land.

The ageing profile of trade receivables at year end is detailed below:

	2025 Council			2024 Council		
	Gross \$000	Impairment provision \$000	Net \$000	Gross \$000	Impairment provision \$000	Gross \$000
Not past due	11,213	-	11,213	15,796	-	15,796
Past due 30 - 60 days	14	-	14	23	-	23
Past due 60 - 90 days	21	-	21	13	-	13
Past due >90 days	439	384	55	302	228	74
Total trade receivables	11,687	384	11,303	16,134	228	15,906

	2025 Group			2024 Group		
	Gross \$000	Impairment provision \$000	Net \$000	Gross \$000	Impairment provision \$000	Gross \$000
Not past due	12,148	-	12,148	16,731	-	16,731
Past due 30 - 60 days	498	-	498	507	-	507
Past due 60 - 90 days	27	-	27	19	-	19
Past due >90 days		384	(384)	339	228	111
Total trade receivables	12,673	384	12,289	17,596	228	17,368

The ageing profile of rates receivables as at 30 June is detailed below:

	2025 Council			2024 Council		
	Gross \$000	Impairment provision \$000	Net \$000	Gross \$000	Impairment provision \$000	Gross \$000
Not past due	1,122	282	840	778	193	585
Up to 2 years	3,045	1,809	1,236	1,892	1,098	794
2 to 5 years	1,190	1,019	171	1,298	1,127	171
Over 5 years	983	938	45	1,419	1,375	44
Total rates receivables	6,340	4,048	2,292	5,387	3,793	1,594

The movement in the provision for impairment of total receivables is analysed follows:

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Opening balance	3,664	4,008	3,685	4,012
Addition to provision	629	(342)	607	(325)
Bad debts written off	(16)	2	(16)	2
Release of provision	156	(4)	156	(4)
Provision for impairment of total receivables – closing balance	4,433	3,664	4,432	3,685

6. CASH AND CASH EQUIVALENTS

Cash or cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits, and other short-term highly liquid investments, with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Cash at bank and in hand	1,981	13	2,642	1,191
Short term deposits	-	13,675	-	13,675
Total cash and cash equivalents	1,981	13,688	2,642	14,866

7. INVENTORIES

Inventory is measured at cost upon initial recognition. Costs of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing each product to its present location and condition.

The Group's finished goods inventory includes items held for resale, such as Council rubbish bags and items sold at the Gaiety Theatre and isite shop, as well as items held for distribution, such as recycle bins.

After initial recognition, inventories are valued at the lower of cost, determined on a first-in, first-out basis, and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The carrying amount of inventories held for distribution as at 30 June is:

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Metal Stocks	-	-	829	490
Water reticulation spare parts	-	-	-	-
Water treatment chemicals	59,481	61	59,481	61
Other supplies	11,254	10	11,455	198
Work in progress	-	-	-	-
Total inventories	70,736	71	71,766	749

The write-down of inventories held for distribution amounted to nil (2024: nil), while reversal of write downs amounted to nil (2024: nil). The carrying amount of inventories pledged as security is nil (2024: nil) and for liabilities is nil (2024: nil).

8. FINANCIAL ASSETS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets are classified at initial recognition. The classification depends on the purpose for which the financial assets were acquired.

Management determines the classification of its financial assets at initial recognition and re-evaluates this classification at each reporting date.

All financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit and loss in which case the transaction costs are recognised in the statement of comprehensive revenue and expense.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially the risks and rewards of ownership. The fair value of financial instruments traded in active markets is based on the quoted market prices at the balance sheet date. The quoted price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions based on market conditions at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000

Financial assets at fair value through profit and loss - upon initial recognition

Shares and debentures	504	831	504	831
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Financial assets at fair value through OCI

LGFA borrower notes	303	239	303	239
Civic Financial Services Limited	22	23	22	23

Financial assets at amortised cost

Cash and cash equivalents	1,981	13,688	2,642	14,866
Trade and other receivables	13,594	13,550	14,602	14,824
Other financial assets	-	-	-	-
Total financial assets	16,404	28,331	18,073	30,783

8.A. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

This category has two sub categories: financial assets held for trading and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Included in this category are short-term investments, which are valued at fair value.

Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the statement of comprehensive revenue and expense.

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Shares and debentures	504	831	504	831
Total financial assets at fair value through surplus or deficit	504	831	504	831
Current	-	351	-	351
Non-current	504	480	504	480
Total financial assets at fair value through surplus or deficit	504	831	504	831

Council has classified its investments as financial assets at fair value through surplus or deficit. The portfolio includes investments in local authority and Government stock, registered bank bills and bonds, and corporate stocks and bonds. The reason for the classification is that the investments were acquired for the purpose of selling and trading in the near term and they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a pattern of short-term profit-taking. In addition, there is a quoted market price in an active market where fair value can be reliably measured.

Financial assets at fair value through surplus or deficit are designated as such upon initial recognition because they are managed and their performance is evaluated on a fair value basis, in accordance with the Council's investment policy. Information is provided quarterly to Council on the performance of these financial assets.

The fair value of financial assets at fair value through surplus or deficit has been determined by reference to published price quotations in an active market. The maturity dates for financial assets through surplus or deficit are detailed in the following table:

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
One year or less	-	-	-	-
Weighted average interest rate	0.00%	4.88%	0.00%	4.88%
Between one and five years	504	490	504	490
Weighted average interest rate	4.05%	4.05%	4.05%	4.05%
Over five years	-	-	-	-
Weighted average interest rate	0.00%	0.00%	0.00%	0.00%
Total financial assets at fair value through surplus or deficit	504	490	504	490

The stocks and debentures are local authority stocks and commercial bonds that are actively traded. The coupon rates vary from 3.8% to 5.2% (2024: 3.94% to 4.15%) with yields from 3.46% to 3.49% (2024: 5.51% to 5.91%). Purchases and sales are accounted for at settlement date. These assets are exposed to cash flow interest rate risk.

8.B. FAIR VALUE THROUGH REVENUE AND EXPENSE

Equity investments in non-listed companies (previously classified as AFS financial assets or held to maturity investments) are classified and measured as Equity instruments designated at fair value through OCI. The Group elected to classify irrevocably its non-listed equity investments under this category as it intends to hold these investments for the foreseeable future.

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
LGFA borrower notes	303	270	303	270
Civic Financial Services Limited	22	21	22	21
Total financial assets at fair value through OCI	325	291	325	291

Civic Financial Services Limited (formerly Civic Assurance) is the trading name for the New Zealand Local Government Insurance Corporation Limited. The Council holds a 0.20% (2024: 0.20%) shareholding in this entity and has no present intention to sell. Due to the immaterial size and nature of the Council's investment in Civic Financial Services Limited, the Council has estimated the fair value of this investment based on net asset backing as at 30 June 2025.

DERECOGNITION

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised (i.e. removed from the Group's statement of financial position) primarily when:

- The rights to receive cash flows from the asset have expired **or**
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either **(a)** the Group has transferred substantially all the risks and rewards of the asset, **or (b)** the Group has neither transferred nor retained substantially all the risks and rewards of the asset by has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a 'pass-through' arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

IMPAIRMENT OF FINANCIAL ASSETS

At each balance date, the Group assesses if there is objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the statement of comprehensive revenue and expense.

An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions

9. INCOME TAX

CURRENT INCOME TAX

Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and laws used to compute the amount are those enacted or substantially enacted by balance date.

DEFERRED INCOME TAX

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arose from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

At 30 June 2025, there was no recognised deferred tax liability (2024: nil) for taxes that would be payable on the unremitted earnings of the Group's controlled entity. The Group has determined that

undistributed profits of its controlled entity will not be distributed in the foreseeable future. The parent does not foresee such consent being given at the reporting date.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to allow all or part of the deferred income tax asset to be utilised.

Current and deferred tax is charged or credited to the statement of comprehensive revenue and expense, except when it relates to items charged or credited directly to equity, in which case the tax is charged or credited directly to equity.

BREAKDOWN OF TAXES AND FURTHER INFORMATION

The major components of taxation expense are:

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Current tax expense				
Current year income tax charge				
Adjustments to current tax in prior years				
Total current tax expense				
Deferred tax expense				
Origination and reversal of temporary differences				
Recognition of previously unrecognised tax losses				
Total deferred tax expense				
Income tax expense reported in the statement of financial performance				

Reconciliation of tax on the surplus / (deficit) and tax expense:

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Surplus / (deficit) for the period before taxation				
Less: non assessable surplus / (non qualifying deficit)				
Assessable profits				
Income tax based on domestic tax rate – 28% (2021: 28%)				
Plus taxation effect of permanent differences				
Effect of non-deductible expenses				
Income tax expense reported in the statement of financial performance				

Movement in deferred tax asset:

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Opening balance				
Current year charge				
Use of prior year recognised loss and other movement not recognised				
Closing balance				

The Council has taxable income from commercial operations at the Wairoa airport and the landfill (prior to Smart Environmental Limited providing Solid Waste management services for the Council). The imputation credits attached to dividends received from QRS offset the tax payable which results in a nil tax bill. These tax losses are not carried on the balance sheet as the Council does not expect to make taxable profits in the future against which these carry forward losses could be utilised.

The Council holds \$?? in tax losses which had accumulated over a number of years. These losses were primarily due to the “grossing-up” of excess imputation credits attached to dividends received from QRS. The balance of losses held by Council at 30 June 2025 is \$?? (2024: \$37,271).

Deferred income tax as at 30 June relates to the following:

	Council				Group			
	Statement of financial position		Statement of financial performance		Statement of financial position		Statement of financial performance	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Deferred tax liabilities								
Contract retentions								
Future amortisation								
Right of use assets								
Gross deferred tax liabilities								
Deferred tax assets								
Doubtful debts								
Subcontractor retentions								
Provisions								
• Annual leave								
• Staff gratuities								
• Sick leave								
• Time in lieu								
Long service leave								
Aftercare								
Lease asset depreciation								
Operating lease payments								
Lease interest								
ACC premiums								
Maintenance accruals								
Construction accruals								
Corporate accruals								
Contract liabilities								
Future depreciation								
Lease liability								
Deferred tax assets								
Net deferred tax assets/ (liabilities)								
Deferred tax income/ (expense)								

10. TRADE AND OTHER PAYABLES

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. Trade and other payables as at 30 June are:

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Current				
Trade payable - exchange transactions	11,881	11,501	9,109	11,247
Taxes payable	11	21	705	346
Employee benefits	967	810	1,959	1,654
Trust funds and deposits	42	55	42	55
Revenue in advance	4,573	4,029	4,573	4,029
Total current	17,474	16,416	16,388	17,331
Non-current				
Employee benefits	56	49	123	109
Trade payable - exchange transactions	-	-	-	-
Total non-current	56	49	123	109
Total trade and other payables	17,530	16,465	16,511	17,440

EXCHANGE TRANSACTIONS, TRANSFERS AND TAXES PAYABLE

Payables under exchange transactions, transfers and taxes payable are non-interest bearing and are normally settled on terms varying between seven days and the 20th of the month following the invoice date, therefore the carrying value approximates their fair value. Most of Council's payables are exchange transactions as they are directly with another party on an arm's length basis. Non-exchange payables are classified as either taxes (e.g. PAYE and GST) or transfers payable (e.g. Council grants).

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Exchange transactions				
Trade payables and accruals	11,881	11,501	9,109	11,247
Total trade payable - exchange transactions	11,881	11,501	9,109	11,247
	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Taxes payable				
GST	-	-	694	325
PAYE	11	21	11	21
Total taxes payable	11	21	705	346

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential 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. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of comprehensive revenue and expense net of any reimbursement. Refer to **Note 18** for further information about the recorded landfill and quarry aftercare provision.

EMPLOYEE BENEFITS

Short-term employee entitlements

Employee benefits, which the Group expects to be settled within 12 months of the balance date, are measured at nominal values based on accrued entitlements at current rates of pay.

A provision for employee benefit liabilities is recognised as a liability when benefits are earned but not paid. This provision includes salaries and wages accrued up to balance date, holiday leave earned, but not yet taken at balance date, retirement and long service leave entitlements expected to be settled within 12 months)

Holiday leave includes annual leave, long service leave, statutory time off in lieu and ordinary time off in lieu. Annual leave is calculated on an actual entitlement basis in accordance with section 21(2) of the Holidays Act 2003.

Long-term employee entitlements

Retirement gratuities

The Council's retirement gratuities provision is a contractual entitlement for a reducing number of employees who, having qualified with 10 years' continuous service will, on retirement, be entitled to a payment based on years of service (up to a maximum) and current salary. This entitlement has not been offered to Council employees since 1990. Based on the remaining participants' age, the provision may not be extinguished until 2030, assuming retirement at 65.

Retirement gratuities are calculated on an actuarial basis based on the likely future entitlements accruing to employees, after taking into account years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and other contractual entitlement information.

The gross retirement gratuities provision as at 30 June 2025, after discounting is ??? (2024: \$55,857). This figure is inflation adjusted using the Treasury-defined long-term salary discount factor of ??% (2024: 3.33%).

Superannuation

Defined contribution pension plan obligations are recognised as an expense in the statement of comprehensive revenue and expense as incurred.

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Current				
Short-term benefits				
Payroll accruals	368	44	814	414
Holiday leave	599	766	1,145	1,240
Total current employee benefits	967	810	1,959	1,654
Non-current				
Long-term benefits				
Retirement gratuities provision	56	49	56	49
Long service leave	-	-	67	60
Total non-current employee benefits	56	49	123	109
Total employee benefit liabilities and provisions	1,023	859	2,082	1,763

TRUST FUNDS AND DEPOSITS

The trust funds are restricted cash with their purpose limited to use by the group "Safer Community Committee".

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Deposits	38	51	38	51
Trust funds	4	4	4	4
Total trust fund and deposits	42	55	42	55

REVENUE IN ADVANCE

Any exchange or non-exchange trade receivable where an overpayment of the account has been recorded is reclassified as a trade payable. The carrying amount is the actual amount of overpayment and is considered the fair value.

Subsidy and grants: Council and the Group have received non-exchange transfer monies for specific purposes, which apply to periods beyond the current year, with conditions that would require the return of the monies if they are not able to fulfil the agreement. The revenue from these agreements will only be recognised as the conditions are fulfilled over time.

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Exchange transactions				
Other income in advance	81	62	81	62
Taxes				
Rates	900	637	900	637
Transfers				
Subsidies and grants	3,592	3,330	3,592	3,330
Total revenue in advance	4,573	4,029	4,573	4,029

11. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of:

- Operational assets – these include land, buildings, library books, furniture, office equipment and motor vehicles
- Restricted assets – restricted assets are parks and reserves owned by the Council 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 roads, bridges and fixed utility systems owned by the Council. Each asset class includes all items required for the network to function; for example, sewer reticulation includes reticulation piping and sewer pump stations.
- Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

INITIAL RECOGNITION AND SUBSEQUENT EXPENDITURE

Property, plant and equipment is measured initially at cost. Cost includes expenditure directly attributable to the acquisition of the items. The cost of an item of property plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the Group, and if the item's cost or fair value can be measured reliably.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to **Note 18** for further information about the recorded landfill and quarry aftercare provision. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

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

Subsequent costs that meet the recognition criteria above are recognised in the carrying value of the item of property, plant and equipment. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

The Council owns a number of 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.

MEASUREMENT SUBSEQUENT TO INITIAL RECOGNITION

Subsequent to initial recognition, property, plant and equipment are measured using either the cost model or the revaluation model. Roads and Three Waters assets are carried at fair value, less impairment losses and accumulated depreciation recognised after the date of the revaluation. All other asset classes are carried at depreciated historical cost.

Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

The valuation cycle for revalued asset classes is normally three years. Revaluation is performed on a class-by-class basis. If an item of property, plant and equipment is revalued, the entire class to which the asset belongs is revalued.

