



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

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

AGENDA

Finance, Assurance & Risk Committee Meeting

30 September 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

Order Of Business

1	Karakia.....	5
2	Apologies for Absence	5
3	Declarations of Conflict of Interest	5
4	Chairperson’s Announcements	5
5	Late Items of Urgent Business.....	5
6	Public Participation	5
7	Minutes of the Previous Meeting.....	5
8	General Items.....	12
8.1	2024/25 Annual Report Summary.....	12
8.2	Committee Work Plan 2025	130
8.3	Capital Project Delivery Review for 2024 - 2025 Carry Forwards	133
9	Public Excluded Items.....	137
9.1	Systems and Processes Review	137
9.2	Information Management Update	137

- 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 - 26 August 2025

**MINUTES OF WAIROA DISTRICT COUNCIL
FINANCE, ASSURANCE & RISK COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, WAIROA DISTRICT COUNCIL, CORONATION SQUARE, WAIROA
ON TUESDAY, 26 AUGUST 2025 AT 12:31 PM**

PRESENT: His Worship the Mayor Craig Little, Cr Jeremy Harker, Cr Denise Eaglesome-Karekare, Mr Philip Jones, 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), Te Aroha Cook (Pouwhakarae Rātonga Hapori me te Whakawhanake | Group Manager - Community Services and Development), Langley Cavers (Acting Group Manager Assets and Infrastructure), Hinetaakoha Viriaere (Pouwhakarae Whakamahere me te Waeture | Group Manager Planning and Regulatory), Juanita Savage (Chief of Operations), Karla Hogan (Kaitohutohu Pūtea me ngā Kirimana | Funding and Contracts Advisor), Michael West (Kaitātari Pakihi | Business Analyst), via teams: Steve Baker (Recovery Support - Tautoko Whakaora)

1 KARAKIA

The opening karakia was given by Cr Benita Cairns.

2 APOLOGIES FOR ABSENCE

Nil

3 DECLARATION OF CONFLICT OF INTEREST

To be declared as the agenda progresses.

4 CHAIRPERSON'S ANNOUNCEMENTS

Nil

5 LATE ITEMS OF URGENT BUSINESS

Nil

6 PUBLIC PARTICIPATION

Nil

7 MINUTES OF THE PREVIOUS MEETING

COMMITTEE RESOLUTION 2025/287

Moved: Cr Jeremy Harker

Seconded: Cr Benita Cairns

That the minutes and confidential minutes of the Ordinary Meeting held on 29 July 2025 be

confirmed.

CARRIED

8 GENERAL ITEMS

8.1 CAPITAL PROJECT DELIVERY REVIEW FOR 2024 - 2025

COMMITTEE RESOLUTION 2025/288

Moved: His Worship the Mayor Craig Little

Seconded: Cr Denise Eaglesome-Karekare

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

CARRIED

The Tautoko Whakaora – Recovery Support Officer introduced the report and the below discussions were highlighted:

- Concerns were raised regarding the number of projects being carried forward from previous years that remain incomplete, and recommended reinstating the practice of preparing carried-forward reports.
- The report data was queried whether rate payers are affected by any of the Council's unfinished projects. It was suggested for a proposed rates impact report for each project when updates are tabled.
- Acknowledged the importance of providing clear communication to staff regarding which projects are scheduled for completion within the current year, and which projects will be carried forward to subsequent years, with progress on these projects to be regularly monitored.

Acknowledged the work that has been completed, and recommended including comments to provide context for the unbudgeted items delivered.

8.2 HEALTH, SAFETY AND WELLBEING UPDATE

COMMITTEE RESOLUTION 2025/289

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Melissa Kaimoana

The Chief of Operations RECOMMENDS that Committee accepts the report.

CARRIED

The Chief of Operations introduced the report and highlighted the below points:

- The Health and Safety position is currently vacant.
- In the interim, Council is exploring shared services with Quality Roding Services (QRS) Health and Safety Department, who are assessing current practices, identifying any gaps,

and will provide recommendations to Council to address any gaps identified.

8.3 2024/25 DRAFT ANNUAL REPORT

COMMITTEE RESOLUTION 2025/290

Moved: Mr Philip Jones

Seconded: Cr Jeremy Harker

The Business Analyst RECOMMENDS that Committee receive the report.

CARRIED

8.4 LOCAL WATER DONE WELL - EMERGING RISKS

COMMITTEE RESOLUTION 2025/291

Moved: His Worship the Mayor Craig Little

Seconded: Cr Denise Eaglesome-Karekare

The Acting Group Manager Assets & Infrastructure RECOMMENDS that Committee receive the report.

CARRIED

The Acting Group Manager Assets & Infrastructure introduced the report and highlighted the below points:

- CCO funding not budgeted; stranded overheads managed.
- Stricter regulations may result in fines underwritten by Council.
- Pricing and mandated charges could affect Council and AFFCO; to be addressed in the shareholders' agreement.
- Financial support required for the first five years.
- Staffing pressures expected due to higher regulatory demands and risk of staff being recruited elsewhere

The Committee:

- Raised concerns in relation to the impact on rate payers.

8.5 ASSETS AND INFRASTRUCTURE RISK UPDATE

COMMITTEE RESOLUTION 2025/292

Moved: Mr Philip Jones

Seconded: His Worship the Mayor Craig Little

The Acting Group Manager Assets & Infrastructure RECOMMENDS that Committee receive the report.

CARRIED

8.6 COMMITTEE WORK PLAN 2025**COMMITTEE RESOLUTION 2025/293**

Moved: Mr Philip Jones

Seconded: Cr Benita Cairns

The Pouwhakarae - Putea Tautawhi Rangapu | Group Manager Finance and Corporate Support
RECOMMENDS that Committee approves the updated Work Plan.

CARRIED

9 PUBLIC EXCLUDED ITEMS**RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION 2025/294**

Moved: Cr Jeremy Harker

Seconded: Mr Philip Jones

That the public be excluded from the following parts of the proceedings of this meeting at 2:18pm.

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	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

	<p>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</p> <p>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</p> <p>s7(2)(g) - the withholding of the 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>	<p>reason for withholding would exist under section 6 or section 7</p>
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CARRIED

COMMITTEE RESOLUTION 2025/295

Moved: Cr Benita Cairns

Seconded: Cr Jeremy Harker

That Council moves out of Closed Council into Open Council at 2:35pm.

CARRIED

The closing karakia was given by Cr Benita Cairns at 2:35pm.

The minutes of this meeting were confirmed at the Finance, Assurance & Risk Committee Meeting held on 30 September 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>STATUS</u>	<u>PUBLIC EXCLUDED</u>
Provide a sample report in relation to projects carried forward with comments to provide context.	26/08/2025	Martin Bacon	Report found in the September 30, 2025, Finance, Assurance and Risk Committee Agenda.	Completed	No
Provide a sample Summary for the Annual Report	26/08/2025	Mike West	Report found in the September 30, 2025, Finance, Assurance and Risk Committee Agenda.	Completed	No

8 GENERAL ITEMS

8.1 2024/25 ANNUAL REPORT SUMMARY

Author: Michael West, Business Analyst

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

Appendices:

1. Annual Report Draft [↓](#)
2. Annual Report Summary [↓](#)

1. PURPOSE

- 1.1 This report provides a draft 2024/25 Summary annual Report and an updated version of the 2024/25 Annual Report for consideration by the Committee. No decisions are required by Committee at this stage but all feedback is welcomed.

RECOMMENDATION

The Business Analyst RECOMMENDS that Committee receive the report.

2. BACKGROUND

- 2.1 At the August meeting committee members requested the summary Annual Report required under section 98(4)(b) of the Local Government Act 2002 tell more of the story of the 2024/25 year than previous Annual Report Summaries have done.
- 2.2 Previous Annual Report summary documents have run to around 30 pages in length, the current trend around local authorities are to reduce the size of these documents and produce more of a story of the year been reported on. In line with this trend our current draft Annual Report summary is sitting at 12 pages and tells the story of our year.
- 2.3 Summary financial statements have also been included to provide the main information to readers. The full statements will be produced in the Annual Report document.
- 2.4 The latest version of the 2024/25 Annual Report has also been included with group financial information, this version also includes the moving of departmental financial impact statements alongside the non-financial measures and performance stories to provide a detailed picture of each group.

3. 2024/25 ANNUAL REPORT

- 3.1 An updated Annual Report has been attached and contains consolidated group financial information, this is complete to 24 September 2025 with work continuing in this area.
- 3.2 At the committees August meeting it was requested to move Funding Impact Statements alongside the non-financial results for each department to provide a detailed picture of each activity area. The standalone Capital Expenditure by Activity Statement contained in previous Annual Reports has also been removed as this information is contained in other financial statements elsewhere in the Annual Report.

- 3.3 Upon completion of the consolidated group financial information the full Annual Report and Summary Annual Reports will be provided to our Audit Partner for review.

4. 2024/25 AUDIT

- 4.1 Ernst and Young are performing the annual audit of Council results on behalf of the Auditor General this year.
- 4.2 The Annual Report project team have been having regular meetings with the Audit team and have been responding to audit requests alongside preparing the Annual Report and Summary document.
- 4.3 The Audit Team are expected to conduct site visits for a 2-week period starting 29 September 2025.
- 4.4 The Annual Report project remains on track for adoption of an audited Annual Report at the first Council Meeting of the new triennium on the 29 October 2025.