Increases in assets carrying amounts, due to revaluation, are recorded as a revaluation surplus in other comprehensive revenue and credited to the asset revaluation reserves in equity. Decreases in asset carrying amounts decrease revaluation reserves in equity only to the extent that the class of asset has sufficient reserves to absorb the reduction. All other decreases are charged to the statement of comprehensive revenue and expense. If a revaluation increase reverses a decrease previously recognised in the statement of comprehensive revenue and expense, the increase is recognised first in the statement of comprehensive revenue and expense to reverse any previous reduction.

Operational land and buildings were valued at fair value effective from 30 June 2005. The Council has elected to use the fair value of operational land and buildings as at 30 June 2005 as deemed cost. Operational land and buildings are no longer revalued.

Restricted land and buildings were valued at fair value effective from 30 June 2005. The Council has elected to use the fair value of restricted land and buildings as at 30 June 2005 as deemed cost. Restricted land and buildings are no longer revalued.

Infrastructure assets (roads, water treatment and reticulation, sewerage treatment and reticulation and stormwater systems) are carried at fair value on a depreciated replacement cost (DRC) basis as assessed by an independent valuer. At balance date the Council assesses the carrying values of its infrastructure assets to ensure that they do not differ materially from the assets' fair value. If there is a material difference, then the off-cycle asset classes are revalued. Any additions since valuation are carried at depreciated cost.

Land under roads was valued on the basis of fair value of adjacent land as at 30 June 2005. The Council has elected to use the fair value of land under roads as at 30 June 2005 as deemed cost.

Plant and equipment (including leased equipment under finance leases) are measured at cost, net of accumulated depreciation and impairment losses, if any.

DEPRECIATION

Depreciation is provided on a straight-line basis on all property, plant and equipment for the Council 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.

QRS uses the diminishing value basis for depreciating plant, equipment and motor vehicles, office equipment and furniture, and computer hardware.

Category	Estimated Life (Years)
Quarries	30-40
Buildings	30-40
Other improvements	10-50
Plant, equipment and vehicles	4-10
Library collection	2-10
Office equipment, furniture & fittings	5-10
Computer equipment	4-5

Sewerage

Structures	50
Oxidation ponds	40
Pipes	80-120
Manholes	80
Pumps	10-35
Plant	10-35
Resource consents	25

Stormwater

Reticulation piping	50-100
Culverts	50-120
Manholes/sumps	50-100
Open drains	Not depreciated

Water Supply

Structures	50
Pumps	15-35
Reticulation piping	60-120
Meters	20
Hydrants	40
Resource consents	20-25
Reservoirs	80-100

Roads

Top surface (seal)	14
Basecourse	100-120
Formation	Not depreciated
Bridges	20-80
Footpaths	15-40
Kerbs	50
Streetlights (poles)	50

Application of the estimated useful economic lives of assets is subject to change depending on the individual circumstances of the asset, particularly when assets are revalued, and the valuers provide an annual depreciation figure.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end. For revalued assets, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets. An asset's carrying amount is written down immediately to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

ASSETS HELD FOR SALE

As at 30 June 2025, two properties held by the Group were classified as held for sale. Prior to reclassification, the properties were recognised within the Group's property, plant and equipment as part of operational land and buildings classes. The carrying value of the properties as at 30 June 2025 was \$18,025. As the fair value of the assets less the cost to sell is not materially different to the carrying value, no impairment loss was recognised upon the reclassification of the equipment as held for sale. The sale of the equipment is expected to be completed by December 2024. The Group had two properties held for sale in 2024.

POLICY ON REPLACEMENT OF ASSETS

The following policy was consulted on in 1999 and reconfirmed on 30th August 2006 with regards to depreciation. The Council has reviewed its assets and advises that the following assets will be depreciated but not rated for replacement.

1. Community halls
2. Housing
3. Camping ground
4. Roothing (NZTA subsidised portion of roading)
5. Community Centre
6. Loan-funded assets including the Māhia and Ōpoutama wastewater systems.

The above assets will be maintained on an ongoing basis at a level that meets the community's needs. Where appropriate the Council will cover each asset with insurance cover for fire, earthquake and natural catastrophe. The effects of this decision are that:

1. The existing assets will be available for many years to come.
2. Once an asset or part thereof reaches the point where it is considered unsafe to use then that asset will be removed and replaced if the Council's Long-Term Plan provides for this.
3. Should any asset under this policy be the subject of an insurance claim then, prior to reinstatement, Council will decide whether reinstatement of the asset should proceed or whether the service should be discontinued at the time of loss.
4. By not rating loss of service potential (depreciation) there is a reduction in rates payable by the present ratepayers.

2024 Depreciation not rated(Council Only)

	2025	
	Budget \$	Actual \$
Community halls	13	18
Housing	1	1
Camping ground	48	48
Roothing (Waka Kotahi subsidised portion of roading)	5,445	5,445
Community Centre	38	38
Loan-funded assets including the Māhia and Ōpoutama wastewater systems	990	990
Other assets	620	620
Total depreciation not funded	7,155	7,160

IMPAIRMENT OF NON-FINANCIAL ASSETS

Impairment of Cash Generating Assets

For non-financial cash-generating assets, the Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. An asset or CGU's recoverable amount is the higher of an assets or CGU's fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The value in use for cash-generating assets and cash generating units is the present value of expected future cash flows. Impairment losses of continuing operations, including impairment on inventories, are

recognised in the statement of comprehensive revenue and expense.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such an indication exists, the Group estimates the assets or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in surplus or deficit.

The following assets have specific characteristics for impairment testing:

Intangible assets with indefinite useful life

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. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use

Impairment of Non-Cash Generating Assets

For non-financial non-cash-generating assets, the Group assesses at each reporting date whether there is an indication that the carrying amount may not be recoverable. If any indication exists, the Group estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash-generating asset's fair value less costs to sell and its value in use.

In assessing value in use, the Group has adopted the depreciated replacement cost approach. Under this approach, the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

If an asset's carrying amount exceeds its recoverable amount the asset is 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 surplus or deficit.

For each asset, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the Group estimates the asset's recoverable service amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable service amount, nor exceed the carrying amount that would have been determined,

net of depreciation, had no impairment loss been recognised for the asset in prior years.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. 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.

Impairment on infrastructural assets

The impairment to our transport network due to extreme weather events consist of four critically damaged bridges (Te Puna Bridge, Te Reinga Bridge, Murphys No1 Bridge and Waikare Bridge) a further 13 bridges requiring repairs, and 39 road dropouts. These weather events have resulted in impairment adjustments of \$31,655,000 as

at 30 June 2024 (Wairoa District Council 2024 fair value update of roading and three waters assets – WSP 28 October 2024).

DERECOGNITION

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in surplus or deficit. Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold is transferred to accumulated comprehensive revenue and expense.

	Council											
	30 June 2024			Current year						30 June 2025		
	Cost / revaluation \$000	Accumulated depreciation & impairment \$000	Carrying amount \$000	Revaluation \$000	Disposal \$000	Accumulated depreciation on disposals \$000	Additions \$000	Impairment (charges)/ recoveries \$000	Depreciation charges \$000	Carrying amount \$000	Cost / revaluation \$000	Accumulated depreciation & impairment \$000
Land	4,354	(5)	4,349	-	-	-	-	-	(2)	4,347	4,354	(7)
Buildings	14,331	(5,154)	9,177	-	-	-	21	369	(410)	8,788	14,352	(5,564)
Other Improvements	8,120	(3,756)	4,364	-	-	-	3,015	-	(328)	7,051	11,135	(4,084)
Vehicles	972	(852)	120	-	(41)	41	192	-	(58)	254	1,123	(869)
Furniture and office equipment	5,247	(4,052)	1,195	-	(1,045)	1,045	1,088	201	(224)	2,059	5,290	(3,231)
Library collections	768	(594)	174	-	-	-	45	-	(24)	195	813	(618)
Total non-infrastructural assets	33,792	(14,413)	19,379	-	(1,086)	1,086	4,361	570	(1,046)	22,694	37,067	(14,373)
Roading	413,432	(62,141)	351,291	-	-	-	13,160	-	(5,549)	358,902	426,592	(67,690)
Land under roads	5,344	-	5,344	-	-	-	-	-	-	5,344	5,344	-
Bridges	69,370	(21,260)	48,110	-	-	-	369	-	(1,455)	47,024	69,739	(22,715)
Water supply - treatment plant & facilities	9,170	(1,434)	7,736	-	-	-	67	-	(446)	7,357	9,237	(1,880)
Water supply - other assets	26,368	(3,291)	23,077	-	-	-	962	-	(663)	23,376	27,330	(3,954)
Sewerage - treatment plant & facilities	28,293	(2,725)	25,568	-	-	-	472	-	(865)	25,175	28,765	(3,590)
Sewerage - other assets	8,259	-	8,259	-	-	-	-	-	-	8,259	8,259	-
Stormwater	12,550	(1,692)	10,858	-	-	-	588	-	(412)	11,034	13,138	(2,104)
Parking	328	(64)	264	-	-	-	-	-	-	264	328	(64)
Total infrastructural assets	573,114	(92,607)	480,507	-	-	-	15,618	-	(9,390)	486,735	588,732	(101,997)
Total assets	606,906	(107,020)	499,886	-	(1,086)	1,086	19,979	570	(10,436)	509,429	625,799	(116,370)
Capital work in progress	4,568	-	4,568	-	-	-	6,579	-	-	11,147	11,147	-
Total assets including work in progress	611,474	(107,020)	504,454	-	(1,086)	1,086	26,558	570	(10,436)	520,576	636,946	(116,370)

	Group											
	30 June 2024			Current year						30 June 2025		
	Cost / revaluation \$000	Accumulated depreciation & impairment \$000	Carrying amount \$000	Revaluation \$000	Disposal \$000	Accumulated depreciation on disposals \$000	Additions \$000	Impairment (charges)/recoveries \$000	Depreciation charges \$000	Carrying amount \$000	Cost / revaluation \$000	Accumulated depreciation & impairment \$000
Land												
Buildings												
Other Improvements												
Vehicles												
Furniture and office equipment												
Library collections												
Total non-infrastructural assets												
Roading												
Land under roads												
Bridges												
Water supply - treatment plant & facilities												
Water supply - other assets												
Sewerage - treatment plant & facilities												
Sewerage - other assets												
Stormwater												
Parking												
Total infrastructural assets												
Total assets												
Capital work in progress												
Total assets including work in progress												

	Council											
	30 June 2023			Prior Year						30 June 2024		
	Cost / revaluation \$000	Accumulated depreciation & impairment \$000	Carrying amount \$000	Revaluation \$000	Disposal \$000	Accumulated depreciation on disposals \$000	Additions \$000	Impairment charges \$000	Depreciation charges \$000	Carrying amount \$000	Cost / revaluation \$000	Accumulated depreciation & impairment \$000
Land	4,718	(4)	4,714	-	(382)	-	18	-	(1)	4,349	4,354	(5)
Buildings	14,673	(4,785)	9,888	-	(476)	49	134	-	(418)	9,177	14,331	(5,154)
Other Improvements	5,754	(3,325)	2,429	-	-	-	2,366	-	(431)	4,364	8,120	(3,756)
Vehicles	921	(756)	165	-	-	-	51	-	(96)	120	972	(852)
Furniture and office equipment	4,923	(3,851)	1,072	-	-	-	324	-	(201)	1,195	5,247	(4,052)
Library collections	723	(577)	146	-	-	-	45	-	(17)	174	768	(594)
Total non-infrastructure assets	31,712	(13,298)	18,414	-	(858)	49	2,938	-	(1,164)	19,379	33,792	(14,413)
Roading	394,368	(58,689)	335,679	7,366	-	-	11,698	1,896	(5,348)	351,291	413,432	(62,141)
Land under roads	5,344	-	5,344	-	-	-	-	-	-	5,344	5,344	-
Bridges	43,080	(22,860)	20,220	25,813	(14)	-	491	3,126	(1,526)	48,110	69,370	(21,260)
Water supply - treatment plant & facilities	9,103	(1,079)	8,024	17	-	-	50	-	(355)	7,736	9,170	(1,434)
Water supply - other assets	27,061	(2,580)	24,481	(965)	-	-	272	-	(711)	23,077	26,368	(3,291)
Sewerage - treatment plant & facilities	25,907	(1,949)	23,958	2,269	-	-	117	-	(776)	25,568	28,293	(2,725)
Sewerage - other assets	8,259	-	8,259	-	-	-	-	-	-	8,259	8,259	-
Stormwater	11,685	(1,297)	10,388	267	-	-	598	-	(395)	10,858	12,550	(1,692)
Parking	315	(64)	251	-	-	-	13	-	-	264	328	(64)
Total infrastructure assets	525,122	(88,518)	436,604	34,767	(14)	-	13,239	5,022	(9,111)	480,507	573,114	(92,607)
Total assets	556,834	(101,816)	455,018	34,767	(872)	49	16,177	5,022	(10,275)	499,886	606,906	(107,020)
Capital work in progress	6,093	-	6,093	-	-	-	(1,525)	-	-	4,568	4,568	-
Total assets including work in progress	562,927	(101,816)	461,111	34,767	(872)	49	14,652	5,022	(10,275)	504,454	611,474	(107,020)

	Group											
	30 June 2023			Prior Year						30 June 2024		
	Cost / revaluation \$'000	Accumulated depreciation & impairment \$'000	Carrying amount \$'000	Revaluation \$'000	Disposal \$'000	Accumulated depreciation on disposals \$'000	Additions \$'000	Impairment charges \$'000	Depreciation charges \$'000	Carrying amount \$'000	Cost / revaluation \$'000	Accumulated depreciation & impairment \$'000
Land	5,141	(396)	4,745	-	(382)	-	18	-	(1)	4,380	4,777	(397)
Buildings	19,457	(5,326)	14,131	-	(476)	49	2,089	-	(553)	15,240	21,070	(5,830)
Other Improvements	5,755	(3,325)	2,430	-	-	-	2,366	-	(431)	4,365	8,121	(3,756)
Vehicles	16,125	(9,961)	6,164	-	(472)	437	2,623	-	(1,446)	7,306	18,276	(10,970)
Furniture and office equipment	5,424	(4,210)	1,214	-	-	-	392	-	(236)	1,370	5,816	(4,446)
Library collections	723	(576)	147	-	-	-	45	-	(17)	175	768	(593)
Total non-infrastructure assets	52,625	(23,794)	28,831	-	(1,330)	486	7,533	-	(2,684)	32,836	58,828	(25,992)
Roading	391,414	(58,690)	332,724	7,366	-	-	10,816	1,896	(5,362)	347,440	409,596	(62,156)
Land under roads	5,344	-	5,344	-	-	-	-	-	-	5,344	5,344	-
Bridges	43,080	(22,860)	20,220	25,813	(14)	-	491	3,126	(1,526)	48,110	69,370	(21,260)
Water supply - treatment plant & facilities	9,103	(1,079)	8,024	17	-	-	50	-	(355)	7,736	9,170	(1,434)
Water supply - other assets	27,061	(2,580)	24,481	(965)	-	-	272	-	(711)	23,077	26,368	(3,291)
Sewerage - treatment plant & facilities	25,907	(1,949)	23,958	2,269	-	-	117	-	(776)	25,568	28,293	(2,725)
Sewerage - other assets	8,259	-	8,259	-	-	-	-	-	-	8,259	8,259	-
Stormwater	11,685	(1,297)	10,388	267	-	-	598	-	(395)	10,858	12,550	(1,692)
Parking	315	(64)	251	-	-	-	13	-	-	264	328	(64)
Total infrastructure assets	522,168	(88,519)	433,649	34,767	(14)	-	12,357	5,022	(9,125)	476,656	569,278	(92,622)
Total assets	574,793	(112,313)	462,480	34,767	(1,344)	486	19,890	5,022	(11,809)	509,492	628,106	(118,614)
Capital work in progress	6,093	-	6,093	-	-	-	(1,525)	-	-	4,568	4,568	-
Total assets including work in progress	580,886	(112,313)	468,573	34,767	(1,344)	486	18,365	5,022	(11,809)	514,060	632,674	(118,614)

VALUATION: ROADING, BRIDGES AND PARKING INFRASTRUCTURAL ASSETS

Roading, bridges, and parking infrastructural assets are valued on a depreciated replacement cost basis. Replacement cost is the cost of building the existing infrastructure using present day technology but maintaining the originally designed level of service and performance. Replacement cost was calculated by multiplying asset quantities by unit cost rates factored to allow for other direct costs such as professional fees.