NGĀ RĀRANGI TAKE CONTENTS

3 HE WHAKARĀPODOTANGA O TĀ TĀTAU TAU

- 4 He karere taihonotanga
- 6 Tā tātau rautaki
- 7 Tā tātau tau
- 8 Ā tātau pūtea
- 10 Tā tātau Kaunihera
- 12 Tā tātau rohe whānui
- 13 Tā tātau Kāhui Amokura
- 14 Tā tātau kaimahi
- 15 Ā tātau mahi
- 16 Ā tātau kaupapa
- 17 Te Tari Whakaora a Te Wairoa

18 TĀ TĀTAU WHAKATUTUKITANGA-Ā-TAIPITOPITO NEI

- 21 Te Puna wai
- 23 Te Wai āwhā
- 25 Te Wai paru
- 27 Te Whakahaere para
- 30 Te Ranga
- 34 Ngā taputapu hāpori
- 39 Te Mahere me te waeture
- 44 Te Mana ārahi me te hāpori
- 48 Ngā Ratonga rangatōpū
- 51 Te whakahaere-ā-kaunihera

52 NGĀ TAUĀKĪ PŪTEA

- 53 Te whakamāramatanga i tā te kaunihera tauāki pūtea
- 54 He tauāki tūtohu me te takohanga
- 55 He tauāki pūtea whiwhi me te pūtea whakahaere
- 56 He tauāki tu pūtea
- 57 He tauāki mana taurite
- 58 He tauāki kapewhiti
 - He tauāki kaupapa here mō te kaute me ngā pitopito kōrero ki
- 59 ngā tauāki pūtea
- 92 He Matapae pūtea
- 97 He tauāki whakaaweawe pūtea

3 SUMMARY OF OUR YEAR

- 4 Joint statement
- 6 Our strategic direction
- 7 Our year at a glance
- 8 Our finances at a glance
- 10 Our Council
- 12 Our district
- 13 Our senior leadership team
- 14 Our staff
- 15 What we do
- 16 Our Projects
- 17 Wairoa Recovery Office

18 OUR PERFORMANCE IN DETAIL

- 21 Water supply
- 23 Stormwater
- 25 Wastewater
- 27 Waste management
- 30 Transport
- 34 Community facilities
- 39 Planning & regulatory
- 44 Governance and Community
- 48 Corporate Services
- 51 Council controlled organisation

52 FINANCIAL STATEMENTS

- 53 Understanding council's financial statements
- 54 Statement of compliance and responsibility
- 55 Statement of comprehensive revenue and expense
- 56 Statement of financial position
- 57 Statement of changes in equity
- 58 Statement of cashflows
 - Statement of accounting policies and notes to the financial
- 59 statements
- 92 Financial prudence benchmarks
- 97 Funding Impact Statement Whole of Council



HE WHAKARĀPOPOTOTANGA O TĀ TĀTAU 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 koutou katoa,

It is a pleasure for me, on behalf of elected members, and Matt Lawson, who took up the position of Council Chief Executive on July 1, 2025, to present this year's Annual Report of Wairoa District Council.

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 not back in their homes, are still hurting. It is encouraging to see numbers of yellow-stickered homes, from across both events, slowly decreasing. Wairoa's Recovery team has been scaled down and will remain active until mid-December, when the Council will then absorb 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 from July, following a decision by Sport Hawke's 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 had 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



Matthew Lawson

Te Tumu Whakarae
Chief Executive



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



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

TĀ TĀTAU TAU
OUR YEAR AT A GLANCE



386
rates rebate applications assisted with
Last year: 346
See page 49



36,786
library visits
Last year: 33,158
See page 37



1,559 TONNES
of waste diverted from landfill
Last year: 301 tonnes
See page 28



23KM
sealed road resurfaced
Last year: 13km
See page 30



2,642
service requests issued by
our customer service team
Last year: 2,639
See page 49



1,459
landings at Wairoa Airport
Last year: 1,514
See page 31



\$41.79 MILLION
value of building consents issued
Last year: 19.12m
See page 39



24,870M²
maintenance metal applied to roads
Last year: 13,349m²
See page 30



96%
of users satisfied with the museum
Last year: 98%
See page 37



161
building consents issued
Last year: 107
See page 39



95%
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.

\$64.1M

**Cost Of Running The District
(recovery costs were \$22.4m)**

Our total operating expenses for the year were \$64.1 million (Last year \$75.8 Million). Of that 64.1 million \$22.4 was related to recovery (Last year \$36.5 Million). This spend supports our district by providing the funding for Council activities outlined in section 2.

\$50.3M

Subsidies & Grants

Our total subsidies & grants received for the year were \$50.3 million (Last year \$58.5 Million). The money received supports our district by providing the funding for Council activities outlined in section 2.

\$9.6M

Borrowing Position

We were able to repay \$1.4 Million of debt this year to reduce our borrowing position to \$9.6 Million from \$11 Million last year. This equates to \$1,079 per person in the district. 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.

\$27.3M

Capital Spend

We spent \$27.3 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. 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.

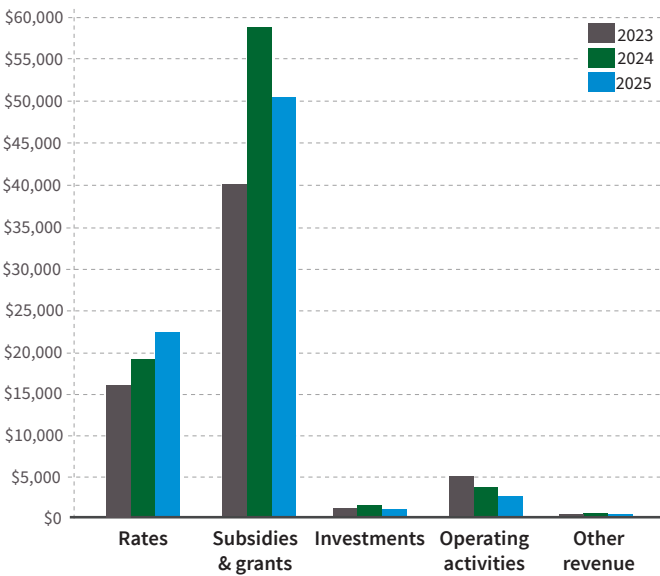
\$510M

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).

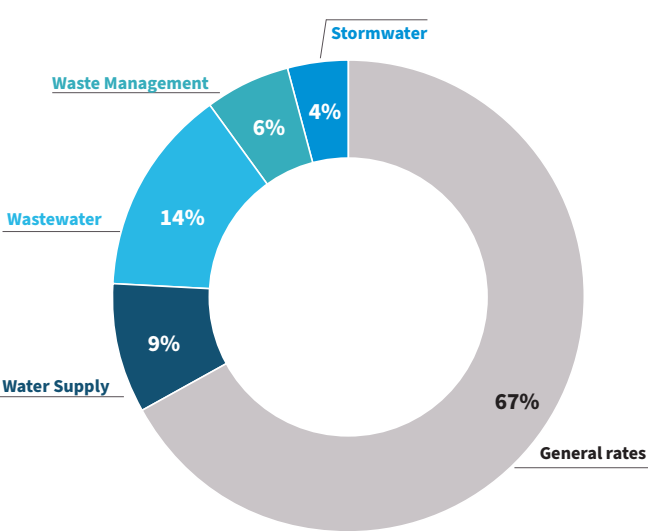
Where Our Money Comes From

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



The above graph shows our revenue funding sources. Subsidies and grants are our main source of funding is 63% (2024: 70%), rates revenue is 28% (2024: 27%) used to fund our projects. We also receive revenue from operating activities (including user fees) and investments.

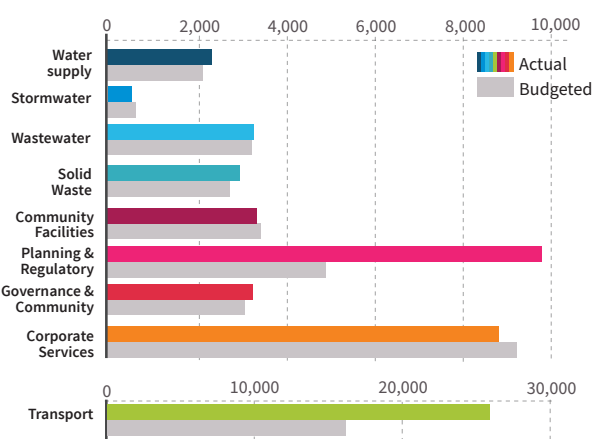
Components of Council Rates Revenue for the Year



The above graph shows the allocation of the Council’s rates revenue for the year (based on the Long-Term Plan). The current rating system seeks to provide a simple, affordable, and appropriate approach.

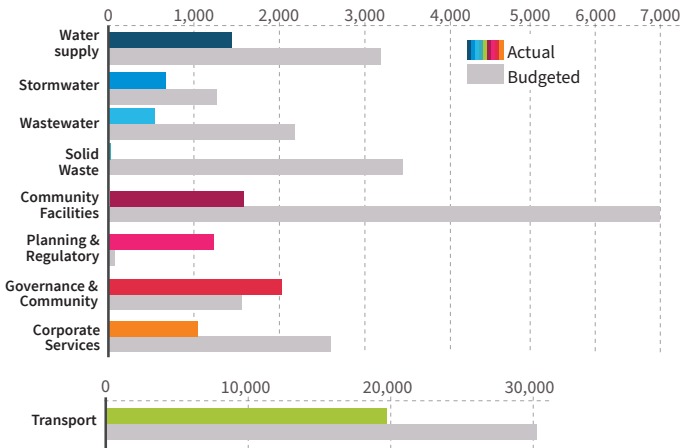
Where Our Money Goes To

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.

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 \$27.3 million of capital expenditure during the 2024/25 year (refer to the Whole of Council Funding Impact Statement page 97).

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 election is 11 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 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.

Prior to elected members making 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.

2024-2025 Meeting Attendance
(Committee and Council Meetings)

Current Council	Number of Council Meetings Attended	Number of Committee Meetings Attended
Craig Little <i>Mayor</i>	17/19	24/34
Denise Eaglesome-Karekare <i>Deputy Mayor</i>	19/19	24/27
Jeremy Harker <i>Councillor</i>	19/19	16/16
Roslyn Thomas <i>Councillor</i>	14/19	12/15
Melissa Kaimoana <i>Councillor</i>	17/19	10/10
Benita Cairns <i>Councillor</i>	16/19	25/26
Chaans Tumataroa-Clarke <i>Councillor</i>	11/19	7/9

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.



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

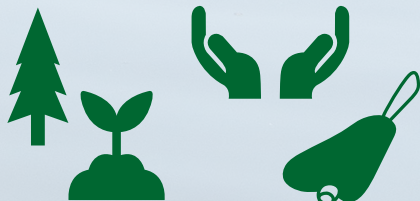


130km
of coastline



871km
of roads

51km
of footpaths



KEY INDUSTRIES
Agriculture, Forestry, Primary
production, Horticulture 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 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 Te Toihau Mahi Chief of Operations, 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:



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

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



Juanita Savage
*Te Toihau Mahi
Chief of Operations*

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 Cavers
*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 employed a dedicated team of 86 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 65 percent of our employees.

80 percent of our staff are permanent employees, providing a strong foundation of institutional knowledge and continuity. With 20 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.