The following significant assumptions are used in determining the replacement cost of these assets:

- Estimating the replacement cost of the asset.
- Estimates of the useful lives for the purpose of calculating depreciation.
- Estimating any diminishment in the capacity of assets that would be required if the assets were replaced.

The revaluation for roading, bridges and parking were performed by WSP, as at 30 June 2024. The carrying value of assets are the assessed fair value of the assets as per the conclusions of the revaluation reports. This reflects the fair value as at 30th June 2024. The revaluation includes impairments to the roading infrastructure assets totalling \$31,655,000 resulting from flooding events in the Wairoa District. There are assumptions and estimates used when performing depreciated replacement cost valuations over infrastructural assets.

These include:

- The physical deterioration and condition of an asset, for example the council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over-or-under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk the Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management activities, which give the Council further assurance over its useful life estimates.

VALUATION: WATER NETWORKS, WATER TREATMENT PLANTS AND WASTEWATER PUMP STATIONS

Water Networks, Treatment Plants, and Wastewater Pump Stations are valued using the optimised depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the optimised depreciated replacement cost method.

These include:

- Estimating the replacement cost of the asset.
- Estimates of the remaining useful life over which the asset will be depreciated.

Useful lives were determined with reference to the NZ Infrastructure Asset Valuation and Depreciation Guidelines 2006 and local conditions and knowledge.

The revaluation for Water Networks, Treatment Plants, and Wastewater Pump Stations was performed by WSP, as at 30 June 2024.

12. INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made prospectively.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in surplus or deficit when the asset is derecognised.

SOFTWARE ACQUISITION AND DEVELOPMENT

The Group holds several computer software packages for internal use, including purchased software and software developed in-house by the Group. Staff training costs and costs associated with maintaining computer software are recognised as expenses in surplus or deficit when incurred.

Costs incurred to configure or customise software in a cloud computing arrangement are recognised as intangible assets only if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria.

TRADEMARKS

A trademark is an exclusive right to use a phrase or term that has been approved on application by the New Zealand Intellectual Property Office. The Council owns three phrases: "Space Coast Aotearoa," "Space Coast New Zealand" and "Earth Base One." Acquired trademarks are capitalised on the basis of the costs incurred to

acquire the specific trademark, which is considered to reflect the fair market value of the assets.

EMISSIONS UNITS (CARBON CREDITS)

Carbon Credits, recognised as intangible assets upon acquisition by the Council, have been initially measured at fair value. Council's primary objective in acquiring carbon credits is environmental mitigation rather than utilising them as financial instruments for profit or investment purposes. Consequently, they have not been subject to subsequent revaluation in accordance with applicable accounting standards.

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 period is recognised in the statement of comprehensive revenue and expense. A summary of the policies applied to the Group's major classes of intangible assets is, as follows:

	Software	Trademarks	Emissions Trading Credits
Useful life	Finite: 3 years	Indefinite	Indefinite
Amortisation method	Straight line basis	Not amortised	Not amortised
Internally-generated or acquired	Some acquired and some internally-generated	Acquired	Acquired

IMPAIRMENT TESTING OF INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

Trademarks

The trademarks held by the group have been registered with New Zealand Intellectual Property Office with the option to renew at the end of the period at little cost to the Group, which has allowed the Group to determine that these assets have indefinite useful lives. As trademarks are a non-cash-generating intangible asset, they were not allocated to a cash generating unit for impairment testing.

The Group performed its annual impairment test for these trademarks in June 2025. No impairment loss has been recognised in relation to the trademarks (2024: nil).

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Software				
Cost as at 1 July	798	798	1,106	1,106
Additions	-	-	-	-
Disposals	(708)	-	(708)	-
Total cost as at 30 June	90	798	398	1,106
Accumulated amortisation and impairment 1 July	796	794	1,047	1,031
Current year amortisation charge	1	2	1	2
Disposals	(708)	-	(694)	14
Total accumulated amortisation and impairment at 30 June	89	796	354	1,047

Software carrying value 30 June	1	4	44	75
Trademarks				
Cost as at 1 July	12	12	12	12
Additions	-	-	-	-
Disposals	-	-	-	-
Total cost as at 30 June	12	12	12	12
Accumulated amortisation and impairment 1 July	-	-	-	-
Current year amortisation charge	-	-	-	-
Disposals	-	-	-	-
Total accumulated amortisation and impairment at 30 June	-	-	-	-
Trademarks carrying value 30 June	12	12	12	12
Emissions Trading Credits				
Cost as at 1 July	359	552	359	552
Additions	280	-	280	-
Disposals	455	193	455	193
Total cost as at 30 June	184	359	184	359
Net carrying value of intangible assets 1 July	375	568	446	106
Net carrying value of intangible assets 30 June	197	373	240	639

13. BIOLOGICAL ASSETS – FORESTRY

The Group's biological assets consist of forestry. Forestry assets are independently valued triennially at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and environmental, operational and market restrictions.

Gains or losses arising on the initial recognition of biological assets at fair value less estimated sale costs and from a change in fair value less estimated point of sale costs are recognised in the statement of comprehensive revenue and expense. The costs to maintain forestry assets are included in the statement of comprehensive revenue and expense.

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Balance at 1 July	115	115	115	115
Increases due to purchase	-	-	-	-
Gains / (losses) arising from changes in fair value	-	-	-	-
Balance at 30 June	115	115	115	115

The Council owns 29.3 hectares (2024: 29.3 hectares) of forest, mostly *Pinus radiata*, which are at varying stages of maturity. No trees have been harvested during the year (2024: nil).

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

Valuation Assumptions

Forestry assets are valued by fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. Future costs and revenue are discounted from the year in which they occur to the date of the valuation by applying an appropriate discount rate. The appropriate discount rate is determined by considering the implied discount rate based on recent sales of forests.

Council's forestry holdings were valued as at 30th June 2020 by registered valuer Trevor Kitchin of Telfer Young Limited (Hawkes Bay). This reflects the fair value as at 30th June 2020. Council considers that there have been no events that would give rise to a material change in this valuation during the year.

Significant assumptions applied in this determination of fair value are:

- A pre-tax discount rate of 8.00% has been used in discounting the present value of expected cash;
- Growing and harvesting costs and revenues are based on current and actual industry based costs and revenues experienced by similar forests in the wider district;
- The valuations involve the tree crop only and not the land under the trees;
- The valuation excludes any liabilities or credits associated with NZ units under the Emissions Trading Scheme.

Financial Risk Management Strategies

The valuer identified that the forests owned by Council are sensitive to financial risks arising from changes in timber prices. The Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore has not taken any measures to manage the risks of a decline in timber prices. The Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

14. INVESTMENTS IN SUBSIDIARY

The Council's investment in its subsidiary is carried at cost less any impairment charges in the Council's own "parent entity" financial statements. There are no significant restrictions on the ability of the controlled entity to transfer funds to the Council in the form of cash distributions or to repay loans or advances.

In accordance with the company's Statement of Intent, an independent valuation was conducted by Price Waterhouse Coopers in May 2019. The 'fair market value' was assessed as being between \$7.1 million and \$8.8 million. Council carries this investment at cost in its balance sheet.

Information on inter-company transactions is included in **Note 21**.

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Quality Roding and Services (Wairoa) Limited	1,250	1,250	-	-
Total investment in subsidiary	1,250	1,250	-	-

15. INVESTMENT PROPERTY

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Investment property is measured initially at its cost including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day maintenance of an investment property.

After initial recognition, the Council measures all investment property at cost less accumulated depreciation. Depreciation is provided on a straight-line basis on all investment property for the Council 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.

Category	Estimated Life (Years)
Buildings	30-40
Furniture and Fittings	5-20

Investment properties are derecognised when they have been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on derecognition of an investment property are recognised in the statement of comprehensive revenue and expense in the year of derecognition.

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Cost at 1 July	8,377	401	8,377	401
Disposals	(49)	-	(49)	-
Prior Year Adjustment	-	53	-	-
Additions	(19)	-	(19)	-
Transferred from land and building assets	-	7,923	-	-
Total cost at 30 June	8,309	8,377	8,309	401
Accumulated depreciation as at 1 July	(45)	(40)	(45)	(32)
Current year depreciation charge	(117)	(5)	(117)	(8)
Total accumulated depreciation as at 30 June	(162)	(45)	(162)	(40)
Net carrying value of investment properties 1 July	8,332	361	361	369
Net carrying value of investment properties 30 June	8,147	8,332	8,147	361

	Council and Group	
	2025 \$	2024 \$
Rental revenue	115	19
Direct operating expenses from investment property generating revenue	3	-

16. LOAN TO SUBSIDIARY

As of June 30, 2025, Council has extended a loan to its Subsidiary, in the amount of \$1,026,000. The loan features a fixed interest rate of 5.719% and is due for full repayment in April 2029. This receivable loan is classified as a non-current asset in accordance with applicable accounting standards. The accounting treatment for the loan is in accordance with applicable accounting standards, recognizing a current portion as of the reporting date, reflecting the interest income expected to accrue within the next twelve months. The remaining portion of the loan is classified as a non-current asset.

Council recognises interest income over the loan term using the effective interest rate method. As of the reporting date, there are no indications of impairment, and Council continues to accrue interest income in accordance with the agreed terms.

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Quality Rooding and Services (Wairoa) Limited	1,037	1,036	-	-
Total investment in subsidiary	1,037	1,036	-	-

17. BORROWINGS

Borrowings are initially recognised at their fair value net of transaction costs incurred. 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 QRS has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Current				
Secured loans	8,500	11,500	8,576	11,966
Total current	8,500	11,500	8,576	11,966
Non-current				
Secured Loans	1,026	7,526	4,733	9,643
Total non-current	1,026	7,526	4,733	9,643
Total borrowings	9,526	19,026	13,309	21,609

MATURITY ANALYSIS AND EFFECTIVE INTEREST RATES

The following is a maturity analysis of the Group's borrowings. There are no early repayment options.

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Less than one year	8,500	11,500	8,588	11,966
Weighted average effective interest rate	4.85%	4.88%	5.03%	5.05%
Later than one year but less than two years	-	3,500	3,695	5,607
Weighted average effective interest rate	0.00%	3.93%	1.10%	1.16%
Later than two years but less than five years	1,026	3,000	1,026	3,000
Weighted average effective interest rate	5.72%	4.25%	5.72%	4.25%
Later than five years	-	1,026	-	1,026
Weighted average effective interest rate	0.00%	5.72%	0.00%	5.72%
Total borrowings	9,526	19,026	13,309	21,599

FAIR VALUE OF BORROWINGS

The fair values are based on cash flows discounted using a rate based on the weighted average borrowing rate of 4.95% Council (2024: 4.76%) and 7% Group (2024: 3.83%). The carrying amounts of borrowings repayable within one year approximate their fair value. The Council and the Group do not have any floating rate debt.

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Carrying amounts	9,526	19,026	13,309	21,599
Fair values	9,406	18,466	9,627	18,888

SECURITY

The Council's loans are secured over either separate or general rates of the district.

QRS has term loan facilities secured over the carrying value of the companies assets. At 30 June 2025, QRS has a loan to finance the purchase of two excavators.

INTERNAL BORROWING

The Council manages its borrowings in accordance with its funding and financial policies which includes an Investment and Liability Management Policy.

The Council holds internal borrowings for the following groups of activities:

	1 July Opening balance \$000	Borrowed (repaid) in year \$000	30 June Closing balance \$000
Water supply			
Stormwater and drainage			
Wastewater			
Waste management			
Transport			
Community facilities			
Leadership and governance			
Planning and regulatory			
Support services			
Total internal borrowings			

The Council uses an assumed internal interest rate of ??% (2024: 4.76%), consistent with its weighted average external borrowing rate, in relation to internal borrowing amounts. Interest charges for the year are:

	Interest charged	
	2025 \$	2024 \$
Water supply		
Stormwater and drainage		
Wastewater		
Waste management		
Transport		
Community facilities		
Leadership and governance		
Planning and regulatory		
Support services		
Total internal interest charged		

18. LANDFILL AND QUARRY AFTERCARE PROVISIONS

LANDFILL AFTERCARE PROVISION

The management of the landfill will influence the timing of recognition of some liabilities. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The cash outflows for landfill post-closure are expected to occur within the next 8 years. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises, which is when each stage of the landfill is commissioned and refuse begins to accumulate.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including known changes to legal requirements and known improvements in technology. The provision includes all costs associated with landfill post-closure including final cover application and vegetation; incremental drainage control features; completing facilities for leachate collection and monitoring; completing facilities for water quality monitoring; completing facilities for monitoring and recovery of gas. Amounts provided for landfill post-closure are capitalised to the landfill asset. The capitalised landfill asset is depreciated over the life of the landfill based on the capacity used.

This note discloses an analysis of the exposure of the Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision. The Council has assumed that the aftercare provision for Wairoa Landfill is operative until 2060, based upon the resource consent issued by the Hawke's Bay Regional Council which will need to be extended in 2031. There is capacity available for this extension. The Council has a responsibility under the resource consent to provide for ongoing maintenance and monitoring of the landfill site.

The following key assumptions have been used in calculating the landfill rehabilitation provision:

- Estimated year of closure: 2025 (2023: 2027)
- Length of post-closure monitoring period: 37 years (2023: 33 years)
- Total expected cash outflow – undiscounted: \$2.031m (2023: \$1.378m)

- Discount rate: 5.30% (2023: 4.85%)

There are closure and post-closure responsibilities such as the following:

Closure responsibilities

- Final cover application and vegetation
- Incremental drainage control features
- Completing facilities for leachate collection and monitoring
- Completing facilities for monitoring and recovery of gas

Post-closure responsibilities

- Treatment and monitoring of leachate
- Ground water and surface monitoring
- Gas monitoring and recovery
- Implementation of remedial measures such as needed for cover, and control systems
- Ongoing site maintenance for drainage systems, final cover and vegetation

Landfill post closure costs

The Māhia landfill was closed and capped in 2004 and aftercare of the landfill finished in 2014. There is however ongoing monitoring of the bores with an estimated annual cost (at today's dollar values) of \$3,000 per annum.

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Opening balance				
Movement in provision				
Amount utilised				
Landfill post closure costs – closing balance				
Current				
Non-current				
Landfill post closure costs – closing balance				

19. EQUITY

Equity is the community's interest in the Council and Group and is measured as the difference between total assets and total liabilities. Equity is broken down and classified into a number of components to enable clearer identification of the specified uses of equity within the Council and the Group.

The components of equity are accumulated funds and retained earnings, revaluation reserves which include a fair value through other comprehensive revenue and expense reserve and restricted funds which comprise special fund reserves.

Special reserves are restricted by Council decision and subject to specific conditions of use. Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met. The Council may alter them without references to any third party or the Courts. Transfers to or from these reserves are at the discretion of the Council.

Wairoa District Council has the following Council created special reserves:

- A disaster recovery reserve is held to fund Council's share of any costs relating to a natural disaster or unforeseen event.
- Reserves held for future asset purchases include proceeds from the sale of Council-owned infrastructure, land and buildings. These are held in the district development reserve and may

be used towards the cost of purchasing or constructing new assets.

- A number of depreciation reserves are held to fund the renewal of infrastructure and other assets.
- Reserves held to meet future operational costs include administration reserves – funds carried over from one financial year to the next to match related expenditure, and retirement and restructuring reserves – to fund future retirement, redundancy, long service gratuities and costs associated with Council reorganisations.
- Reserves held for the repayment of debt as it matures.

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Special reserves				
Revaluation reserves				
Ratepayer's equity				
Total equity				

EQUITY MANAGEMENT

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

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

The Act requires the Council to make adequate and effective provision in its Long Term Plan and its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors 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 Long Term Plan. The Council monitors actual expenditure incurred against the Long Term Plan and Annual Plan. No changes were made in the equity management objectives, policies or processes for the year ended 30 June 2024.

REVALUATION RESERVES

The revaluation reserves are used to record accumulated increases and decreases in the fair value of certain asset classes. Revaluation movements are non-cash in nature and represent the restating of the Council's assets, subject to revaluation, into current dollar values after taking into account the condition and remaining lives of the assets.

The result of any revaluation of the Group's property, plant and equipment is recognised within other comprehensive revenue and expense and taken to the asset revaluation reserve. Where this results in a debit balance in the reserve for a class of property, plant and equipment, the balance is transferred to the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised within surplus or deficit will be recognised firstly, within surplus or deficit up to the amount previously expensed, and

with any remaining increase recognised within other comprehensive revenue and expense and in the revaluation reserve for that class of property, plant and equipment. Any impairment in a revalued class of asset is recognised within other comprehensive revenue and expense and the portion relating to previous revaluation gains is taken to the asset revaluation reserve.

Accumulated depreciation at the revaluation date is eliminated so that the carrying amount after revaluation equals the revalued amount. While assumptions are used in all revaluations, the most significant of these are in infrastructure. For example where stormwater, wastewater and water supply pipes are underground, the physical deterioration and condition of assets are not visible and must therefore be estimated. Any revaluation risk is minimised by performing a combination of physical inspections and condition modelling assessments.

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Revaluation reserves - opening balance				
Net transfer from asset revaluation reserve on disposal				
Revaluation recognised in other comprehensive revenue and expense				
Revaluation reserves - closing balance				

RATEPAYERS EQUITY (RETAINED EARNINGS)

Retained earnings are accumulated surpluses and deficits from operations not transferred to special or restricted reserves over the life of the council.

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Ratepayer's equity - opening balance				
Surplus (deficit) for year				
Transfers to special reserves				
Transfers from special reserves				
Transfers from revaluation reserves				
Ratepayer's equity - closing balance				

SPECIAL RESERVES

	01 July 2024 Opening balance \$000	Transfer to \$000	Transfer from \$000	30 June 2025 Closing balance \$000
Reserves held for emergency purposes				
Disaster recovery reserve				
Total reserves held for emergency purposes				
Reserves held for future asset purchases				
District development fund				
Asset and vehicle depreciation reserve				
Information systems renewal reserve				
Water production depreciation reserve				
Water reticulation depreciation reserve - Wairoa				
Water reticulation depreciation reserve - peri urban				
Water reticulation depreciation reserve - Tuai				
Water reticulation depreciation reserve - Frasertown				
Water reticulation depreciation reserve - Mahanga				
Sewerage system depreciation reserve - Wairoa				
Sewerage system depreciation reserve - Tuai				
Stormwater reticulation depreciation reserve - Wairoa				
Stormwater reticulation depreciation reserve - Mahia				
Parking area depreciation reserve				
Bridges depreciation reserve				
Landfill/RTS depreciation reserve				
Airport runway depreciation reserve				
Roading depreciation reserve				
Footpaths depreciation reserve				
Library book stocks depreciation reserve				
Pensioner housing depreciation reserve				
Parks and reserves depreciation reserve				
Total reserves held for future asset purchases				
Reserves held for future operational costs				
General purpose fund				
Wairoa urban fund				
Retirement and restructuring reserve				
Tuai village reserve				
Total reserves held for future operational costs				
Reserves held for repayment of maturing debt				
Loan repayment reserve - external				
Loan repayment reserve - internal				
Total reserves held for repayment of maturing debt				
Total special funds reserves				

20. RECONCILIATION OF OPERATING SURPLUS WITH NET CASH FLOW FROM OPERATING ACTIVITIES

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Net surplus/(deficit) for the period				
Add/(deduct) non-cash items:				
Depreciation				
Loss on disposal of assets				
Gain on sale of assets				
Amortisation				
Decrease (increase) in deferred taxation				
Increase (decrease) in employee benefit provision				
Net (decrease) in bad debts provision				
Unrealised loss (gain) on investments				
(Decrease) in landfill aftercare provision				
Increase in quarry aftercare provision				
Loss / (gain) revaluation				
Total non-cash items				
Add/(deduct) movement in working capital¹:				
(Increase) decrease in rates receivable				
(Increase) decrease in trade and other receivables				
Increase (decrease) in trade and other payables				
Increase (decrease) in loans and other receivables				
(Increase) decrease in GST receivable				
Increase (decrease) in taxation payable				
(Increase) / decrease inventories				
Total movement in working capital				
Net cashflows from operating activities				

¹ Excluding non-cash items

21. TRANSACTIONS WITH RELATED PARTIES

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include all members of the Group (Council and controlled entities) and key management personnel. Key management personnel include the Mayor and Councillors as elected members of the governing body of the Council reporting entity, the Chief Executive and all members of the senior leadership team, being key advisors to the Council and Chief Executive.

There were close family members of key management personnel employed by the Council and Group. The terms and conditions of those arrangements are no more favourable than the Council and Group would have adopted if there was no relationship to the key management Personnel.

Material related party transactions - key management personnel of Council

During the year, key management personnel, as part of normal local authority relationships, were involved in transactions with the Council such as payment of rates and purchases of rubbish bags or other Council services. These transactions were on normal commercial terms. Except for these transactions no key management personnel have entered into related party transactions with the Group.

- The Mayor and Councillor's disclose their personal interests in a register available on the Council website.
- There are no commitments from Council to key management personnel.

Material Related Party Transactions - QRS

Council's purchase of services and sales income from QRS for the year were as follows:

	2025 \$000	2024 \$000
Revenue received by Council for services provided to QRS		
Expenditure payments made by Council for services provided by QRS		
Dividend received from QRS		
Subvention payment from QRS		
Current receivables and recoverables owing to the Council from QRS		
Current payables owed by the Council to QRS		
Contract retentions		

The receivable and payable balances are non-interest bearing and are to be settled on normal trading terms and conditions, except for \$6,474,775 (2023: \$848,885) of contract retentions which are payable at closure of defects liability period.

No related party transactions were forgiven or written off during the period (2023: nil).

22. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's and Council's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Group			
	Carrying amount		Fair value	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000

Financial assets

Other financial assets:

- At fair value through OCI

Financial liabilities

Interest-bearing loans and borrowings:

- Fixed rate borrowings

	Council			
	Carrying amount		Fair value	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000

Financial assets

Other financial assets:

- At fair value through OCI

Financial liabilities

Interest-bearing loans and borrowings:

- Fixed rate borrowings

Management assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate borrowings are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the counterparty and the risk characteristics of the financed project.
- Fair value of the quoted shares and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- Fair value of the remaining AFS financial assets is derived from quoted market prices in active markets. Due to the immaterial size and nature of the Council's investment in Civic Financial Services Limited, the Council has estimated the fair value of this investment based on net asset backing as at 30 June 2024.
- Fair values of the Group's interest-bearing borrowings and loans are determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The carrying amounts of borrowings repayable within one year approximate their fair value.

FAIR VALUE HIERACHY

For those financial instruments recognised at fair value in the Statement of Financial Position, the fair values are determined according to the following hierarchy:

Level 1 – Quoted market price

Financial instruments with quoted prices for identical instruments in active markets.

Level 2 – Valuation techniques using observable inputs

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.

Level 3 – Valuation techniques with significant non-observable inputs

Financial instruments valued using models where one or more significant inputs are not observable.

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities as at 30 June:

	2025			2024		
	Level 1 \$000	Level 2 \$000	Level 3 \$000	Level 1 \$000	Level 2 \$000	Level 3 \$000

Financial assets carried at fair value

Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through OCI

Financial liabilities measured at amortised cost

Fixed rate borrowings

The level 2 equity investments comprise the Group's LGFA borrower notes and investment in Civil Financial Services. There have been no transfers between Level 1 and Level 2 during the year.

23. FINANCIAL INSTRUMENT RISK

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

As part of its normal operations, the Group is exposed to a number of risks. The most significant are credit risk, liquidity risk and market risk, which includes interest rate risk. The Council's senior management oversees the management of these risks. The Council's senior management is supported by a Finance, Assurance and Risk (FAR) Committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The FAR Committee provides assurance to the Council that financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Council is risk averse and seeks to minimise exposure from its treasury activities. The Council has approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

The Group's exposure to identified credit, liquidity and market risks and the action that the Group has taken to minimise the impact of these risks is outlined below.

MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and AFS investments.

The sensitivity analyses in the following sections relate to the position as at 30 June 2024. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt are all constant at 30 June 2024.

The analyses exclude the impact of movements in market variables on provisions and the non-financial assets and liabilities. The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of comprehensive revenue and expense item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 30 June 2024.

Interest Rate Risk

The interest rates on the Council's investments are disclosed in note 8 and on the Council's borrowings in note 17. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group can manage its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings, and a spread of maturities over several years. The Council's Investment and Liability Policy outlines the level of borrowing that is secured using fixed rate instruments. The Group's policy is to have no less than 50% of its borrowings at fixed rates of interest.

At 30 June 2024, 100% of the Group's borrowings are at a fixed rate of interest (2023: 100%). For the Council, 100% of all borrowings as at 30 June 2024 are at a fixed rate of interest (2023: 100%).

Interest Rate 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%.

At 30 June 2024 the Council and Group have no floating rate debt. Therefore a movement in interest rates has no effect on the Council or Group's interest expense.

Commodity Price Risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of materials for road maintenance and therefore requires a continuous supply of roading metal. This risk is mitigated by the fact that QRS mines its own metal. The risk is further mitigated by Government subsidies relating to roading which offset the costs to Council. If there is an increase in the volatility of the price of the raw materials, the Group will consider entering into various forward commodity purchase contracts in the future.

Equity Price Risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages equity price risk through diversification of the investment portfolio in accordance with the limits set out in the Council's Investment policy. Reports on the equity portfolio are reviewed on a regular basis.

At the reporting date, the listed equity securities at fair value was \$490,000(2023: \$825,675). A decrease of 10% on the NZX market index could have an impact of approximately \$49,000 (2023: \$82,567) on the surplus or equity/net assets attributable to the Group, depending on whether the decline is significant or prolonged. An increase of 10% in the value of the listed securities would only impact equity/net assets and would not influence surplus.

LIQUIDITY RISK

Liquidity risk is the risk that the Group may encounter difficulties in meeting financial liabilities as they fall due. The Group monitors and manages this risk in accordance with the Council's Investment and Liability Policy. The Group maintains sufficient funds to cover all obligations as they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and facilities, debentures, finance leases and hire purchase contracts. The Group mitigates exposure to liquidity risk by managing the maturity of its borrowings programme within policy limits.

The Group's policy is that no more than 50% of borrowings should mature in the next 12-month period. Approximately 24% of the Group's debt will mature in less than one year at 30 June 2024 based on the carrying value of borrowings reflected in the financial statements (2023: 60%).

Expenses related to Cyclone Gabrielle and other extreme weather events have unexpectedly increased our need for operational funding, highlighting the importance of effective cash flow management, particularly given the ongoing variations in payment receipts and disbursements. Access to sources of funding is sufficiently available, and debt maturing within 12 months can be rolled over with existing lenders.

The Council remains adaptable to unforeseen events while maintaining a commitment to sound liquidity risk practices, promptly restoring liquidity risk management practices in line with established policies to ensure financial stability and continuity.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000

Contractual cashflows of financial liabilities

0-12 months				
1-2 years				
2-5 years				
More than 5 years				
Contractual cashflows of financial liabilities				

Represented by

Carrying amount as per the Statement of Financial Position				
Future interest payable				
Contractual cashflows of financial liabilities				

CREDIT RISK

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group's maximum credit risk exposure for each class of financial instruments is as follows:

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Cash and cash equivalents				
Trade and other receivables				
Total financial instruments with credit risk				

Trade Receivable From Exchange Transactions

Customer credit risk in relation to trade receivables from exchange transactions is managed by the Council and the Council-controlled organisation subject to the Group's established policy, procedures and control relating to customer credit risk management.

The Group evaluates the concentration of risk with respect to trade receivables as low, the majority of the Group's receivables from non-exchange transactions arise from the Council's statutory functions. There are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. The Group does not hold collateral as security. The Group is not exposed to a material concentration of credit risk around rates and other receivables from non-exchange transactions as it has a large number of credit customers, mainly ratepayers, and has powers under the

Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the Group policy. Investments of surplus funds are made in accordance with the Council's Investment Policy. The Council's FAR Committee reviews investments as required. The Group aims to minimise the concentration of risks and therefore mitigate financial loss resulting from potential counterparty's failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2024 is the carrying amounts as illustrated above.

24. CONTINGENCIES

Contingent liabilities and contingent assets are disclosed at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility they will crystallise is not remote. Contingent assets are disclosed if it is probable the benefits will be realised.

CONTINGENT ASSETS

A contingent asset is a future expected cashflow arriving out of council operations that has an inherent factor of uncertainty.

The Council entered into a 30 year targeted capital rating repayment plan for the connections of private individual's properties to a centralised wastewater network owned by the Council in the Māhia and Ōpoutama catchment areas. In terms of repayment of that cost, ratepayers were eligible to select an upfront payment, or to nominate between 3 and 30 years to repay the cost, plus interest through rates. The ordinary recovery of capital under a capital rating scheme is an instalment charged as a targeted rate, set with each year's rating resolution. In addition, an early repayment policy was adopted in 2016/17 for ratepayers to clear the remaining cost, exclusive of any future interest charges. The costs for the work commissioned by the Council on behalf of the ratepayers for these schemes were capitalised in the 2014/15 financial year.

The calculated value represents the amount owed and repayable under the scheme as at 30 June:

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Balance at 1 July				
Less: Charged through rates this financial year				
Add back: Interest charged in rates				
Less: Early repayment policy payments				
Balance at 30 June				

CONTINGENT LIABILITIES

A contingent liability is a debt that may be incurred in the future, but for which there is no current actual liability owing or an event giving rise to an obligation.

There were no contingent liabilities at 30 June 2024.

25. COMMITMENTS

FUTURE CONTRACTUAL COMMITMENTS

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Capital commitments				
Infrastructural assets - Water system				
Infrastructural assets - Roading network				
Other				
Total capital commitments				
Operational commitments				
Maintenance and service contracts				
Total operational commitments				
Total contractual commitments				

At balance date, QRS had a capital commitment of \$133,196 for two excavators. (2023: \$117,932 for a grader).

The capital commitments above represent signed contracts in place at the end of the reporting period. The contracts will often span more than one financial year and may include capital expenditure carried forward from previous years.

NON-CANCELLABLE OPERATING LEASE COMMITMENTS

The Council leases photocopy machines and a building in the ordinary course of its business. New leases for each were negotiated in the current year for a 5 year term. Leases are generally renewable at the end of the lease period at market rates.

The leases have the following characteristics:

- The lease does not transfer substantially all the risks and rewards incidental to ownership;
- The lease does not transfer ownership to the Council or Group at the end of the lease term;
- The leased asset is not of a specialised nature that only the lessee can use without modifications;
- The lessee cannot cancel the lease unilaterally unless the lessor is in material breach of contract, and gains and losses in the value of the equipment remain the risk of the lessor.