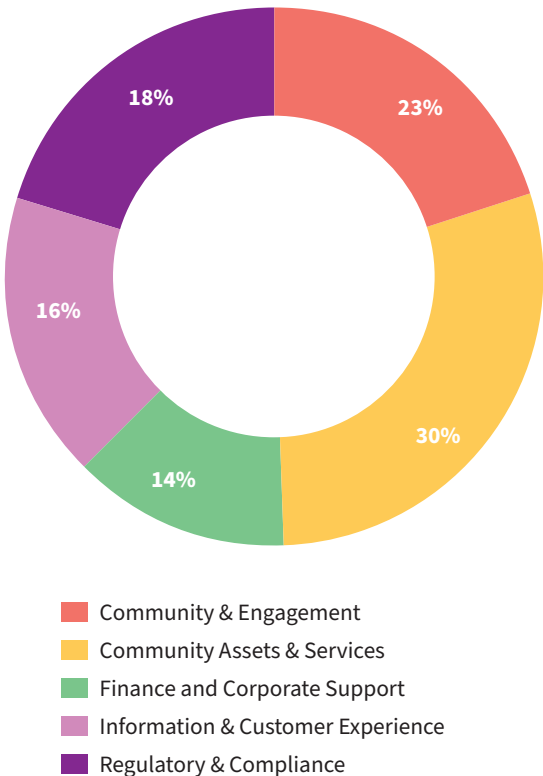
In terms of workforce stability, staff numbers have remained remarkably consistent since the 2023/24 Annual Report. The total headcount was 85 in 2023/24 and increased by 1 to 86 in 2024/25, with an increase in Full Time Equivalent (FTE) numbers, rising from 77 to 80.

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.

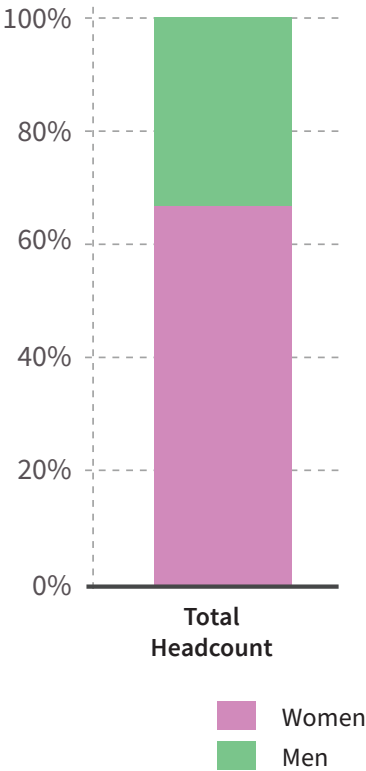
BREAKDOWN OF STAFF BY ACTIVITY AND CONTRACT TYPE

	Permanent		Fixed Term		Casual	Head Count	FTE
	Full-Time	Part-time	Full-time	Part-time			
Community & Engagement	15	0	3	0	0	18	18
Community Assets & Services	20	2	2	1	0	25	24
Finance and Corporate Support	11	0	0	0	1	12	11
Information & Customer Experience	11	3	0	0	0	14	13
Regulatory & Compliance	12	1	2	0	2	17	14
Total	69	6	7	1	3	86	80

FTE BY ACTIVITY














GENDER BREAKDOWN



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 	We have 32 pensioner flats across six locations. These consist of 16 bedsits, 10 single and six double bedroom units.			\$8.9M**
Activity	Description			
Community Facilities 	<ul style="list-style-type: none"> public toilets lighthouse civic buildings/halls cemeteries playgrounds 	<ul style="list-style-type: none"> library sports parks reserves Gaiety Theatre Wairoa Museum 	<ul style="list-style-type: none"> gardens street trees community centre boat ramps rural transfer stations 	
Governance & Community 	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.			
Corporate Services 	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.			
Planning and Regulatory 	Regulatory activities including resource planning, environmental health, building control, alcohol control, dog and livestock control, and general bylaw enforcement.			
Recovery 	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 embedded into Council activities.			

*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 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.

TE TARI WHAKAORA A TE WAIROA 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.





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

**OUR PERFORMANCE
IN DETAIL**

TĀ TĀTĀU WHAKATUTUKITANGA-Ā-TAIPITOPI TO NEI

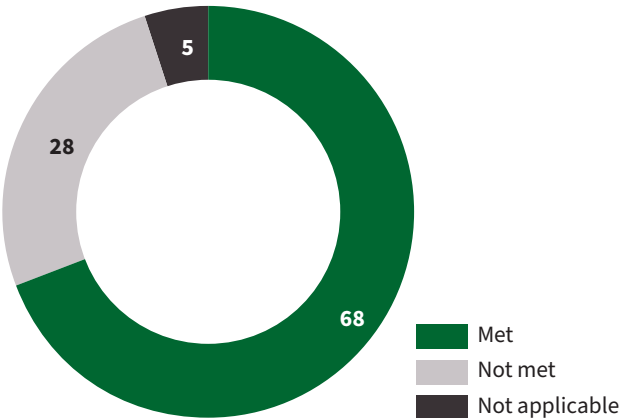
OUR PERFORMANCE IN DETAIL

Delivering on Our Core Activities

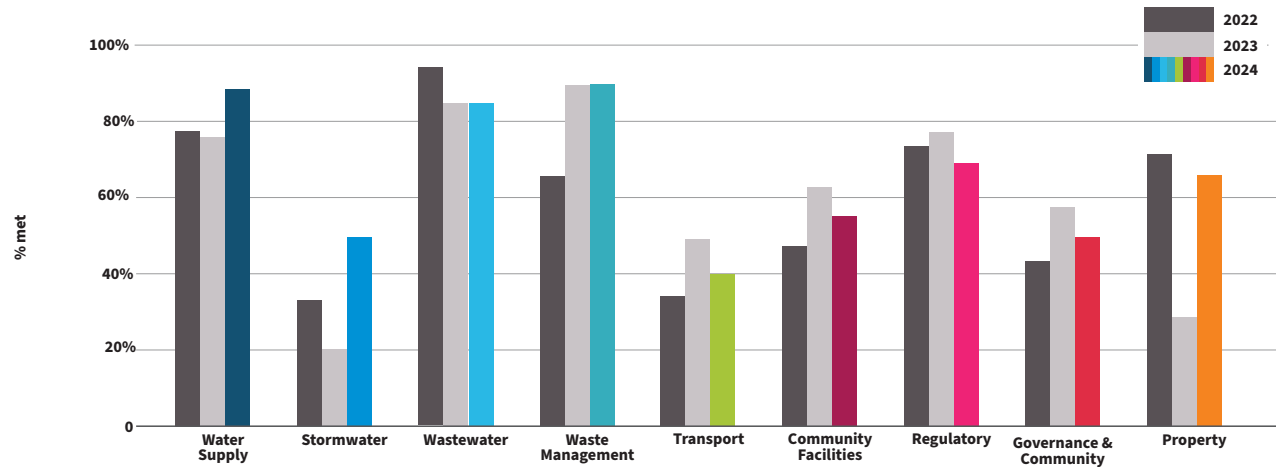
Most of Council’s operations, expenditure, and service delivery are structured around the nine key activity areas detailed in this section. These represent the core functions through which we support our communities and deliver on our strategic commitments.

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 67% (68/101) of these measures, the remaining 5 measures have not been measured.

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. The graph below shows our performance in meeting these measures across the past three years.



% key performance measures met: 3 year trend



This graph shows the percentage of measures met by activity over last three 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:** 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:** 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 were 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 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

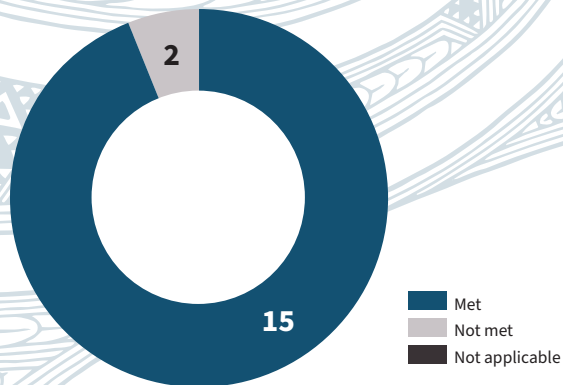
A major overhaul of the three waters website is underway to improve transparency, consolidate information, and enhance public access. These efforts reflect our ongoing commitment to clear communication and maintaining community trust.



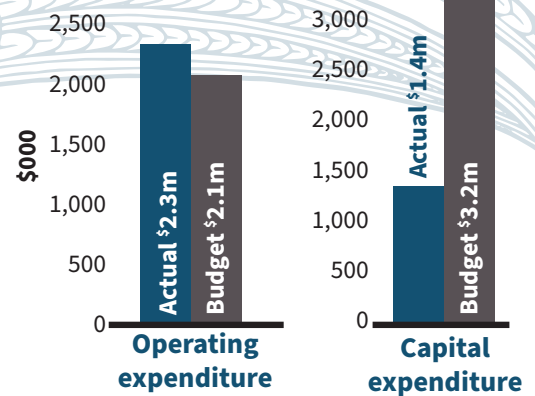
Opoutama – odour control, installed December 2024 – doses magnesium hydroxide to help control odour.

TE PUNA WAI WATER SUPPLY

Performance Summary



Financial Summary



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%	49.10%	✗
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	263	✓

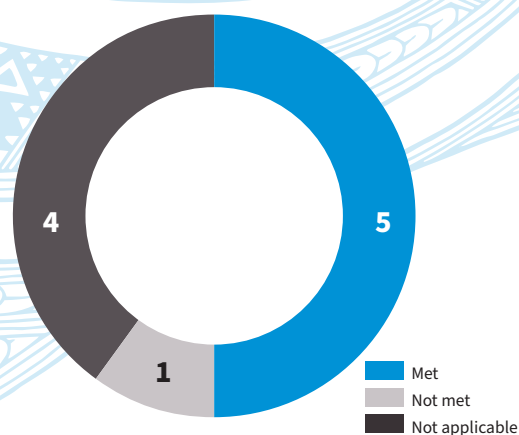
FUNDING IMPACT STATEMENT FOR 1 JULY 2024 - 30 JUNE 2025

WATER SUPPLY

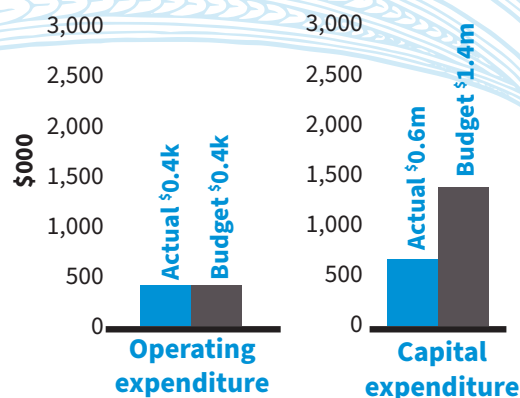
	2023/24 AP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 Actual \$000
Sources of operating funding				
General rates	165	185	260	251
Targeted rates	1,481	1,667	2,342	2,263
Subsidies and grants for operating purposes	-	13	-	33
Fees and charges	365	415	331	521
Internal charges and overheads recovered	-	-	-	-
Other operating funding	-	-	-	-
Total operating funding (A)	2,011	2,280	2,933	3,068
Applications of operating funding				
Payments to staff and suppliers	1,190	1,571	1,572	1,920
Internal Finance costs	43	67	147	153
Internal charges applied	413	421	368	332
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,646	2,059	2,087	2,405
Surplus (deficit) of operating funding (A - B)	365	221	846	663
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(364)	(222)	2,337	771
Gross proceeds from sale of assets	-	-	-	-
Total sources of capital funding (C)	(364)	(222)	2,337	771
Application of capital funding				
Capital expenditure:				
• to meet additional demand	-	-	-	-
• to improve the level of service	11	5	245	36
• to replace existing assets	1,072	301	5,353	1,134
Increase (decrease) in reserves	(1,082)	(307)	(2,415)	264
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	1	(1)	3,183	1,434
Surplus (deficit) of capital funding (C-D)	(365)	(221)	(846)	(663)
Funding balance ((A-B) + (C-D))	-	-	-	-

TE WAI ĀWHĀ STORMWATER

Performance Summary



Financial Summary



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		⊖

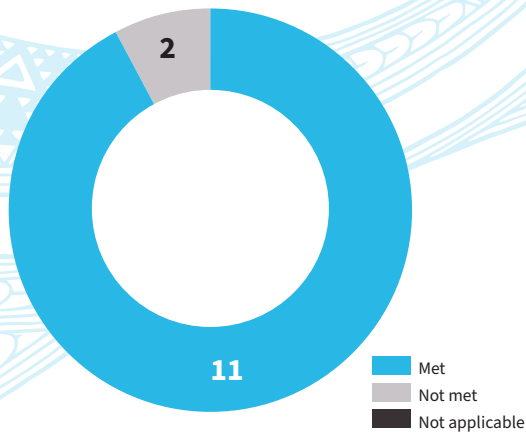
FUNDING IMPACT STATEMENT FOR 1 JULY 2024 - 30 JUNE 2025

STORMWATER

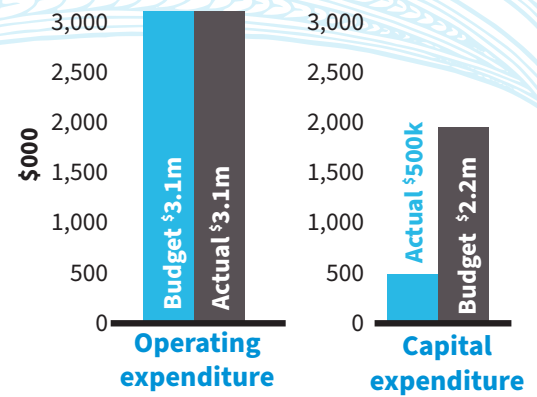
	2023/24 AP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 Actual \$000
Sources of operating funding				
General rates	39	41	71	69
Targeted rates	349	366	637	616
Subsidies and grants for operating purposes	250	-	-	-
Fees and charges	-	2	-	-
Internal charges and overheads recovered	-	-	-	-
Other operating funding	-	-	-	-
Total operating funding (A)	638	409	708	685
Applications of operating funding				
Payments to staff and suppliers	407	497	264	311
Internal Finance costs	52	34	114	33
Internal charges applied	165	165	68	155
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	624	696	446	499
Surplus (deficit) of operating funding (A - B)	14	(287)	262	186
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	351	778	1,125	458
Gross proceeds from sale of assets	-	-	-	-
Total sources of capital funding (C)	351	778	1,125	458
Application of capital funding				
Capital expenditure:				
• to meet additional demand	-	-	-	-
• to improve the level of service	-	594	511	233
• to replace existing assets	418	4	965	472
Increase (decrease) in reserves	(53)	(107)	(89)	(61)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	365	491	1,387	644
Surplus (deficit) of capital funding (C-D)	(14)	287	(262)	(186)
Funding balance ((A-B) + (C-D))	-	-	-	-

TE WAI PARU WASTEWATER

Performance Summary



Financial Summary



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	13.45 hours	✗
	Other areas (attendance time)	0.5 hours	0.67 hours	2 hours	0	✓
	Wairoa / Frasertown (resolution time)	2 hours	5.9 hours	4 hours	13.45 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	✓

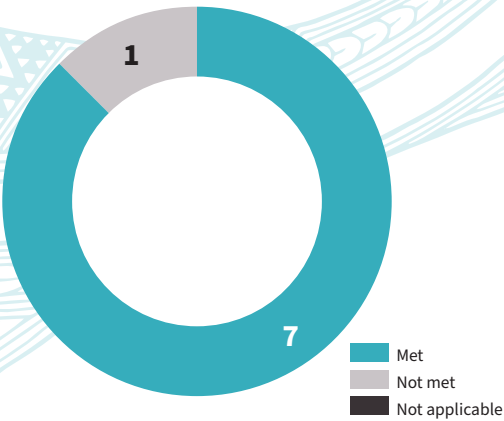
FUNDING IMPACT STATEMENT FOR 1 JULY 2024 - 30 JUNE 2025

WASTEWATER

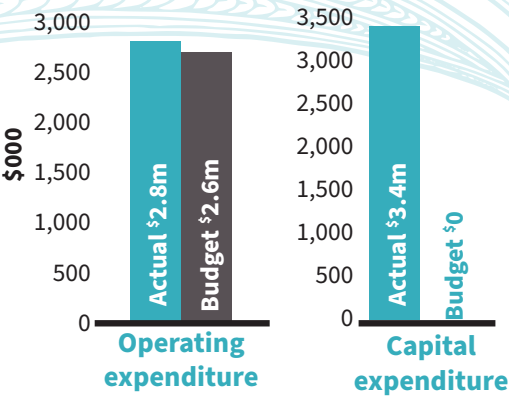
	2023/24 AP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 Actual \$000
Sources of operating funding				
General rates	235	256	364	351
Targeted rates	2,212	2,305	3,277	3,166
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	16	25	21
Internal charges and overheads recovered	-	-	-	-
Other operating funding	-	-	-	-
Total operating funding (A)	2,447	2,577	3,666	3,538
Applications of operating funding				
Payments to staff and suppliers	1,489	1,695	2,226	2,356
Internal Finance costs	67	304	351	252
Internal charges applied	308	317	562	577
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,864	2,316	3,139	3,185
Surplus (deficit) of operating funding (A - B)	583	261	527	353
Sources of capital funding				
Subsidies and grants for capital expenditure	104	-	-	4
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(583)	(710)	1,708	161
Gross proceeds from sale of assets	-	-	-	-
Total sources of capital funding (C)	(479)	(710)	1,708	165
Application of capital funding				
Capital expenditure:				
• to meet additional demand	-	-	-	-
• to improve the level of service	104	41	-	107
• to replace existing assets	80	49	2,910	408
Increase (decrease) in reserves	(80)	(539)	(675)	3
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	104	(449)	2,235	518
Surplus (deficit) of capital funding (C-D)	(583)	(261)	(527)	(353)
Funding balance ((A-B) + (C-D))	-	-	-	-

TE WHAKAHAERE PARA WASTE MANAGEMENT

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.



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	✓

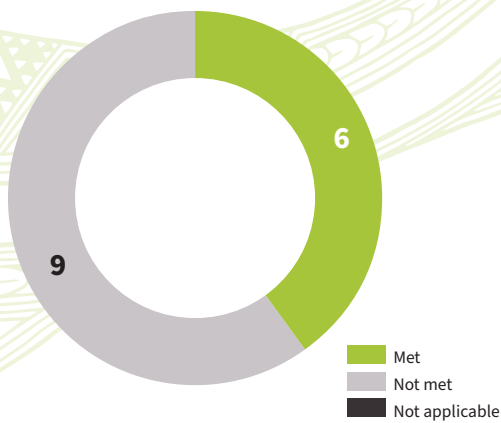
FUNDING IMPACT STATEMENT FOR 1 JULY 2024 - 30 JUNE 2025

WASTE MANAGEMENT

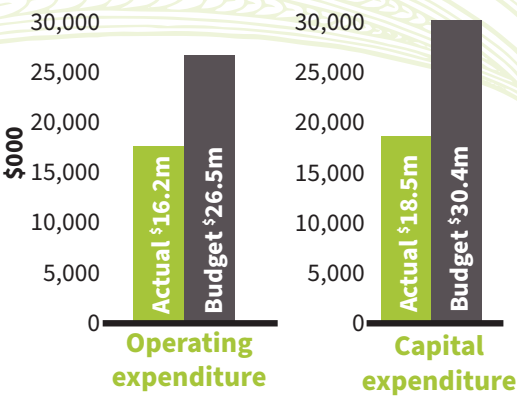
	2023/24 AP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 Actual \$000
Sources of operating funding				
General rates	175	183	135	131
Targeted rates	1,574	1,648	1,219	1,178
Subsidies and grants for operating purposes	-	415	-	181
Fees and charges	1,102	1,514	1,288	1,969
Internal charges and overheads recovered	-	-	-	-
Other operating funding	-	-	-	-
Total operating funding (A)	2,851	3,760	2,642	3,459
Applications of operating funding				
Payments to staff and suppliers	2,366	2,602	2,276	2,634
Internal Finance costs	75	22	122	171
Internal charges applied	227	232	198	170
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,668	2,856	2,596	2,975
Surplus (deficit) of operating funding (A - B)	183	904	46	484
Sources of capital funding				
Subsidies and grants for capital expenditure	-	(11)	1,657	19
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(63)	(914)	1,701	(503)
Gross proceeds from sale of assets	-	-	-	-
Total sources of capital funding (C)	(63)	(925)	3,358	(484)
Application of capital funding				
Capital expenditure:				
• to meet additional demand	-	-	-	-
• to improve the level of service	20	25	3,403	24
• to replace existing assets	100	-	20	-
Increase (decrease) in reserves	-	(46)	(19)	(24)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	120	(21)	3,404	-
Surplus (deficit) of capital funding (C-D)	(183)	(904)	(46)	(484)
Funding balance ((A-B) + (C-D))	-	-	-	-

TE RANGA TRANSPORT

Performance Summary



Financial Summary



Ranga Whenua | Land Transport

The transport sector of Wairoa District Council Community Assets and Services Department is responsible for 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 on site 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 district's 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 the previous 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.