The amount of minimum payments for non-cancellable operating leases is recognised as an expense in Note 3. The future expenditure committed by these leases is analysed in the following table:

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Office equipment and vehicles				
Up to one year				
Later than one year and not later than five years				
Later than five years				
Buildings				
Up to one year				
Later than one year and not later than five years				
Later than five years				
Total non-cancellable operating lease commitments as lessee				

26. VARIANCES FROM THE ANNUAL PLAN

Explanations for major variances from the Council's estimated figures in the 2023/24 budget (Annual Plan 2023/2024) are as follows:

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

The Council's surplus was \$9.5 million lower than forecasted, and total comprehensive revenue and expense was \$30 million higher than forecasted. The net effect of the following items contributed to this variation:

- (a) Subsidy revenue of \$58 million was more than double the amount included in the budget. This was all used to pay for recovery operating expenses relating to road repair. As a result of this work, planned capital works totalling \$7.2 million were not undertaken. Capital subsidies are reported as 100% surplus because the revenue is used to improve assets.
- (b) Income from Council Fees and Charges was lower than budgeted by \$570K following a reduction in Building Permit fees as a result of decreased building work across the region following extreme weather events.
- (c) Solid Waste expenditure was \$382,000 higher than budgeted due to increases to Waste Levies, the Emissions Trading Scheme levies as well as weather events causing increased volumes of waste processed at the Wairoa landfill. These additional costs have been covered by a \$240K grant from NEMA. Additionally there have been costs incurred on the investigation of the expansion of the kerbside collection and expansion of waste minimisation education programmes which have also received subsidies.
- (d) Transport costs exceeded budgeted amounts by \$33 million in the 2023-24 year, of this emergency works accounted for \$31 million. Road maintenance costs were also higher on Special Purpose Road SH38 with emergency repairs required following weather events.

STATEMENT OF FINANCIAL POSITION

- (e) Current Assets increased by \$10 million during the 2023-24 year. This is due to an increase in income receivable from NZTA for works done in June 2024.
- (f) Our borrowings for the 2023-24 year were \$2 million higher than budgeted. Our total borrowings were \$5 million lower than last year due to repayment of loans. \$8 million was borrowed to account for costs related to Cyclone Gabrielle repairs, however due to the amount of subsidies and grants received this amount was able to be repaid during the year.
- (g) Property, plant, and equipment have exceeded the budget by \$187 million, primarily due to the 2023 revaluation of council assets, the effect of which had not been contemplated in the budget.
- (h) Landfill Aftercare Provision has increased by \$827,000 this year due to the impacts of Cyclone Gabrielle and the June 2024 flooding. Increased waste going to landfill has shortened the life expectancy of this cell by two years..
- (i) Equity is higher than budgeted by \$177 million, mainly due to revaluation and net of all other variances.

27. SIGNIFICANT EVENTS

Local Government Reform

In the past financial year, central government has announced three tranches of local government reform. These reforms may have impacts on the Wairoa District Council responsibilities, operations and financial statements in future periods.

Local Waters Done Well

The Water Services Reform Legislation (Three Waters) was repealed in February 2024 and replaced by the Local Water Done Well (LWDW) programme by the Coalition Government with a strong focus on water quality and infrastructure investment, ensuring that water services are resilient to the impacts of climate change.

The most recent legislation, Local Government (Waters Services Preliminary Arrangements), enacted in September 2024 requires Council to draft a Water Services Delivery Plan (WSDP) which needs to be consulted upon and submitted to the Department of Internal Affairs by September 2025.

A third Bill, the proposed Local Government Water Services Bill, is planned to be introduced to Parliament in December 2024 which will set out a range of changes to the water services delivery system and to the water services regulatory system. These new rules for water quality, including wastewater and stormwater discharges, will be developed and enforced by Taumata Arowai. These rules will set standards for acceptance discharges and mitigate environmental risks to rivers and beaches ensuring that water management practices meet the highest environmental standards.

For more information on the programme, please visit Water Services Policy and Legislation - www.dia.govt.nz/Water-Services-Policy-and-Legislation

Resource Management Reform

Over the last two years the Government has been on a journey to reform Aotearoa New Zealand's resource management system. The Natural and Built Environment Act and the Spatial Planning Act were passed into law on 23 August 2023. These Acts have since been repealed with the Resource Management Act 1991 in place while replacement legislation is developed.

Implementing a new resource management system comes at a time of change. The severe weather events in 2023 and 2024 demonstrated the reality of climate change, how widespread and costly the impacts can be, and the urgency to both reduce emissions and help communities be better prepared for the future. These events also underscored the importance of taking an integrated approach to effective resource management, climate mitigation and adaptation, and infrastructure planning to protect communities.

Local Government Reform

Central Government has indicated a need to rethink the form, function and funding of local government in New Zealand. This is as a result of the impact of the Resource Management and Water Reforms on local government responsibilities, combined with the need for a cohesive long term response to COVID-19, climate change and the opportunities that technological change present. It has been indicated that this reform will aim to incentivise and empower local government to work in partnership with central government to drive regional development, improve environmental outcomes and deliver on the wellbeing needs of communities.

This may result in new services, activities or responsibilities for Council. At this stage the outcome is uncertain, and the annual report has been prepared on the basis that the delivery model will not change in the foreseeable future.

For more information on the Local Government Reform, please visit <https://www.dia.govt.nz/Future-for-Local-Government-Review>

28. ADOPTION OF THE ANNUAL REPORT

Council adopted the 2023/24 Annual Report on 31 October 2024.

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FINANCIAL PRUDENCE BENCHMARKS

The government has introduced the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations) which has a series of measures and benchmarks, disclosed in the following pages.

Readers are urged to read the commentary and explanations provided to give context to the information, as it is not always possible to compare Wairoa District Councils' results with other councils due to their size, location and provision of services.

Annual Report disclosure statement for year ending 30 June 2024 - What is the purpose of this statement?
The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to

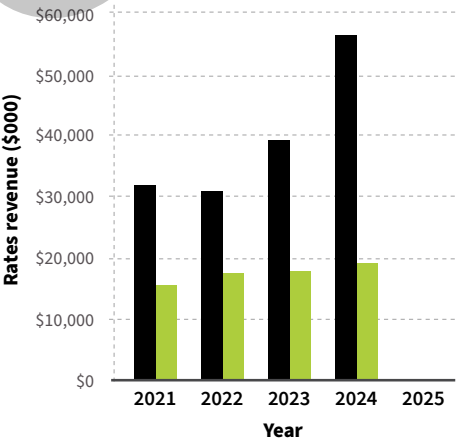
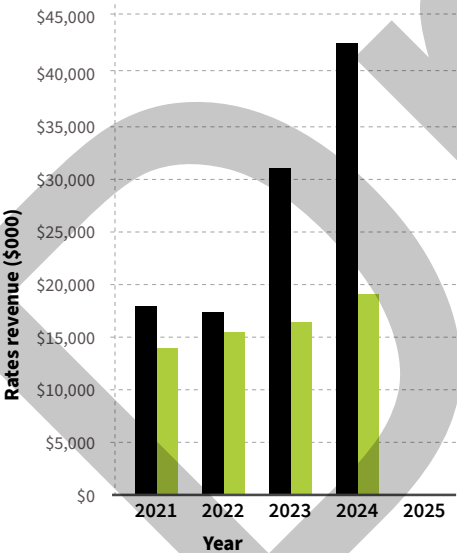
enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council must include this statement in its annual report in accordance with the regulations. Refer to the regulations for more information, including definitions of some of the terms used in this statement. Unless prescribed by the regulations the quantified limit for each benchmark is calculated using the financial information from the Council's Long Term Plan.

RATES AFFORDABILITY BENCHMARK

- The council meets the rates affordability benchmark if:
- its actual rates income equals or is less than each quantified limit on rates; and
 - its actual rates increases' equal or are less than each quantified limit on rates increases.

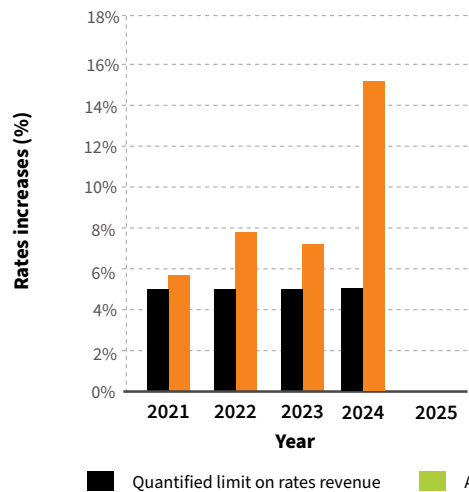
RATES (INCOME) AFFORDABILITY
The following graphs compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's Long Term Plan. The Council has two measures for rates (income) affordability, and these are set out below.



Quantified limit on rates revenue Actual rates revenue (at or within limit) Actual rates revenue (exceeds limit)

Total Rates as a Percentage of Operating Costs
The quantified limit is that total rates (excluding capital contribution rates) will not exceed 60% of operating costs.

Total Rates as a Percentage of Cash Revenue
The quantified limit is that total rates (including capital contribution rates) shall not exceed 70% of total cash revenue.



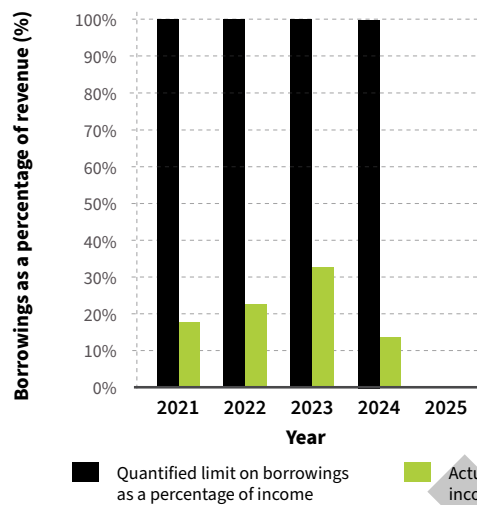
Rates (Increases) Affordability

The graph on the left compares the Council’s actual rates increase with a quantifiable limit on rates increases contained in the financial strategy included in the Council’s Long Term Plan.

The quantified limit is that the maximum annual total rates increase shall not exceed 5%.

In its Annual Plan 2023/24 Council adopted a budget with a 10.6% rates increase for the 2023/2024 year.

DEBT AFFORDABILITY BENCHMARK



The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The quantified limit described in the Long Term Plan is debt as a percentage of income.

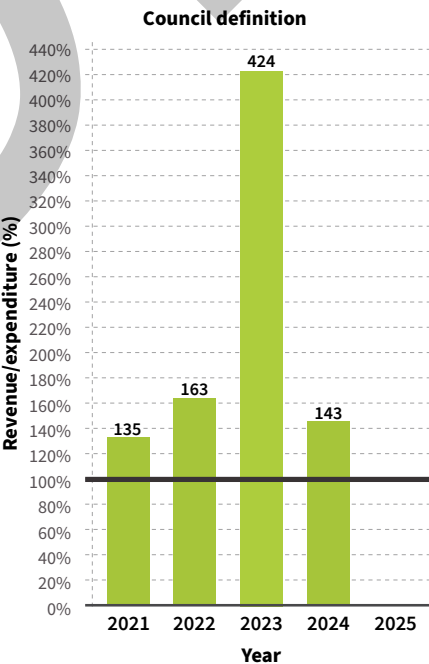
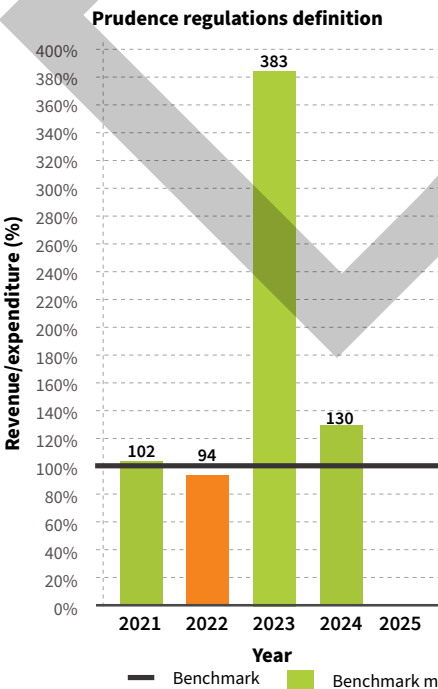
Debt as Percentage of Income

This graph compares the Council’s debt with the quantified limits set out in the relevant Long Term Plan’s financial strategy.

The quantified limit is that total borrowings will not exceed annual revenue.

BALANCED BUDGET BENCHMARK

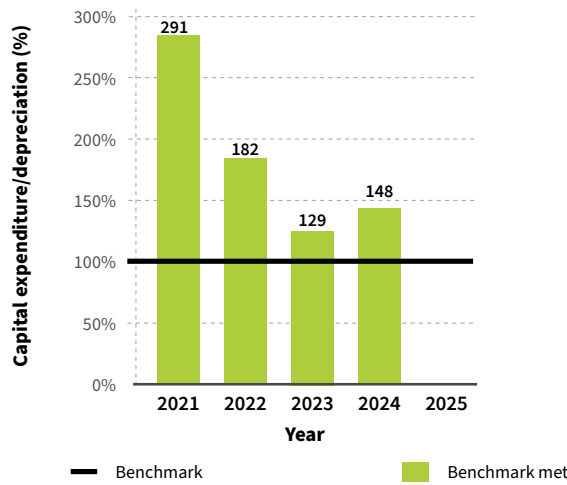
Section 100(1) of the Local Government Act 2002 (LGA) requires Council’s to have a balanced budget. This is defined in the regulations as Council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments, and revaluations of property, plant, or equipment). The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



The LGA does allow the Council to budget for a deficit, if it resolves that it is financially prudent to do so. The Council acknowledges that it runs deficits from a balanced budget perspective because it does not fully rate fund depreciation. For this reason, the Council has defined its balanced budget target as the above definition modified to exclude costs and gains from asset sales and the Waka Kotahi capital subsidies (from 2021, this has been refined to capital subsidies related to renewals) from the calculation of revenue, offset by the depreciation not funded.

The "Council definition" graph shows this adjusted balanced budget calculation and demonstrates the effect of Council not rating for all depreciation charges.

ESSENTIAL SERVICES BENCHMARK



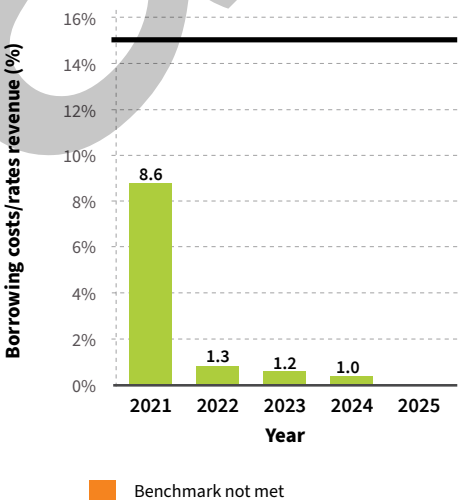
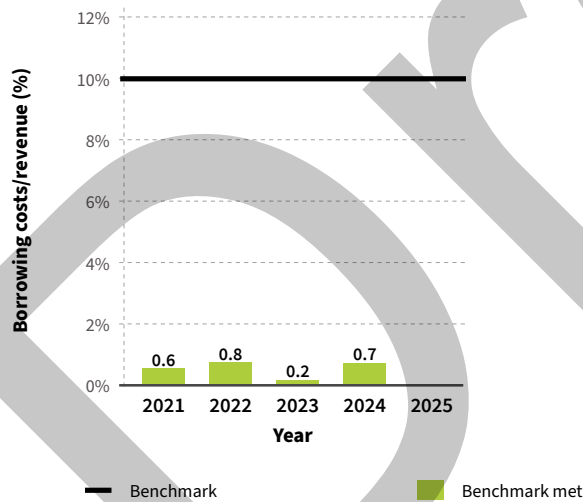
This graph displays the Council’s capital expenditure on network services as a proportion of expected depreciation on network services.