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	✓

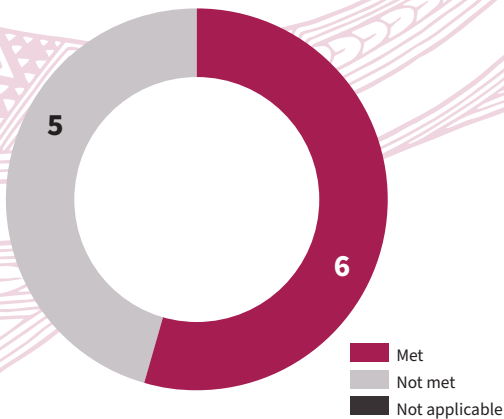
FUNDING IMPACT STATEMENT FOR 1 JULY 2024 - 30 JUNE 2025

TRANSPORT

	2023/24 AP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 Actual \$000
Sources of operating funding				
General rates	4,742	4,963	5,352	5,025
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	5,943	37,894	12,224	24,258
Fees and charges	55	32	59	101
Internal charges and overheads recovered	-	-	-	-
Other operating funding	-	-	-	-
Total operating funding (A)	10,740	42,889	17,635	29,384
Applications of operating funding				
Payments to staff and suppliers	7,933	40,507	14,073	24,631
Internal Finance costs	235	305	148	205
Internal charges applied	1,603	1,674	1,939	1,970
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	9,771	42,486	16,160	26,806
Surplus (deficit) of operating funding (A - B)	969	403	1,475	2,578
Sources of capital funding				
Subsidies and grants for capital expenditure	18,693	11,401	27,309	14,744
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(469)	4,830	1,578	1,199
Gross proceeds from sale of assets	-	-	-	-
Total sources of capital funding (C)	18,224	16,231	28,887	15,943
Application of capital funding				
Capital expenditure:				
• to meet additional demand	-	-	-	-
• to improve the level of service	3,893	10,176	5,414	7,112
• to replace existing assets	16,937	3,868	25,403	10,967
Increase (decrease) in reserves	(1,637)	2,590	(455)	442
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	19,193	16,634	30,362	18,521
Surplus (deficit) of capital funding (C-D)	(969)	(403)	(1,475)	(2,578)
Funding balance ((A-B) + (C-D))	-	-	-	-

NGĀ TAPUTAPU HAPORI COMMUNITY FACILITIES

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 deterred unwanted camping, contributing to a safer and more dignified environment.

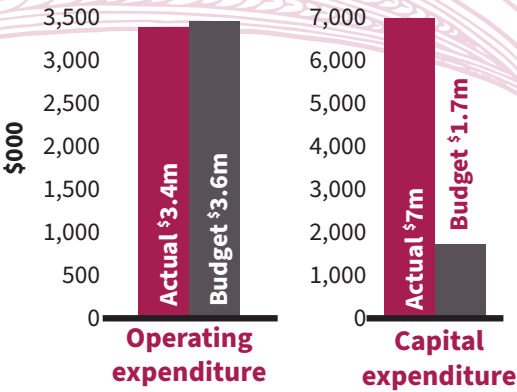
A major milestone was achieved with the installation of plot markers across all plots in the new cemetery. This initiative streamlines the interment process, reduces the risk of errors, and supports more efficient cemetery operations—an accomplishment that marks a leap forward in service quality and 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.

Financial Summary



We undertake this activity to support public demand and deliver a duty of care to our community.

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 pop-up food vendors, enhancing both utility and visitor experience.

Council 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 was 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. The DIA Silt and Debris Fund 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 the 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 Hawke's Bay. Management of the complex was taken over by Community Leisure Management from 1 July 2025. Visitor numbers in 2024/25 saw a slight drop of 1.12% (1,056 visits) from the previous 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 techniques, 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 utilising the Digital Hub weekly for lessons in coding and fundamental computer applications, significantly expanding digital access for young learners.

Our winter reading programme 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 programme'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 programmes, 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 Hawke's 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 isite 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 programme.
- Strengthened partnerships with schools for arts education.

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.

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%	✓

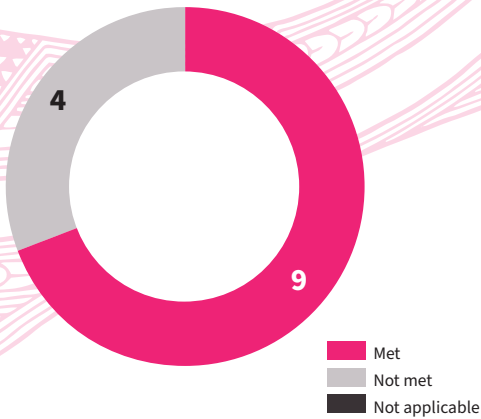
FUNDING IMPACT STATEMENT FOR 1 JULY 2024 - 30 JUNE 2025

COMMUNITY FACILITIES

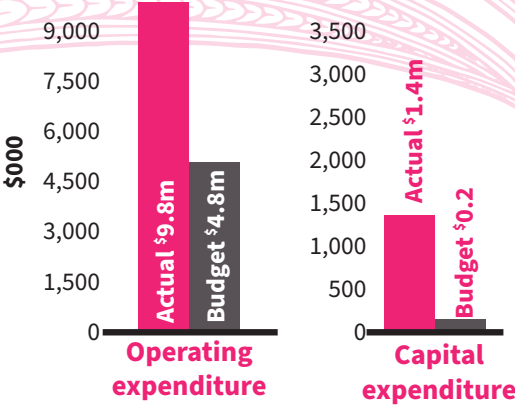
	2023/24 AP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 Actual \$000
Sources of operating funding				
General rates	3,732	3,275	3,561	3,437
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	33	426	25	180
Fees and charges	76	237	191	287
Internal charges and overheads recovered	-	-	-	-
Other operating funding	-	-	-	-
Total operating funding (A)	3,841	3,938	3,777	3,904
Applications of operating funding				
Payments to staff and suppliers	2,573	2,674	2,881	2,925
Internal Finance costs	13	(15)	46	(166)
Internal charges applied	315	313	634	582
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,901	2,972	3,561	3,341
Surplus (deficit) of operating funding (A - B)	940	966	216	563
Sources of capital funding				
Subsidies and grants for capital expenditure	628	1,069	5,880	1,144
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(862)	(711)	887	(55)
Gross proceeds from sale of assets	-	-	-	-
Total sources of capital funding (C)	(234)	358	6,767	1,089
Application of capital funding				
Capital expenditure:				
• to meet additional demand	85	-	-	-
• to improve the level of service	20	491	2,163	1,177
• to replace existing assets	1,222	817	5,257	382
Increase (decrease) in reserves	(621)	16	(437)	93
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	706	1,324	6,983	1,652
Surplus (deficit) of capital funding (C-D)	(940)	(966)	(216)	(563)
Funding balance ((A-B) + (C-D))	-	-	-	-

TE MAHERE ME TE WAETURE PLANNING & REGULATORY

Performance Summary



Financial Summary



The above graph shows Operating expenditure of \$5million and Capital expediture of \$1.3million of recovery expenses that were fully subsidised.

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, minimising the need for immediate regulatory action. Although the freedom camping ambassador programme 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 nine 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 (Building Consent Authority) 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 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 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 utilised 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 programme 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 day and night 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, Council has responded 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 neighbours. 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 relating to 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 took effect from the end of July 2025, meaning hairdressers 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 is 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 to. If a complaint 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 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 Lewis 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 two 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

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%	✗

FUNDING IMPACT STATEMENT FOR 1 JULY 2024 - 30 JUNE 2025

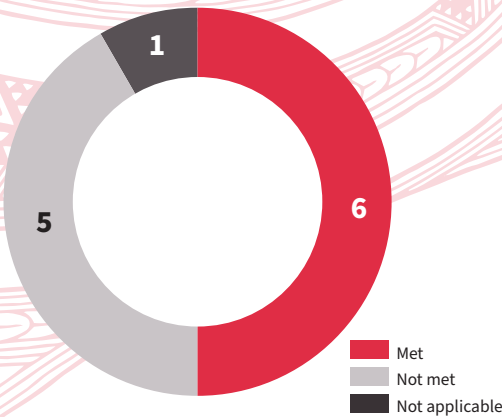
PLANNING & REGULATORY

	2023/24 AP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 Actual \$000
Sources of operating funding				
General rates	1,048	1,095	3,073	2,940
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	4,970	175	7,262
Fees and charges	1,303	930	1,329	1,336
Internal charges and overheads recovered	-	(92)	244	207
Other operating funding	-	-	-	-
Total operating funding (A)	2,351	6,903	4,821	11,745
Applications of operating funding				
Payments to staff and suppliers	2,555	6,914	2,617	8,025
Internal Finance costs	-	14	(4)	161
Internal charges applied	402	532	2,204	1,892
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,957	7,460	4,817	10,078
Surplus (deficit) of operating funding (A - B)	(606)	(557)	4	1,667
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	606	545	150	(287)
Gross proceeds from sale of assets	-	-	-	-
Total sources of capital funding (C)	606	545	150	(287)
Application of capital funding				
Capital expenditure:				
• to meet additional demand	-	-	-	-
• to improve the level of service	-	-	-	1,346
• to replace existing assets	-	-	180	38
Increase (decrease) in reserves	-	(12)	(26)	(4)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	-	(12)	154	1,380
Surplus (deficit) of capital funding (C-D)	606	557	(4)	(1,667)
Funding balance ((A-B) + (C-D))	-	-	-	-

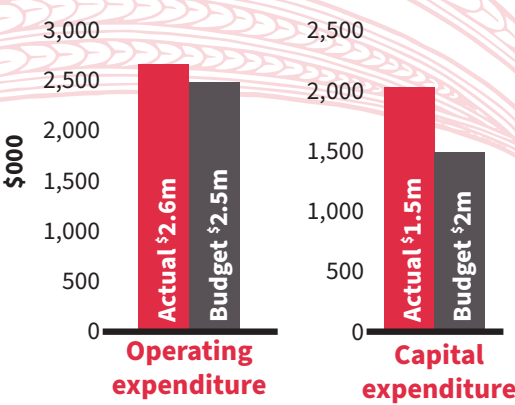
TE MANA ĀRAHI ME TE HAPORI

GOVERNANCE & COMMUNITY

Performance Summary



Financial Summary



Maori Relationships

Engagement with our Māori community is a cornerstone of the Council's strategic priorities. We are steadfast in our commitment to facilitate meaningful Māori participation in all Council decision-making processes, thereby ensuring equitable representation and input.

To underpin this commitment, comprehensive cultural advice is provided to Council, its committees, senior management, and all staff. Our proactive approach includes robust support for the Māori Standing Committee, consistent attendance at numerous hui throughout the district, and the provision of positive, enriching engagement opportunities designed to elevate staff cultural capability and understanding.

Wairoa District Council further demonstrates its advocacy for the Māori community by actively championing the principles enshrined within the Māori Policy, our Te Reo Māori Policy, and all other applicable policies and bylaws. This ensures that Māori interests are proactively represented and integrated into governance and operational frameworks.

Emergency Management

Wairoa District Council's Civil Defence Emergency Management Team has become experienced in responding to weather-related events over the past 18 months, with emergencies declared for Cyclone Gabrielle in February 2023 and the June 2024 township flooding event.

Improved resilience is a future focus, and resilience measures include improved support for isolated communities, purchasing additional emergency pods using external funding and installing solar power at key facilities.

Economic Development

Council collaborated with Game Changer Limited's Michaela Vodanovich to introduce two intensive workshops, which supported new and existing businesses in the Wairoa community. Michaela is a renowned business coach from Hawke's Bay and has collaborated with Council in the past. The first workshop took place in May, and focused on business planning and gaining clarity and direction for local operators by:

- Reflecting on their current position.
- Defining their business vision.
- Developing a strategy and setting goals.
- And, creating an actionable plan for growth.

A second workshop was held in June for those operators who attended the first workshop. This was to further focus on practical tools and insights operators could utilise to thrive in today's market.

The workshops were designed for up to 40 local business operators, however, less than half attended these workshops. Many operators were unable to make the workshops, despite times being readjusted to suit business owners and their operation hours.

Cultural Trail Project

Over the past year, Council has partnered with Rongomaiwahine Iwi Trust and Wairoa Young Achievers Trust to deliver a cultural trail project that includes two major sites of significance – including Manukanui Pa and Rangihoua Pa.

This project has focused on documenting the cultural and environmental significance of both Pa and their surrounding areas. The main goal has been to gather, protect, and share knowledge and history of both Pa,

emphasising their deep connection to mana whenua, local hapu, the environment, and key cultural practices.

A key achievement has been the employment of six local rangatahi (youth) through Rongomaiwahine Iwi Trust, with strong support from Wairoa Young Achievers Trust to research and document sites of significance across the Wairoa District.

Through this process, the list of significant sites was refined to two main pa sites: that being Manukanui and Rangihoua. The vision for these sites is to develop carved pou and an information waharoa, inspired by the successful Nga Ara Tipuna project in Waipukurau.

The rangatahi, alongside Council staff and local architects, have worked on digital concept designs for these proposed installations at Manukanui Pa. They have actively engaged with pakeke (elders) and other local knowledge holders to record korero and history relating to the sites. Further engagement with other hapu and whānau was planned for the coming year to ensure the project reflects a broad and inclusive perspective.

The rangatahi are now no longer employed to continue this initiative (their contracts with Rongomaiwahine Iwi Trust ceased in June 2025), and discussions with Tātau Tātau o Te Wairoa Trustee Ltd were initiated to potentially seek further support from them.

Wairoa Economic Development Plan 2025

This plan, developed with APR Consultants, outlines a five-year roadmap to strengthen Wairoa's economy, resilience, and community wellbeing. In April 2025, APR Consultants delivered two reports containing detailed data and references. Together, they provide some direction and locally driven framework solutions to achieve sustainable economic growth.

Aligned with Council's vision of a vibrant, connected community, the plan encourages collaboration with Māori, regional partners, and industry to achieve long-term success. Key priorities include upgrading infrastructure (particularly State Highway 2), supporting local businesses, creating quality jobs, and diversifying the economy beyond a few core sectors. The plan also highlights opportunities in horticulture, tourism, wood processing, and Wairoa-branded food products, while tackling challenges like skills shortages, an ageing population, and rural-to-urban migration.

Development & Resilience Planning

Council's Community Engagement team is undertaking a year-long community development and community resilience planning project that involves working directly with communities to provide hands-on support with developing community aspirations and resilience objectives. Wairoa District is made up of 22 small, diverse and often isolated communities. Many are in rural, coastal, or high-risk areas, making local preparedness and

resilience planning critical to the wellbeing and safety of residents during emergencies.

This project aims to ensure that each of Wairoa's 22 communities develops or strengthens its own Community Resilience Plan (CRP), outlining key local risks, response strategies, community contacts and available resources. These CRPs will become living documents owned by the communities themselves, supported by Wairoa District Council and Civil Defence Emergency Management agencies. They will form a vital part of the district's wider emergency response and recovery strategy.

The Community Engagement team has also actively participated in creating a 10-year, working community development plan for the people of Kotemaori. This was overwhelmingly supported by the community and is now owned by them.

Community Events

Council played an active and lead role in several key community events including the Wairoa Christmas Parade and Market 2024, Wairoa Waitangi Day 2025, Wairoa Anzac Day 2025 Commemorations, Wairoa Matariki 2025, Wairoa Civic Awards, Mayoral Morning Tea and a host of business networking events alongside Hawke's Bay Chamber of Commerce. Council also secured funding from the Ministry for Culture and Heritage, to help fund the Wairoa Waitangi Day 2025 celebrations. Funding was also secured from the Department of Internal Affairs to help cover the costs of the Matariki 2025 Glow Show, held at the Wairoa Gaiety Theatre. These glow-in-the-dark theatre productions were held over two days and were sold out. Overwhelmingly positive reviews were received from schools, students, teachers and other members of the community.

Mayor's Taskforce for Jobs

The Mayor's Taskforce for Jobs (MTFJ) has played a pivotal role in transforming the lives of Wairoa rangatahi and strengthening the resilience of our community. In the wake of Cyclone Gabrielle, the programme became a cornerstone of recovery, enabling local youth to step into critical roles that supported both immediate needs and long-term regeneration.

Through the leadership of the contract holder, Wairoa Young Achievers Trust, MTFJ identified urgent community needs and responded by training rangatahi in practical, high-demand skills. These included silt removal from homes, traffic management to support road repairs, and gibbing to reline damaged buildings.

These efforts not only accelerated recovery but also equipped young people with valuable, transferable skills.

The Mayor's Taskforce for Jobs is embedded within Wairoa District Council's operations, supporting a strategic shift toward building in-house capability. Early steps include integrating MTFJ into recruitment processes and enrolling Council staff in leadership development.

MTFJ has also nurtured local entrepreneurship, with success achieved by supporting a start-up hospitality business that is run from a Council-owned venue. Together, these outcomes reflect the transformative power of MTFJ in Wairoa - building skills, creating opportunities, and fostering a resilient, self-sustaining community.

Records and Archives

The future storage and management of Council archives was one of the big decisions consulted on with our

community as part of the 2024-2027 Long-Term Plan. Our current Archive storage facility is not compliant with the requirements of the Public Records Act 2005, with a plan underway to address this.

We continue to catalogue our existing collection of maps and Council records in preparation for moving these records to a new home once storage options have been explored, discussed with the community, and a decision has been made.

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.

FUNDING IMPACT STATEMENT FOR 1 JULY 2024 - 30 JUNE 2025

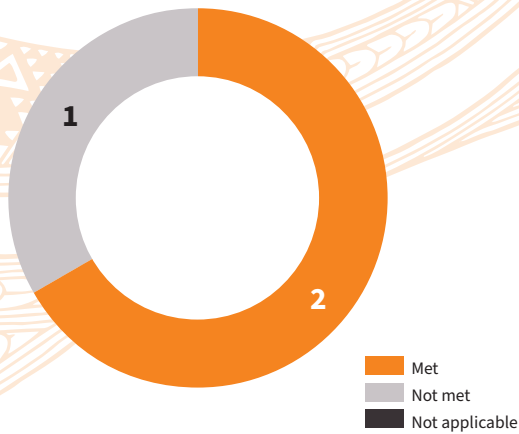
GOVERNANCE & COMMUNITY

	2023/24 AP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 Actual \$000
Sources of operating funding				
General rates	3,344	4,003	2,456	2,371
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	450	560	-	352
Fees and charges	87	(42)	34	4
Internal charges and overheads recovered	-	-	-	-
Other operating funding	-	-	-	-
Total operating funding (A)	3,881	4,521	2,490	2,727
Applications of operating funding				
Payments to staff and suppliers	3,110	2,214	1,623	1,957
Internal Finance costs	4	27	5	115
Internal charges applied	1,914	1,732	840	738
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	5,028	3,973	2,468	2,810
Surplus (deficit) of operating funding (A - B)	(1,147)	548	22	(83)
Sources of capital funding				
Subsidies and grants for capital expenditure	3,003	1,442	1,450	1,671
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	2,050	2,207	(22)	449
Gross proceeds from sale of assets	-	-	-	-
Total sources of capital funding (C)	5,053	3,649	1,428	2,120
Application of capital funding				
Capital expenditure:				
• to meet additional demand	-	-	-	-
• to improve the level of service	9	4,197	1,450	2,037
• to replace existing assets	3,907	-	205	31
Increase (decrease) in reserves	(10)	-	(205)	(31)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	3,906	4,197	1,450	2,037
Surplus (deficit) of capital funding (C-D)	1,147	(548)	(22)	83
Funding balance ((A-B) + (C-D))	-	-	-	-

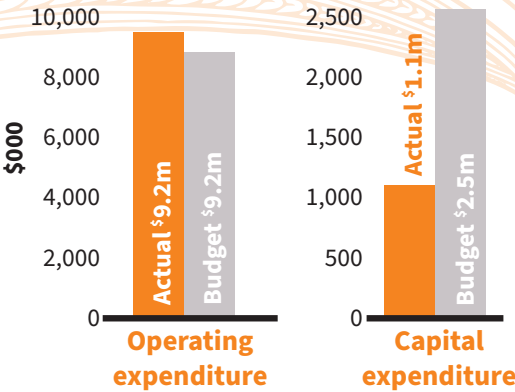
NGĀ RATONGA RANGATŌPŪ

CORPORATE SERVICES

Performance Summary



Financial Summary



Property Pensioner Housing

Wairoa District Council owns 32 Pensioner Housing units across six 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 the units have been received from family members of the tenants. Council has remedied these issues as best it 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 four 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 and 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 specialised 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 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 business continuity capabilities. This was achieved through the successful implementation of cloud-based server solutions, replacing outdated physical infrastructure, and a robust programme of cybersecurity training to equip our staff against evolving threats, thereby positioning the Council for future technological resilience.