The council meets the essential services benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

DEBT SERVICING BENCHMARK

This graph displays the Council’s borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative

financial instruments, and revaluations of property, plant, or equipment). The Council has two measures for debt servicing and these are set out below.

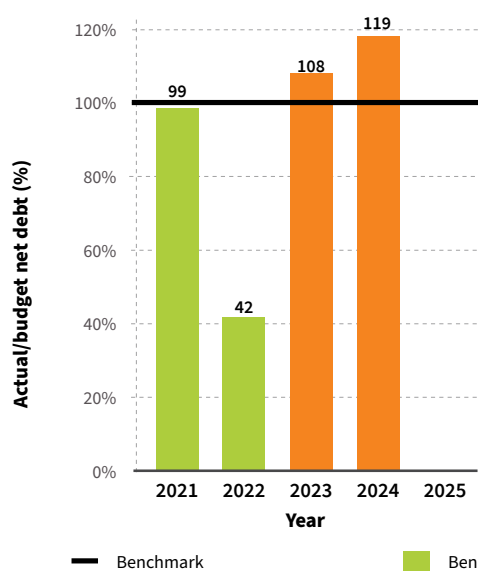


Borrowing costs as a percentage of revenue
Because Statistics New Zealand projects the Council’s population will grow more slowly than the national population growth rate, it meets this benchmark if its borrowing costs equal or are less than 10% of its revenue.

Debt servicing as a percentage of rates revenue
This graph displays the Council’s debt servicing costs as a proportion of rates revenue with a quantified limit on debt servicing as a proportion of rates revenue contained in the financial strategy included in the Council’s Long-Term Plan.

The quantified limit is that annual interest costs and loan repayments (debt servicing) shall not exceed 15% of rates revenue.

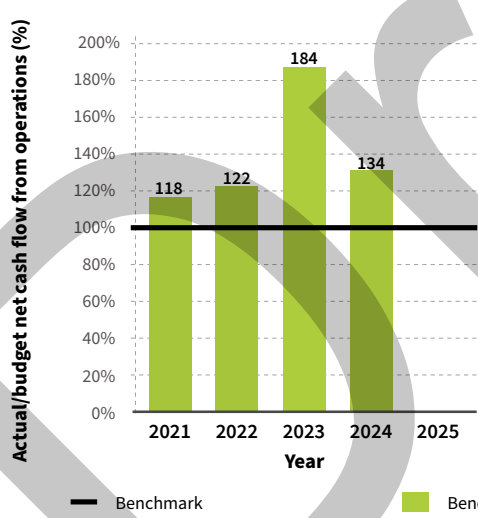
DEBT CONTROL BENCHMARK



This graph on the left 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.

OPERATIONS CONTROL BENCHMARK



The graph on the left 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.

HE TAUĀKĪ WHAKAAWEAWE PŪTEA

FUNDING IMPACT STATEMENTS

Annual report disclosure statement for year ending 30 June 2025

What is the purpose of these statements?

An annual report must include an audited funding impact statement for the financial year to which the report relates. The purpose of the Funding impact statements is to disclose the amount of funds produced from each source of funding, identify how the funds were applied and compare this information against the information included in the Long-Term Plan.

One statement is prepared for the whole of Council’s activities and individual statements are prepared for each strategic activity.

Understanding Funding Impact Statements

These statements set out Council’s sources of operating and capital funding for the financial year, and how this funding is applied.

The council’s sources of operating funding include items such as fees and charges, and its applications of operating funding includes items such as payments to staff and suppliers.

The council’s sources of capital funding include items such as subsidies and grants for capital expenditure, and its applications of capital funding include capital expenditure to improve levels of service or replace existing assets.

The difference between the value of total capital funding and application of this funding is the amount that Council needs to fund from rating for depreciation, both in the current year and from reserves built up over several years. These statements do not include depreciation as it is a non-cash item.

The Whole of Council Funding Impact Statement provides combined totals of all Council’s sources of operating and capital sources of funding and application, and activity-level funding impact statements which separates this information into Council’s key activity groups such as water supply and waste management.

FUNDING IMPACT STATEMENT FOR 1 JULY 2024 - 30 JUNE 2025

WHOLE OF COUNCIL

	2023/24 LTP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 AP \$000	2024/25 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties					
Targeted rates (other than a targeted rate for water supply)					
Subsidies and grants for operating purposes					
Fees and charges					
Interest and dividends from investments					
Local authorities fuel tax, fines, infringement fees, and other receipts					
Total operating funding (A)					
Applications of operating funding					
Payments to staff and suppliers					
Finance costs					
Other operating funding applications					
Total applications of operating funding (B)					
Surplus (deficit) of operating funding (A - B)					
Sources of capital funding					
Subsidies and grants for capital expenditure					
Development and financial contributions					
Increase (decrease) in debt					
Gross proceeds from sale of assets					
Total sources of capital funding (C)					
Application of capital funding					
Capital expenditure:					
• to meet additional demand					
• to improve the level of service					
• to replace existing assets					
Increase (decrease) in reserves					
Increase (decrease) of investments					
Total applications of capital funding (D)					
Surplus (deficit) of capital funding (C-D)					
Funding balance ((A-B) + (C-D))					

FUNDING IMPACT STATEMENT FOR 1 JULY 2024 - 30 JUNE 2025

WATER SUPPLY

	2023/24 LTP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 AP \$000	2024/25 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties					
Targeted rates (other than a targeted rate for water supply)					
Subsidies and grants for operating purposes					
Fees and charges					
Internal charges and overheads recovered					
Internal interest income					
Interest and dividends from investments					
Local authorities fuel tax, fines, infringement fees, and other receipts					
Total operating funding (A)					
Applications of operating funding					
Payments to staff and suppliers					
Finance costs					
Internal charges and overheads applied					
Internal interest charged					
Other operating funding applications					
Total applications of operating funding (B)					
Surplus (deficit) of operating funding (A - B)					
Sources of capital funding					
Subsidies and grants for capital expenditure					
Development and financial contributions					
Increase (decrease) in debt					
Gross proceeds from sale of assets					
Total sources of capital funding (C)					
Application of capital funding					
Capital expenditure:					
• to meet additional demand					
• to improve the level of service					
• to replace existing assets					
Increase (decrease) in reserves					
Increase (decrease) of investments					
Total applications of capital funding (D)					
Surplus (deficit) of capital funding (C-D)					
Funding balance ((A-B) + (C-D))					

FUNDING IMPACT STATEMENT FOR 1 JULY 2024 - 30 JUNE 2025

STORMWATER

	2023/24 LTP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 AP \$000	2024/25 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties					
Targeted rates (other than a targeted rate for water supply)					
Subsidies and grants for operating purposes					
Fees and charges					
Internal charges and overheads recovered					
Internal interest income					
Interest and dividends from investments					
Local authorities fuel tax, fines, infringement fees, and other receipts					
Total operating funding (A)					
Applications of operating funding					
Payments to staff and suppliers					
Finance costs					
Internal charges and overheads applied					
Internal interest charged					
Other operating funding applications					
Total applications of operating funding (B)					
Surplus (deficit) of operating funding (A - B)					
Sources of capital funding					
Subsidies and grants for capital expenditure					
Development and financial contributions					
Increase (decrease) in debt					
Gross proceeds from sale of assets					
Total sources of capital funding (C)					
Application of capital funding					
Capital expenditure:					
• to meet additional demand					
• to improve the level of service					
• to replace existing assets					
Increase (decrease) in reserves					
Increase (decrease) of investments					
Total applications of capital funding (D)					
Surplus (deficit) of capital funding (C-D)					
Funding balance ((A-B) + (C-D))					

FUNDING IMPACT STATEMENT FOR 1 JULY 2024 - 30 JUNE 2025

WASTEWATER

	2023/24 LTP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 AP \$000	2024/25 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties					
Targeted rates (other than a targeted rate for water supply)					
Subsidies and grants for operating purposes					
Fees and charges					
Internal charges and overheads recovered					
Internal interest income					
Interest and dividends from investments					
Local authorities fuel tax, fines, infringement fees, and other receipts					
Total operating funding (A)					
Applications of operating funding					
Payments to staff and suppliers					
Finance costs					
Internal charges and overheads applied					
Internal interest charged					
Other operating funding applications					
Total applications of operating funding (B)					
Surplus (deficit) of operating funding (A - B)					
Sources of capital funding					
Subsidies and grants for capital expenditure					
Development and financial contributions					
Increase (decrease) in debt					
Gross proceeds from sale of assets					
Total sources of capital funding (C)					
Application of capital funding					
Capital expenditure:					
• to meet additional demand					
• to improve the level of service					
• to replace existing assets					
Increase (decrease) in reserves					
Increase (decrease) of investments					
Total applications of capital funding (D)					
Surplus (deficit) of capital funding (C-D)					
Funding balance ((A-B) + (C-D))					

FUNDING IMPACT STATEMENT FOR 1 JULY 2024 - 30 JUNE 2025

WASTE MANAGEMENT

	2023/24 LTP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 AP \$000	2024/25 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties					
Targeted rates (other than a targeted rate for water supply)					
Subsidies and grants for operating purposes					
Fees and charges					
Internal charges and overheads recovered					
Internal interest income					
Interest and dividends from investments					
Local authorities fuel tax, fines, infringement fees, and other receipts					
Total operating funding (A)					
Applications of operating funding					
Payments to staff and suppliers					
Finance costs					
Internal charges and overheads applied					
Internal interest charged					
Other operating funding applications					
Total applications of operating funding (B)					
Surplus (deficit) of operating funding (A - B)					
Sources of capital funding					
Subsidies and grants for capital expenditure					
Development and financial contributions					
Increase (decrease) in debt					
Gross proceeds from sale of assets					
Total sources of capital funding (C)					
Application of capital funding					
Capital expenditure:					
• to meet additional demand					
• to improve the level of service					
• to replace existing assets					
Increase (decrease) in reserves					
Increase (decrease) of investments					
Total applications of capital funding (D)					
Surplus (deficit) of capital funding (C-D)					
Funding balance ((A-B) + (C-D))					

FUNDING IMPACT STATEMENT FOR 1 JULY 2024 - 30 JUNE 2025

TRANSPORT

	2023/24 LTP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 AP \$000	2024/25 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties					
Targeted rates (other than a targeted rate for water supply)					
Subsidies and grants for operating purposes					
Fees and charges					
Internal charges and overheads recovered					
Internal interest income					
Interest and dividends from investments					
Local authorities fuel tax, fines, infringement fees, and other receipts					
Total operating funding (A)					
Applications of operating funding					
Payments to staff and suppliers					
Finance costs					
Internal charges and overheads applied					
Internal interest charged					
Other operating funding applications					
Total applications of operating funding (B)					
Surplus (deficit) of operating funding (A - B)					
Sources of capital funding					
Subsidies and grants for capital expenditure					
Development and financial contributions					
Increase (decrease) in debt					
Gross proceeds from sale of assets					
Total sources of capital funding (C)					
Application of capital funding					
Capital expenditure:					
• to meet additional demand					
• to improve the level of service					
• to replace existing assets					
Increase (decrease) in reserves					
Increase (decrease) of investments					
Total applications of capital funding (D)					
Surplus (deficit) of capital funding (C-D)					
Funding balance ((A-B) + (C-D))					

FUNDING IMPACT STATEMENT FOR 1 JULY 2024 - 30 JUNE 2025

COMMUNITY FACILITIES

	2023/24 LTP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 AP \$000	2024/25 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties					
Targeted rates (other than a targeted rate for water supply)					
Subsidies and grants for operating purposes					
Fees and charges					
Internal charges and overheads recovered					
Internal interest income					
Interest and dividends from investments					
Local authorities fuel tax, fines, infringement fees, and other receipts					
Total operating funding (A)					
Applications of operating funding					
Payments to staff and suppliers					
Finance costs					
Internal charges and overheads applied					
Internal interest charged					
Other operating funding applications					
Total applications of operating funding (B)					
Surplus (deficit) of operating funding (A - B)					
Sources of capital funding					
Subsidies and grants for capital expenditure					
Development and financial contributions					
Increase (decrease) in debt					
Gross proceeds from sale of assets					
Total sources of capital funding (C)					
Application of capital funding					
Capital expenditure:					
• to meet additional demand					
• to improve the level of service					
• to replace existing assets					
Increase (decrease) in reserves					
Increase (decrease) of investments					
Total applications of capital funding (D)					
Surplus (deficit) of capital funding (C-D)					
Funding balance ((A-B) + (C-D))					

FUNDING IMPACT STATEMENT FOR 1 JULY 2024 - 30 JUNE 2025

PLANNING & REGULATORY

	2023/24 LTP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 AP \$000	2024/25 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties					
Targeted rates (other than a targeted rate for water supply)					
Subsidies and grants for operating purposes					
Fees and charges					
Internal charges and overheads recovered					
Internal interest income					
Interest and dividends from investments					
Local authorities fuel tax, fines, infringement fees, and other receipts					
Total operating funding (A)					
Applications of operating funding					
Payments to staff and suppliers					
Finance costs					
Internal charges and overheads applied					
Internal interest charged					
Other operating funding applications					
Total applications of operating funding (B)					
Surplus (deficit) of operating funding (A - B)					
Sources of capital funding					
Subsidies and grants for capital expenditure					
Development and financial contributions					
Increase (decrease) in debt					
Gross proceeds from sale of assets					
Total sources of capital funding (C)					
Application of capital funding					
Capital expenditure:					
• to meet additional demand					
• to improve the level of service					
• to replace existing assets					
Increase (decrease) in reserves					
Increase (decrease) of investments					
Total applications of capital funding (D)					
Surplus (deficit) of capital funding (C-D)					
Funding balance ((A-B) + (C-D))					

FUNDING IMPACT STATEMENT FOR 1 JULY 2024 - 30 JUNE 2025

LEADERSHIP & GOVERNANCE

	2023/24 LTP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 AP \$000	2024/25 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties					
Targeted rates (other than a targeted rate for water supply)					
Subsidies and grants for operating purposes					
Fees and charges					
Internal charges and overheads recovered					
Internal interest income					
Interest and dividends from investments					
Local authorities fuel tax, fines, infringement fees, and other receipts					
Total operating funding (A)					
Applications of operating funding					
Payments to staff and suppliers					
Finance costs					
Internal charges and overheads applied					
Internal interest charged					
Other operating funding applications					
Total applications of operating funding (B)					
Surplus (deficit) of operating funding (A - B)					
Sources of capital funding					
Subsidies and grants for capital expenditure					
Development and financial contributions					
Increase (decrease) in debt					
Gross proceeds from sale of assets					
Total sources of capital funding (C)					
Application of capital funding					
Capital expenditure:					
• to meet additional demand					
• to improve the level of service					
• to replace existing assets					
Increase (decrease) in reserves					
Increase (decrease) of investments					
Total applications of capital funding (D)					
Surplus (deficit) of capital funding (C-D)					
Funding balance ((A-B) + (C-D))					

FUNDING IMPACT STATEMENT FOR 1 JULY 2024 - 30 JUNE 2025

CORPORATE FUNCTIONS

	2023/24 LTP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 AP \$000	2024/25 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties					
Targeted rates (other than a targeted rate for water supply)					
Subsidies and grants for operating purposes					
Fees and charges					
Internal charges and overheads recovered					
Internal interest income					
Interest and dividends from investments					
Local authorities fuel tax, fines, infringement fees, and other receipts					
Total operating funding (A)					
Applications of operating funding					
Payments to staff and suppliers					
Finance costs					
Internal charges and overheads applied					
Internal interest charged					
Other operating funding applications					
Total applications of operating funding (B)					
Surplus (deficit) of operating funding (A - B)					
Sources of capital funding					
Subsidies and grants for capital expenditure					
Development and financial contributions					
Increase (decrease) in debt					
Gross proceeds from sale of assets					
Total sources of capital funding (C)					
Application of capital funding					
Capital expenditure:					
• to meet additional demand					
• to improve the level of service					
• to replace existing assets					
Increase (decrease) in reserves					
Increase (decrease) of investments					
Total applications of capital funding (D)					
Surplus (deficit) of capital funding (C-D)					
Funding balance ((A-B) + (C-D))					

CAPITAL EXPENDITURE BY ACTIVITY

	2023/24 LTP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 AP \$000	2024/25 Actual \$000
Water Supply					
Capital expenditure					
• to meet additional demand					
• to improve the level of service					
• to replace existing assets					
Total water supply					
Stormwater					
Capital expenditure					
• to meet additional demand					
• to improve the level of service					
• to replace existing assets					
Total stormwater					
Wastewater					
Capital expenditure					
• to meet additional demand					
• to improve the level of service					
• to replace existing assets					
Total wastewater					
Waste management					
Capital expenditure					
• to meet additional demand					
• to improve the level of service					
• to replace existing assets					
Total waste management					
Transport					
Capital expenditure					
• to meet additional demand					
• to improve the level of service					
• to replace existing assets					
Total transport					
Community facilities					
Capital expenditure					
• to meet additional demand					
• to improve the level of service					
• to replace existing assets					
Total community facilities					

	2022/23 LTP \$000	2022/23 Actual \$000	2023/24 LTP \$000	2023/24 AP \$000	2023/24 Actual \$000
Planning and regulatory					
Capital expenditure					
• to meet additional demand					
• to improve the level of service					
• to replace existing assets					
Total planning and regulatory					
Leadership and Governance					
Capital expenditure					
• to meet additional demand					
• to improve the level of service					
• to replace existing assets					
Total leadership and governance					
Corporate Functions					
Capital expenditure					
• to meet additional demand					
• to improve the level of service					
• to replace existing assets					
Total corporate functions					

The total projected rateable units within the district at the end of the fiscal year 2024/25 is 6,865. This is projected to increase at an average of 10 rating units per year over the 3 years of this Long-Term Plan.