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%	✗

FUNDING IMPACT STATEMENT FOR 1 JULY 2024 - 30 JUNE 2025

CORPORATE SERVICES

	2023/24 AP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 Actual \$000
Sources of operating funding				
General rates	(432)	(846)	(450)	671
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	73	-	400
Fees and charges	239	220	190	426
Internal charges and overheads recovered	5,859	6,666	8,464	7,738
Other operating funding	1,263	1,159	1,563	1,839
Total operating funding (A)	6,929	7,272	9,767	11,074
Applications of operating funding				
Payments to staff and suppliers	5,814	6,082	7,414	7,731
Internal Finance costs	615	1,127	1,031	477
Internal charges applied	244	447	799	423
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	6,673	7,656	9,244	8,631
Surplus (deficit) of operating funding (A - B)	256	(384)	523	2,443
Sources of capital funding				
Subsidies and grants for capital expenditure	276	241	1,775	220
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(256)	1,855	235	(1,527)
Gross proceeds from sale of assets	-	-	-	-
Total sources of capital funding (C)	20	2,096	2,010	(1,307)
Application of capital funding				
Capital expenditure:				
• to meet additional demand	-	-	-	-
• to improve the level of service	-	229	2,175	831
• to replace existing assets	971	874	849	200
Increase (decrease) in reserves	(695)	609	(491)	105
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	276	1,712	2,533	1,136
Surplus (deficit) of capital funding (C-D)	(256)	384	(523)	(2,443)
Funding balance ((A-B) + (C-D))	-	-	-	-

TE WHAKAHAERE-Ā-KAUNIHERA COUNCIL CONTROLLED ORGANISATION

Quality Roding 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:

- Roding 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:

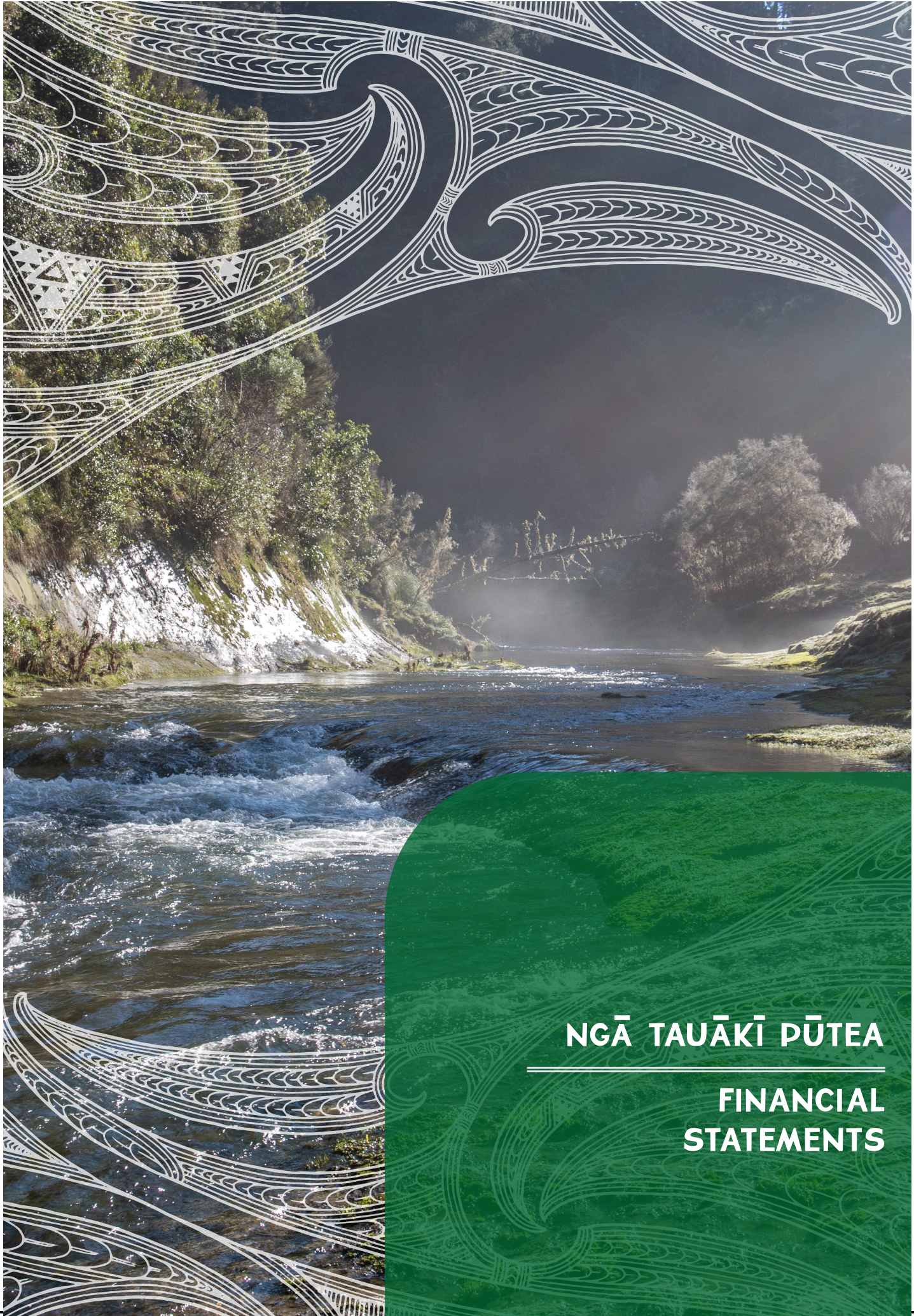
- Maintain profitability and achieve all financial targets.
- Ensure positive cash flow for the company.
- Maintain effective governance within the company.

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)	27.30%	42.80%	6%	20.20%
Net Profit as a percentage of revenue (after tax)	5.10%	3.70%	3%	4.40%
Distributions to shareholder (uninflated)	\$1,050,000	\$1,050,000	\$250,000	\$300,000
Ratio of shareholder funds to total assets	46.50%	48.00%	45%	47.60%



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 three 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 three 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 first year of the Long-Term Plan 2024-2027, which equates to the 2025 year (LTP 2025).

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 29 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.



Matthew Lawson
Te Tumu Whakarae
Chief Executive
?? October 2025



Craig Little
Te Kahika
Mayor
?? October 2025

**Note: A Tier 1 entity is defined as being either publicly accountable or large (e.g. expenses over \$30m). Wairoa District Council exceeds the expenses threshold.*

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	22,297	19,141	22,472	19,141
Subsidies and grants	2	50,290	50,494	58,491	50,290	58,491
Petrol tax		78	80	82	78	82
Construction revenue		-	-	-	11,802	16,857
Fees and charges		4,843	3,447	3,324	4,666	3,147
Investment revenue	2	1,541	1,483	1,077	358	779
Miscellaneous revenue		220	-	-	268	581
Total revenue		79,444	77,801	82,115	89,934	99,078
Expense						
Water supply		3,465	3,309	3,187	3,465	3,187
Stormwater		826	841	1,090	826	1,090
Wastewater		4,099	3,931	3,107	4,099	3,107
Solid waste		3,788	2,861	3,173	3,788	3,173
Transport		33,796	22,955	48,543	33,796	48,543
Community facilities		3,770	3,770	3,459	3,770	3,459
Planning and regulatory		9,832	4,614	7,446	9,832	7,446
Leadership and governance		2,725	2,471	4,423	2,725	4,423
Corporate		1,826	1,197	1,403	1,826	1,403
QRS		-	-	-	9,648	13,624
Total expense		64,127	45,949	75,831	73,775	89,455
Net surplus / (deficit) before taxation		15,317	31,852	6,284	16,159	9,623
Subvention income		-	-	-	-	-
Taxation	9	-	-	-	(680)	(2,548)
Net surplus / (deficit) for the year		15,317	31,852	6,284	15,479	7,075
Other comprehensive revenue and expense¹						
Fair value movement – property, plant and equipment		-	-	39,789	-	39,789
Total comprehensive revenue and expense for the year		15,317	31,852	46,073	15,479	46,864

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	8,392	2,307	2,786	2,968
Inventories	7	71	84	53	1,521	1,082
Trade and other receivables	5	13,015	13,547	17,161	16,574	18,645
Other current assets		-	41	-	487	26
Financial assets at fair value	8	-	1,065	-	-	-
Total current assets		15,067	23,129	19,521	21,368	22,721
Current liabilities						
Trade and other payables	10	16,311	14,495	19,832	16,660	19,616
Employee benefit liabilities		967	860	870	-	-
Borrowings	17	8,500	1,110	3,500	9,466	3,576
Taxes payable		-	-	-	341	870
Total current liabilities		25,778	16,465	24,202	26,467	24,062
Working capital		(10,711)	6,664	(4,681)	(5,099)	(1,341)
Non-current assets						
Property, plant and equipment	11	510,003	457,185	499,886	516,598	509,492
Work in progress	11	11,147	56,502	4,568	11,147	4,568
Investment in subsidiary	16	1,250	1,250	1,250	-	-
Loan to subsidiary	16	1,037	1,036	1,037	1	-
Investment Property	15	8,147	405	8,332	8,147	8,332
Biological asset - forestry	13	115	115	115	115	115
Intangible assets	12	197	719	373	246	430
Assets held for sale	11	-	-	18	-	18
Financial assets at fair value	8	828	-	781	828	781
Deferred tax	9	-	-	-	-	-
Total non-current assets		532,724	517,212	516,360	537,082	523,736
Non-current liabilities						
Trade and other payables	10	56	-	56	195	123
Landfill aftercare	18	3,432	1,378	2,032	3,432	2,032
Quarry aftercare	18	-	-	-	94	86
Borrowings	17	1,124	20,583	7,526	3,893	11,233
Deferred tax	9	-	-	-	844	892
Total non-current liabilities		4,612	21,961	9,614	8,458	14,366
Net assets		517,401	501,915	502,065	523,525	508,029
Represented by						
Equity	19	517,401	501,915	502,065	523,526	508,029

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	470,063	455,992	508,029	461,165
Net surplus (deficit) for period		15,317	31,852	6,284	15,478	7,075
Other comprehensive income		19	-	39,789	19	39,789
Total comprehensive income		15,336	31,852	46,073	15,497	46,864
Total equity - closing balance		517,401	501,915	502,065	523,526	508,029
Components of equity						
Ratepayer's equity						
Ratepayer's equity - opening balance		172,032	177,546	163,798	177,996	167,980
Net surplus/(deficit) for period		15,317	31,852	6,284	15,497	7,075
Transfers to special reserves		(4,528)	(3,496)	(3,691)	(4,528)	(3,691)
Transfers from special reserves		2,839	8,310	5,641	2,839	5,641
Transfer from revaluation reserve		3,057	-	-	3,057	-
Ratepayer's equity - closing balance		188,717	214,212	172,032	194,861	177,005
Special funds						
Special reserves - opening balance		22,706	25,001	24,656	22,706	24,656
Transfer to ratepayer's equity		(2,839)	(8,310)	(5,641)	(2,839)	(5,641)
Transfer from ratepayer's equity		4,528	3,496	3,691	4,528	3,691
Special funds - closing balance		24,395	20,187	22,706	24,395	22,706
Revaluation reserves						
Revaluation reserves - opening balance		307,327	267,516	267,538	307,327	268,529
Net transfer to ratepayer's equity		(3,038)	-	-	(3,057)	-
Transfer to revaluation		-	-	39,789	-	39,789
Revaluation reserves - closing balance		304,289	267,516	307,327	304,270	308,318
Total equity - closing balance		517,401	501,915	502,065	523,526	508,029