	2024/25	2025/26	2026/27
Rating units			

[illegible]

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Draft

GLOSSARY OF ABBREVIATIONS USED

DIA	Department of Internal Affairs
FAR	Finance, Assurance and Risk (Committee)
LGFA	NZ Local Government Funding Agency Limited
CRHL	Crown Regional Holdings Limited
QRS	Quality Roding and Services (Wairoa) Limited
The Council	Wairoa District Council
The Group	The consolidated entity comprising Wairoa District Council and Quality Roding and Services (Wairoa) Limited
The Act	The Local Government Act 2002
The regulations	The Local Government (Financial Reporting and Prudence) Regulations 2014

GETTING IN TOUCH

Your feedback plays a big role in making our district a better place to live, work and play. We are keen to hear from you, and welcome your ideas and comments.

Here's how you can get in touch:



www.wairoadc.govt.nz



@wairoadistrictcouncil



info@wairoadc.govt.nz



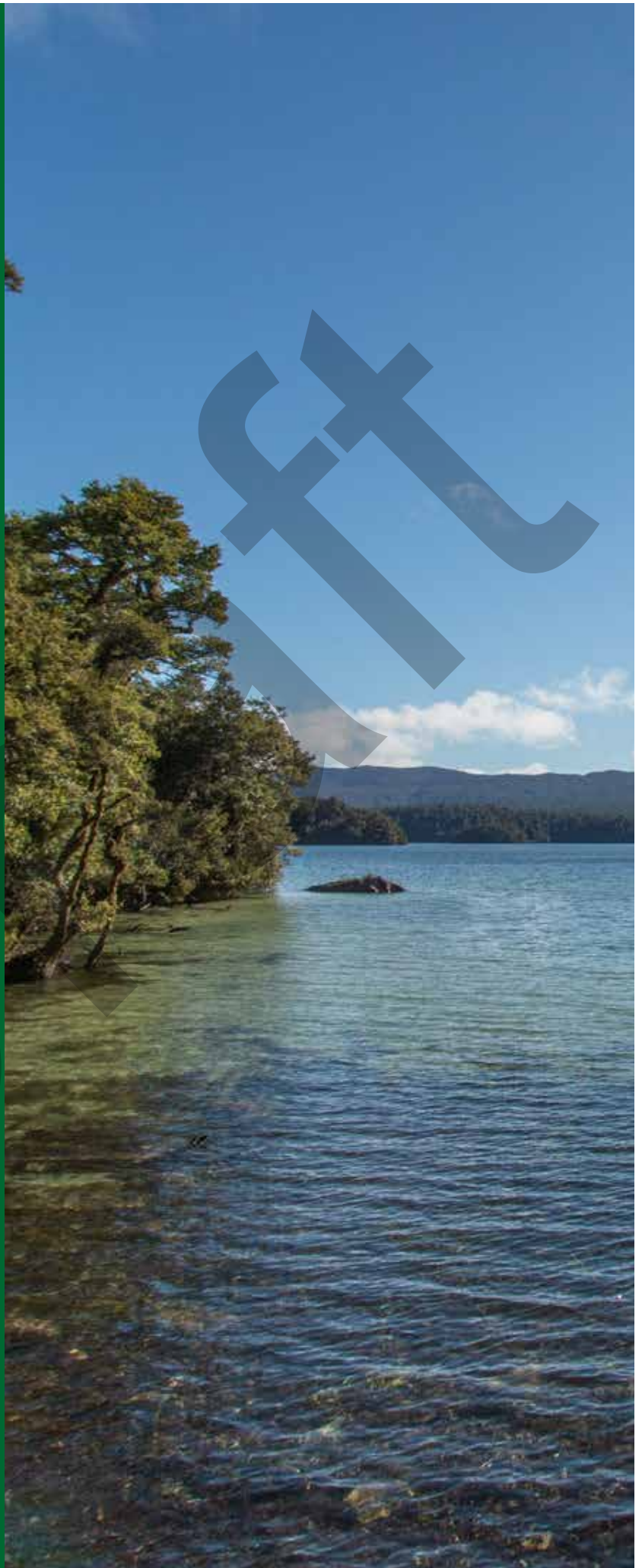
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Wairoa 4108



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P.O. Box 54, Wairoa 4160



8.4 LOCAL WATER DONE WELL - EMERGING RISKS

Author: Langley Cavers, Acting Group Manager Assets & Infrastructure

Authoriser: Matthew Lawson, Tumu Whakarae | Chief Executive

Appendices: Nil

1. PURPOSE

- 1.1 This report provides information for Committee on the emerging risks associated with Local Waters Done Well programme introduced by the NZ Government. No decisions are required by Committee at this stage.
- 1.2 At the time of preparing this report, a draft Water Services Delivery Plan (WSDP) for a Wairoa Water CCO has been submitted to the Department of Internal Affairs for comment and feedback. The WSDP will identify how risks associated with the Local Waters Done Well programme are addressed and/or managed. The WSDP is required to be finalised and submitted by 3 September 2025.

RECOMMENDATION

The Acting Group Manager Assets & Infrastructure RECOMMENDS that Committee receive the report.

2. BACKGROUND

- 2.1 The Finance, Assurance and Risk Committee requested at their meeting held on the 11 February 2025 for the emerging risks associated with Local Waters Done Well programme to be presented to the next meeting of the Committee. Due to staff changes and resourcing this report has only been recently prepared

3. RISKS TO COUNCIL ARISING FROM THE LOCAL WATER DONE WELL PROGRAMME

- 3.1 The key parameters of LWDW prioritise council ownership of their water services assets and delivery, greater accountability to local communities, financial sustainability, and a move to economic regulation.

Identified long term risks:

Risk Name	Description
Wairoa Standalone Arrangement (CCO)	WDC has adopted the option of setting up a standalone CCO. To the extent that implementation of this decision is commenced in the 2025/26 financial year, this will involve costs that are currently unbudgeted in the 2025/26 annual plan.
Increased Overhead Cost	The transfer of water services to a CCO will increase the share of support costs to be borne by non-waters activities (Stranded overheads), estimated at approx. \$1M.

Economic Regulation	<p>The Local Government (Water Services) Bill was introduced to Parliament in December 2024. The Bill establishes the Local Water Done well framework. The Local Water Done Well framework includes a complete economic regulation regime.</p> <p>Non-compliance to regulation will result in potential enforcement and fines. If fines were imposed, this would have a negative financial impact on the CCO accounts. WDC, as guarantor may ultimately be liable for any negative impacts on accounts. Compliance to regulation however will have the opposite effect.</p>
Economic Regulation	<p>50% of the water produced and supplied to the public water supply network is consumed by a single customer, AFFCO.</p> <p>Price quality regulation may have a negative impact on the cost of water supplied to AFFCO as it has a negotiated rate and is “subsidised” by WDC.</p>
Financial Sustainability	<p>Water services will need to earn enough lifetime revenue from rates or water pricing to cover costs and to enable borrowing against that revenue. This would in turn protect funding for other council services and fund for growth.</p> <p>Modelling by Castalia shows that the proposed Council-Controlled Organisation, will require financial assistance from WDC for at least the first five years of operation. The level to which early-stage capital contributions from its shareholder is required will depend on the level of capital expenditure savings an entity solely focused on water services can deliver.</p>
Staff Resourcing	<p>Any change to WDC governance creates a disruption to staff settlement and evokes change for a period of time.</p> <p>The current waters team may struggle to meet increased compliance and reporting demands. The draft WSDP allows for additional resources.</p>

8.5 ASSETS AND INFRASTRUCTURE RISK UPDATE

Author: Langley Cavers, Acting Group Manager Assets & Infrastructure

Authoriser: Matthew Lawson, Tumu Whakarae | Chief Executive

Appendices: Nil

PURPOSE

- 1.1 This report provides information for Committee on key risks for Council. No decisions are required by Committee at this stage.
- 1.2 This report has come to the Committee to ensure there is governance oversight on key risks across the Council, particularly the Assets & Infrastructure department, which holds the responsibility for the largest income and expenditure as well as the largest risks to Council.

RECOMMENDATION

The Acting Group Manager Assets & Infrastructure RECOMMENDS that Committee receive the report.

2. BACKGROUND

- 2.1 Council's core function of managing assets & infrastructure has the inevitable presence of risks.
- 2.2 A generic risk update was provided to the Committee in June 2024 to ensure that there was governance oversight on managing these risks.
- 2.3 The direction at that time was for the GM Assets & Infrastructure to provide risk specific reports every 3-4 months, focusing on updates of risks outlined in report and any new risks (extreme or high).
- 2.4 A further update was provided in October 2024.

3. CORPORATE RISKS

- 3.1 The following are updates on the top 5 current corporate risks (extreme or high generally) as per the Assets & Infrastructure Risk Register:

3.1.1. Landfill Capacity

- 3.1.1.1. Risk: Landfill reaches capacity and inadequate plans are in place for waste disposal (new cell or alternative disposal locations)
- 3.1.1.2. Update June 2024: The Solid Waste team have put forward a key decision item in the LTP consultation as to developing another cell at the current landfill site versus transitioning to an out of district disposal site. In combination with this, there is work being done on the Waste Minimisation and Management Plan (sets the overall direction of Solid Waste) with a focus on minimisation & a proposed Kerbside collection model which encourages minimisation.

3.1.1.3. Update October 2024: The June 2024 flooding has put extra pressure on the capacity of the landfill. Due to this, Council fast-tracked the intention to transport waste out of the district to Omarunui Landfill in Hastings. A 3 year agreement has been endorsed by the Omarunui Landfill Joint Committee. This gives Council time to plan the future for Solid Waste. A key part of this planning is the creation of A Solid Waste working group which involves representatives from Elected Members, Council, Experts, and community. Terms of Reference is being developed and an initial meeting between Elected Member reps and staff have taken place.

3.1.1.4. Update August 2025: A 12-month contract has been let for the cartage of waste to Omarunui Landfill. The enabling works to enable the efficient loading waste for transport are underway and a shredder has been purchased to increase the waste density.

3.1.2. Local Water Done Well

3.1.2.1. Risk: Planning and implementation of the Local Water Done Well CCO model is financially unaffordable and impacts local staff negatively.

3.1.2.2. Update June 2024: The Regional Recovery Agency is taking the lead for the HB councils to bring together a model that will work for the HB councils. Funding from the previous 3 water model is being used to help fund this work.

3.1.2.3. Update October 2024: This is progressing with the aim to consult with the community following Christmas period. Initial numbers have been put together by PWC on the proposed Water Services CCO. A report will be tabled on 31st October which seeks approval by individual Council's to go to the Business Case Stage.

3.1.2.4. Update August 2025: This is subject to a separate report on this agenda

3.1.3. NZTA Funding

3.1.3.1. Risk: Reductions in funding, by Council or Waka Kotahi impact ability to deliver the required programmes, resulting in reduced levels of service and increased risk

3.1.3.2. Update June 2024: Activity Management Plans (AMPs) are put together every 3 years and are updated to ensure the budgets in place meet the current level of service requirements. These plans are essentially bidding for NLTP funds against other councils/NZTA/Kiwi rail, and the outcome is unknown officially until the NZTA makes their decisions. For the 24-27 period, notification of this is due in July 2024.

3.1.3.3. Update October 2024: Notification for the 2024-27 has been provided. Maintenance, Operations, and Renewals budgets have increased overall. Capital projects have reduced (\$0), and so has walking and cycling. The focus is to maintain what we have rather than build new infrastructure. Ongoing planning will start looking at the shaping up the 2027-30 period.

3.1.3.4. Update August 2025: Planning on the 2027-30 period has not commenced at this stage

3.1.4. Climate Change

- 3.1.4.1. Risk: There will be increasing intensity of climate related event(s) requiring emergency work across infrastructure that cannot be funded out of normal budgetary provisions.
- 3.1.4.2. Update June 2024: Early climate change asset risk assessments have been completed and are incorporated into AMPs and Infrastructure Strategies/Planning, which highlights the key areas that investment is needed to ensure a more resilient infrastructure network, or highlights where change is needed. This needs to become more engrained in decision making processes moving forward.
- 3.1.4.3. Update October 2024: No further updates specific to Climate Change in the infrastructure and assets space, apart from financially the government has recognised the need for resilience improvements, granting \$7m of resilience funding (Business case/Benefit-Cost analysis pending)
- 3.1.4.4. Update August 2025: Nothing further to update

3.1.5. Staff Resources

- 3.1.5.1. Risk: Inadequate pool of local resources to fill vacancies, as well as single dependencies & capacity, which impact on the ability to deliver the infrastructure portfolio's core services.
- 3.1.5.2. Update June 2024: Vacancies are advertised regularly, where appropriate permanent resources cannot be found there is a reliance on external support which comes at a cost premium. Continually working with HR to ensure we are reaching far and wide when advertising. There are a lot of single person dependencies which put council at risk, a focus needs to be on succession planning, cadetship programmes, and the like.
- 3.1.5.3. Update October 2024: The June update still stands. Succession planning and cadetship programmes are encouraged to be at the top of the priorities in terms of human resources. External support is required and on-going.
- 3.1.5.4. Update August 2025: The A&I Team currently has 5 vacancies, one member on internal secondment and an Acting GM for a fixed term. Recruitment is continuing to be challenging with difficulty filling roles.

4. SERVICE LEVEL RISKS

- 4.1 The following are updates on the top 3 current service risks (extreme or high generally) per Activity as per the Assets & Infrastructure Risk Register:

4.1.1. Land Transport

- 4.1.1.1. Inadequate Investment in Sealed Pavement Renewals & Surfacing
 - 4.1.1.1.1. Risk: Inadequate investment in sealed pavement and surfacing renewals resulting in the age profile of sealed pavements and/or surfaces increasing, requiring increased investment, and impacting LoS & Risk.
 - 4.1.1.1.2. Update June 2024: Activity Management Planning, Finalisation of 30-year FWP, Improvements to data collection and performance measuring, dTIMS modelling, working with suppliers to innovate and reduce renewal cost, are all initiatives that the roading team are delivering to ensure that

the most relevant and up to date information is at the forefront so appropriate decisions can be made.

4.1.1.1.3. Update October 2024: The Activity Management Planning has been recognised as being high level with a significant increase in investment approved by NZTA & Council in the recent NLTP/LTP processes. More kms of resurfacing will take place over the next 3 years, which will lead into further planning for the next three years.

4.1.1.1.4. Update August 2025: Nothing further to update

4.1.1.2. Increased storm events and damage

4.1.1.2.1. Risk: Roding network experiences increased storm events and damage which exacerbates a deterioration in pavement and surface condition AND the roding network is vulnerable to climate change impacts, affecting network resilience and accessibility

4.1.1.2.2. Update June 2024: Culvert capacity assessments/upgrades, proactive drainage maintenance, renewals and upgrades, adequate condition assessment and monitoring, Improved planning for climate change to understand impacts on the road network and inform future work programmes, are all ongoing initiatives that the roding team are undertaking to attempt to mitigate effects caused from storm events.

4.1.1.2.3. Update October 2024: Ongoing work as per June update, increased investment in the maintenance space makes some of this work easier, but items such as culvert capacity upgrade improvements take a back seat due to funding constraints.

4.1.1.2.4. Update August 2025: No further update at this time

4.1.1.3. Gravel resources

4.1.1.3.1. Risk: Maintenance and renewals of sealed and unsealed roads are at risk of deterioration due to lack of access to appropriate gravel resources in the district, and high costs to bring in resources from out of district causes an affordability issue.

4.1.1.3.2. Update June 2024: A report has been undertaken which highlights this risk and indicates local gravel sites with potential volumes left. Continual discussions and planning with current contractors is happening to look at varying options. More work is required for long term security.

4.1.1.3.3. Update October 2024: No further update at this time.

4.1.1.3.4. Update August 2025: No further update at this time

4.1.1.4. Uneconomic Roads

4.1.1.4.1. Risk: Road maintenance, repair and renewal costs are increasing, as are some expectations from community, which is presenting affordability challenges for Council and ratepayers

4.1.1.4.2. Update October 2024: Uneconomic roads are formed roads deemed as providing minimal benefit to the Wairoa district, and worthy of reviewing their "maintained" road status. There is a possible opportunity to reduce ongoing costs, by changing the status of "Uneconomic roads" and

reduce/remove ongoing investment. NZTA have updated the uneconomic transport infrastructure policy which provides clearer definition of terms and requirements and sets out a policy process. Council staff have had two workshops (far apart) so a reboot in this area is now a focus to ensure Council have the opportunity to set good direction moving forward on this.

- 4.1.1.4.3. Update August 2025: No further update at this time aside from this is an area that Gisborne District Council are doing a lot of work in and we will look to learn from their experiences

4.1.2. 3-Waters

4.1.2.1. Mahanga & Tuai Water supplies

- 4.1.2.1.1. Risk: Water supplies do not meet Taumata Arowai's compliance standards, putting the community and Council at risk of contamination and penalties.

- 4.1.2.1.2. Update June 2024: Extensions to the deadlines to be compliant have been requested from Taumata Arowai, 1 year water take resource consent extensions have been granted for these supplies, have engaged external support to bring options to the table for Mahanga, and Tuai engagement is planned to discuss this issue with the Tuai community.

- 4.1.2.1.3. Update October 2024: Extensions were not granted, but an understanding that we are working on getting these complex supplies into compliance has been given, with a commitment from Taumata Arowai to work closely with Council to ensure a successful outcome. Tuai engagement is set for early November 2024. The Mahanga options report is behind schedule, but is still aimed to be presented in 2024.

- 4.1.2.1.4. Update August 2025: Work in in the planning stage for the engagement with the Tuai Community. For the Mahanga Supply Council considered a report on this supply at their ordinary meeting held on the 4 March 2025. 6.3.2. The Options Assessment Report recommended that the option of decommissioning the supply was the preferred option. A further review of the assessment has been undertaken. This review indicated that 2 of the options presented were problematic as it has not been definitively proven that there are viable alternative water sources. The financial assessment of the options also needs to be strengthened, in particular full lifecycle costings prepared and the annual supply charge calculated to meet the financially sustainable requirements. Once we have this information a further report will be presented to Council on the options and a communication plan for engagement with the community. We have kept Taumata Arowai informed of our progress.

4.1.2.2. Wastewater inflow and infiltration

- 4.1.2.2.1. Risk: Wastewater inflow and infiltration during rainfall events contribute to a higher amount of wastewater generation. System overflows causing service disruption and contamination for crews to deal with.

- 4.1.2.2.2. Update June 2024: A lot of work has been done in this area in the last 2 years. Included in this relining of pipes, smoke testing. This was looking to be in a far better position, but due to cyclone there is a high-likely risk that

stormwater has been plumbed back into the wastewater which means a lot of investigation and re-work, all large costs.

4.1.2.2.3. Update October 2024: No further update at this stage.

4.1.2.2.4. Update August 2025: Work has commenced with the engagement of a contractor to undertake a further investigation to identify stormwater connections and points of ingress of stormwater into the waste water system

4.1.2.3. Local Water Done Well

4.1.2.3.1. As described in 3.1.2

4.1.3. Solid Waste

4.1.3.1. Contractors

4.1.3.1.1. Risk: Experienced and knowledgeable Contractors/operators are difficult to attract and retain for operating a small/remote site, resulting in poor quality and compliance standards and high operating costs.

4.1.3.1.2. Update June 2024: Continual market analysis and working with current contractor to ensure this is mitigated. Planning going forward includes taking this risk into account i.e., transfer station, kerbside collection planning.

4.1.3.1.3. Update October 2024: Ongoing planning is occurring in the Solid Waste space. Extensions for contract, procuring new contracts, new levels of service, are all in the mix for consideration.

4.1.3.1.4. Update August 2025: Negotiations have commenced with the current contractor to extend the current contract for a period while the nature of the service that Council will provide is determined.

4.1.3.2. Public

4.1.3.2.1. Risk: Public or personnel incident and landfill site due to inadequate H&S controls results in ill health, injury, or death

4.1.3.2.2. Update June 2024: Reviewing hazardous waste handling procedures to ensure immediate burial of asbestos-contain material, review exclusion zone procedures to ensure they are appropriate for protecting the public and staff from the significant hazards that exist at the tipping wall and as a result of moving machinery, regular review of the level of control in place to manage the risk, are ongoing initiatives that are engrained in our contractor management processes.

4.1.3.2.3. Update October 2024: As per above, plus change of key contractor personnel has seen an improvement in the landfill management as a whole.

4.1.3.2.4. Update August 2025: No further update at this time

4.1.3.3. Costs

4.1.3.3.1. Risk: Cost of landfill operation becomes unaffordable due to increasing costs of compliance and small waste stream

- 4.1.3.3.2. Update June 2024: Landfill/Solid Waste Service Sustainability review has been completed to assess viability of WDC continuing to operate landfill. This has been put forward in a proposal outlined in 3.1.1.
- 4.1.3.3.3. Update October 2024: A Solid Waste Working Group is in the process of being formed to ensure there is oversight in the multiple, complex issues moving forward. There are a stream of activities and key decisions in this space which need to be made, which ultimately will feed into the viability of a landfill in the district moving forward. A 3 year agreement to transport solid waste to Hastings gives some room to ensure this group and Council make the best decision for the community.
- 4.1.3.3.4. Update August 2025: Due to other commitments little progress has been made to finalise the Waste Management and Minimisation Plan which will set targets on this area.

4.1.4. Open & Built Spaces

- 4.1.4.1. Lack of formal contracts
 - 4.1.4.1.1. Risk: Lack of formal contracts potentially resulting in the Council being liable for H&S, operational, regulatory, financial issues / breaches / fines / prosecutions
 - 4.1.4.1.2. Update June 2024: Currently reviewing all Council service providers and the contracts in place, and initiating a new round of procurement for open spaces contracts
 - 4.1.4.1.3. Update October 2024: Procurement documents have been developed, and aimed to be released late 2024/early 2025. There is risk around this in terms of finding value for money, ease of access for locals, and developing contracts that attract the appropriate resources.
 - 4.1.4.1.4. Update August 2025: The open space contracts were consolidated into 6 contracts and tenders called late 2024. 4 contracts have been let and negotiations are continuing for another 2.
- 4.1.4.2. Asset Management Planning
 - 4.1.4.2.1. Risk: Poor asset management practices including lack of data/information/ knowledge on which to produce informed decisions on investment
 - 4.1.4.2.2. Update June 2024: Investing in improved asset data systems (RAMM) including owner / tenant information and any agreements that are in place for maintenance and operations.
 - 4.1.4.2.3. Update October 2024: No further update at this time.
 - 4.1.4.2.4. Update August 2025: No further update at this time.
- 4.1.4.3. Reactive maintenance on Building portfolio
 - 4.1.4.3.1. Risk: Reactive maintenance not solving underlying issues with Building Performance, leading to a continually degrading asset portfolio
 - 4.1.4.3.2. Update June 2024: AMPs with forecasts and plans developed, RAMM will be implemented to assess condition and have better understanding of

the assets, assessment of the appropriateness for Council to own certain assets is underway.

4.1.4.3.3. Update October 2024: Resources and lack of systems are still an issue.

4.1.4.3.4. Update August 2025: No further update at this time.

4.1.4.4. Ahi Komau Complex

4.1.4.4.1. Risk: Full financial lifecycle/costs not fully understood and more investment than expected going into completing the build and operational costs, as well as under resourced to manage a commercial complex.

4.1.4.4.2. October 2024 Update: An analysis is being undertaken on the full costs of running this operation, which will be tabled at Council with potential options moving forward. Resourcing of running this complex is being worked on either through a new Property Officer, and also investigating what external managers may look like.

4.1.4.4.3. August 2025 Update: Work is still to be completed on the lifecycle cost for operating this complex. Many aspects of the development are still being finalised and until this is done an accurate estimate of the running costs can not be made.

Further Information

N/a

References (to or from other Committees)

For project specific details or further information, please see the Infrastructure Committee reports for the Asset & Infrastructure updates.

5.

8.6 COMMITTEE WORK PLAN 2025

Author: Gary Borg, Pouwhakarae - Putea Tautawhi Rangapu | Group Manager Finance and Corporate Support

Authoriser: Matthew Lawson, Tumu Whakarae | Chief Executive

Appendices: 1. Work Plan as at August 2025 [↓](#)

1. PURPOSE

- 1.1 The purpose of this report is to advise on progress against the Committee's work plan and consider updates to the forward plan.

RECOMMENDATION

The Pouwhakarae - Putea Tautawhi Rangapu | Group Manager Finance and Corporate Support RECOMMENDS that Committee approves the updated Work Plan.

2. BACKGROUND

- 2.1 A work plan helps to ensure the Committee meets its obligations as prescribed in its Terms of Reference and helps schedule activity so that it aligns with key dates in the overall Council timetable.
- 2.2 The Committee approved its work plan for 2025 at its February meeting.
- 2.3 A proposed update to the plan, based on progress to date and other matters arising is attached as **Appendix 1**. Emerging issues will be reported on an ad hoc basis as required and updated within the relevant focus areas as appropriate.
- 2.4 Updates to the work plan are elaborated below.

3. CURRENT SITUATION

3.1 Performance Reporting

- 3.1.1. Progress in the annual report is ahead of expectations, and so a draft annual report is presented on the August agenda instead of the anticipated exceptions report.
- 3.1.2. A review of delivery against the 2024-25 capital works programme is included in the August agenda.

3.2 Annual Report

- 3.2.1. Per 3.1.1 a substantially complete draft Annual Report is included in the August agenda. Some of the notes to the financial statements, and the funding impact statements are in progress at the time of writing.
- 3.2.2. A second draft will be presented to Committee at its September meeting, and it is intended that this is the version that will be audited and will be distributed to elected members for review and comment.

3.3 Risk Management

3.3.1. Strategic

3.3.1.1. At its July meeting the Committee acknowledged that various disruptions had meant that it had not been possible to arrange the planned strategic risk workshop with elected members. This will now be scheduled in the new triennium.

3.3.1.2. The most significant and strategic risk concerns the preparation of a Water Services Delivery Plan. A draft plan was delivered to the Department of Internal Affairs and feedback is pending.

3.3.2. Corporate

3.3.2.1. Insurance

3.3.2.1.1. Liability and other insurances renewal processes are on schedule, no issues or risk currently require reporting.

3.3.2.2. Systems

3.3.2.2.1. The enterprise risk management system is live and in use, currently undergoing updates to workflows and configuration updates. An report on this, including a draft management dashboard is included in the August agenda.

3.3.2.3. Functional

3.3.2.3.1. An update from Assets and Infrastructure is included in the August agenda.

3.4 External audit

3.4.1. The council annual plan project team and the audit team are meeting weekly. Inconsistencies previously reported are close to resolution.

3.5 Internal audit

3.5.1. Systems and processes update is provided in the August Agenda

3.5.1.1. Findings report from a follow up review conducted by BDO scheduled for August is now expected in September

3.5.2. An independent review of procurement and purchasing processes is in progress. The report is expected in September.

4. SIGNIFICANCE

4.1 This matter is considered to be of low significance.

Who has been consulted?

No consultation is required.

Focus Areas	January	February	March	April	May	June
MEETING		11	25		6	27
Performance Report		Full Quarter 2 Report Full year forecast	January Financials Capital Works Projects Report	February and March Financials- distributed	Full Quarter 3 Report March Financials	April and May Financials Full Quarter 3 Report
Annual Report		2024 Debrief	Reporting timetable 2025 Audit timetable 2025			Outcomes from interim audit
Risk Management			Workshop		Deep dive 1 – TBG	Deep dive 2 – TBG Workshop
Strategic Health and Safety			System Implementation Update		Exceptions and Update	Exceptions and Update
Corporate			Emerging		Emerging	Focus area - cyber security Insurance renewals preliminary
External Audit			Progress on outstanding- Management letter points Interim audit		Progress on outstanding Management letter points and exceptions from interim audit.	Outcomes from interim audit
Internal Audit			Contractors		Update	Update
		Update	Verbal update		Update	Update
Focus Areas	July	August	September	October	November	December
MEETING	29	26	30	Extraordinary		2
Performance Report	June exceptions report Projects update May Financials	June exceptions report Projects update review	July exceptions report	Q1 Full Report published		October Financials Projects update
Annual Report	Status update	Draft financials report	Draft report	Final Report for endorsement		
Risk Management		Workshop Deep dive 1 – TBG	Deep dive 2 – TBG			Deep dive 3 – TBG Workshop
Strategic		Exceptions and Update	Exceptions and Update		Exceptions and Update	
Health and Safety	Exceptions and Update	Emerging	Emerging	Insurance renewals final	Emerging	Emerging
Corporate	Risk Management System Implementation update Insurance - Material Damage initiation	Risk Management System Implementation update Insurance - Liability initiation Assets and Infrastructure	Status Report		Status Report	Status Report
External Audit	Update on matters outstanding			Audit Close		Progress on outstanding Management letter points
Internal Audit	Treasury		Exceptions Procurement Review BDO Review			
Internal and Operational	Update	Update				Update
System and Process						
Recovery						

9 PUBLIC EXCLUDED ITEMS

RESOLUTION TO EXCLUDE THE PUBLIC

RECOMMENDATION

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
9.1 - Systems and Processes Review	s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
9.2 - INFORMATION RISK MANAGEMENT - CYBERSECURITY	s7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied s7(2)(e) - the withholding of the information is necessary to avoid prejudice to measures that prevent or mitigate material loss to members of the public s7(2)(g) - the withholding of the	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

	<p>information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	
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