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		21,765	22,297	18,866	21,765	18,866
Other revenue		5,950	4,908	2,539	10,044	69,813
Subsidies and grants received		54,234	50,494	56,278	54,234	1,000
Investment income		491	103	2,127	(538)	-
Payments to suppliers and employees		(53,261)	(34,946)	(61,210)	(52,005)	(68,612)
Taxation		-	-	-	(1,258)	(648)
Interest paid		(506)	(865)	(742)	(660)	(863)
Net cash flows from operating activities		28,673	41,991	17,858	31,582	19,556
Cash flows from investing activities						
Sale of property, plant and equipment		41	-	823	106	826
Insurance proceeds		238	-	-	238	-
Sale of financial assets		-	-	406	-	406
Purchase of financial assets		-	-	(87)	-	(87)
Purchase of property, plant and equipment		(27,878)	(56,502)	(22,578)	(30,071)	(25,887)
Purchase of intangibles		-	-	195	-	195
Loans made to subsidiary		-	-	-	-	(1)
Net cash flows used in investing activities		(27,599)	(56,502)	(21,241)	(29,727)	(24,548)
Cash flows from financing activities						
Loans raised		(1,402)	9,698	(8,000)	10,995	10,963
Borrowings repaid		-	-	-	(12,446)	(17,751)
Lease repayments		-	-	-	(98)	(118)
Net cash flows from/(used in) financing activities		(1,402)	9,698	(8,000)	(1,451)	(6,788)
Net increase/(decrease) in cash and cash equivalents		(328)	(4,813)	(11,383)	(182)	(11,898)
Cash and cash equivalents at beginning of year		2,307	13,206	13,688	2,968	14,866
Cash and cash equivalents at end of year		1,979	8,393	2,305	2,786	2,968
Made up of:						
Cash		1,981	8,392	2,307	2,786	2,968
Cash and cash equivalents at end of year		1,981	8,392	2,307	2,786	2,968

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

STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

1. Reporting Entity Statement and Preparation of the Financial Statements	60
2. Revenue	61
3. Expenditure	63
4. Staff and Elected Members' Remuneration	64
5. Trade and Other Receivables	65
6. Cash and Cash Equivalents	66
7. Inventories	66
8. Financial Assets	66
9. Income Tax	68
10. Trade and Other Payables	71
11. Property, Plant and Equipment	72
12. Intangible Assets	79
13. Biological Assets - Forestry	80
14. Investments in Subsidiary	81
15. Investment Property	81
16. Loan to subsidiary	82
17. Borrowings	82
18. Landfill and Quarry Aftercare Provisions	83
19. Equity	83
20. Reconciliation of Operating Surplus with Net Cash Flow from Operating Activities	86
21. Transactions with Related Parties	86
22. Fair Value of Financial Assets and Financial Liabilities	87
23. Financial Instrument Risk	88
24. Contingencies	89
25. Commitments	90
26. Variances from the Annual Plan	90
27. Significant Events	91
28. Adoption of the Annual Report	91

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 2024/25 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	216	683
Gain / (loss) in market value and sales of bond portfolio	13	13	13	13
Cash dividends received	1,050	100	-	-
Rental income on other investments	115	69	115	69
Other income	13	14	13	14
Total investment income	1,540	1,077	357	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 2025. 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 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	5,057	2,319	5,057	2,319
Crown Infrastructure Partners (Te Reinga Bridge)	3,695	-	3,695	-
Mayoral Relief Funds	557	431	557	431
Other Subsidies & Grants	1,731	2,193	1,731	2,193
Total Emergency Events	33,572	42,254	33,572	42,254
Total Government grants and subsidies	50,291	58,491	50,291	58,491

There are no unfulfilled conditions or other contingencies attached to subsidies and grants recognised as revenue (2024: nil).

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 insures 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	1,809	1,164	3,807	2,517
Amortisation charge - Intangible assets	1	2	13	22
Fees to auditors:				
• EY fees for financial statements audit	166	161	263	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	658	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	4,463	3,681
Impairment of property, plant and equipment	-	(5,022)	-	36,676
Operating lease expenses	34	34	34	34
Public ceremonies	9	11	9	8
Loss on disposal of assets	-	14	(40)	-
Directors fees	-	-	171	-
Donations	-	-	72	-

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 - Roothing 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 \$525,156 (2024: \$450,512) 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 Roothing 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	76	74
Full time equivalent number of all other employees	4	5
Total full-time equivalent employees	80	79

Remuneration bands

The number of employees receiving total annual remuneration of less than \$60,000	13	19
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Of the employees in this band, 10 are part-time or casual (2023: 11)

The number of employees receiving total annual remuneration of more than \$60,000 in bands of \$20,000		
\$60,000 - \$79,999	32	28
\$80,000 - \$99,999	15	19
\$100,000 - \$119,999*	16	10
\$120,000 - \$259,999*	10	9
Total employees	86	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	11,390	16,134	14,433	17,596
Prepayments	-	8	31	29
GST receivable / payable	(282)	(348)	(282)	(348)
Total receivables – gross	17,448	21,181	20,522	22,664
Less provision for impairment of receivables	(4,433)	(4,020)	(4,432)	(4,019)
Total receivables– net	13,015	17,161	16,090	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	10,916	-	10,916	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	11,390	384	11,006	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	14,233	-	14,233	16,731	-	16,731
Past due 30 - 60 days	177	-	177	507	-	507
Past due 60 - 90 days	23	-	23	19	-	19
Past due >90 days		384	(384)	339	228	111
Total trade receivables	14,433	384	14,049	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 as 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	2,786	1,191
Short term deposits	-	13,675	-	13,675
Total cash and cash equivalents	1,981	13,688	2,786	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	-	-	907	490
Water reticulation spare parts	-	-	-	-
Water treatment chemicals	59,481	61	59,481	61
Other supplies	11,254	10	11,797	198
Work in progress	-	-	-	-
Total inventories	70,736	71	72,186	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	2,786	14,866
Trade and other receivables	13,297	13,550	16,372	14,824
Other financial assets	-	-	-	-
Total financial assets	16,107	28,331	19,987	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	490	504	490
Total financial assets at fair value through surplus or deficit	504	490	504	490
Current	-	0	-	0
Non-current	504	490	504	490
Total financial assets at fair value through surplus or deficit	504	490	504	490

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	-	-	728	1,241
Adjustments to current tax in prior years	-	-	-	-
Total current tax expense	-	-	728	1,241
Deferred tax expense				
Origination and reversal of temporary differences	-	-	(48)	1,308
Recognition of previously unrecognised tax losses	-	-	-	-
Total deferred tax expense	-	-	(48)	1,308
Income tax expense reported in the statement of financial performance	-	-	680	2,548

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	16,608	6,484	16,159	10,706
Less: non assessable surplus / (non qualifying deficit)	(16,608)	(6,484)	(11,839)	(6,386)
Assessable profits	-	-	4,320	4,320
Income tax based on domestic tax rate – 28% (2021: 28%)	-	-	1,211	1,211
Plus taxation effect of permanent differences	-	-	1,332	1,332
Effect of non-deductible expenses	-	-	7	7
Income tax expense reported in the statement of financial performance	-	-	2,550	2,550

Movement in deferred tax asset:

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Opening balance	-	-	248	388
Current year charge	-	-	48	(140)
Use of prior year recognised loss and other movement not recognised	-	-	-	-
Closing balance	-	-	296	248

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 \$127,036 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 \$127,036 (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	-	-	-	-	564	514	(50)	(258)
Future amortisation	-	-	-	-	-	14	-	2
Right of use assets	-	-	-	-	45	72	27	-
Gross deferred tax liabilities	-	-	-	-	975	1,036	74	(1,313)
	-	-	-	-	1,584	1,636	51	(1,569)
Deferred tax assets								
Doubtful debts	-	-	-	-	-	-	-	-
Subcontractor retentions	-	-	-	-	66	30	36	-
Provisions								
• Annual leave	-	-	-	-	141	115	26	5
• Staff gratuities	-	-	-	-	9	8	1	1
• Sick leave	-	-	-	-	13	9	4	1
• Time in lieu	-	-	-	-	52	58	(5)	6
Long service leave	-	-	-	-	38	19	19	2
Aftercare	-	-	-	-	38	24	14	(1)
Lease asset depreciation	-	-	-	-	-	-	-	(7)
Operating lease payments	-	-	-	-	-	-	-	7
Lease interest	-	-	-	-	-	-	-	(2)
ACC premiums	-	-	-	-	-	-	-	-
Maintenance accruals	-	-	-	-	-	-	-	-
Construction accruals	-	-	-	-	-	-	-	-
Corporate accruals	-	-	-	-	18	18	-	(1)
Contract liabilities	-	-	-	-	316	388	(72)	252
Future depreciation	-	-	-	-	-	(1)	-	-
Lease liability	-	-	-	-	49	76	(27)	-
Deferred tax assets	-	-	-	-	740	743	(4)	263
Net deferred tax assets/ (liabilities)	-	-	-	-	(844)	(893)	-	-
Deferred tax income/ (expense)	-	-	-	-	-	-	47	(1,306)

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	11,705	14,352	10,941	11,580
Taxes payable	11	38	3	732
Employee benefits	967	870	2,088	1,862
Trust funds and deposits	42	40	42	40
Revenue in advance	4,564	5,402	4,564	5,402
Total current	17,289	20,702	17,638	19,616
Non-current				
Employee benefits	56	56	195	123
Trade payable - exchange transactions	-	-	-	-
Total non-current	56	56	195	123
Total trade and other payables	17,345	20,758	17,833	19,739

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	11,705	14,352	10,941	11,247
Total trade payable - exchange transactions	11,705	14,352	10,941	11,247
	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Taxes payable				
GST	-	-	(8)	694
PAYE	11	38	11	38
Total taxes payable	11	38	3	732

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 \$55,857 (2024: \$55,857). This figure is inflation adjusted using the Treasury-defined long-term salary discount factor of 3.33% (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	113	854	559
Holiday leave	599	757	1,234	1,303
Total current employee benefits	967	870	2,088	1,862
Non-current				
Long-term benefits				
Retirement gratuities provision	56	56	56	56
Long service leave	-	-	139	67
Total non-current employee benefits	56	56	195	123
Total employee benefit liabilities and provisions	1,023	926	2,283	1,985

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	36	38	36
Trust funds	4	4	4	4
Total trust fund and deposits	42	40	42	40

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	91	81	91
Taxes				
Rates	900	775	900	775
Transfers				
Subsidies and grants	3,583	4,536	3,583	3,330
Total revenue in advance	4,564	5,402	4,564	4,196

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, no properties held by the Group were classified as held for sale. 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.

2025 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	1,382	1,382
Total depreciation not funded	7,917	7,922

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	-	(410)	8,788	14,352	(5,564)
Other Improvements	8,120	(3,756)	4,364	-	-	-	4,351	-	(1,091)	7,624	12,471	(4,847)
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	-	(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	5,697	-	(1,809)	23,267	38,403	(15,136)
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	21,315	-	(11,199)	510,002	627,135	(117,133)
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	27,894	-	(11,199)	521,149	638,282	(117,133)

	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	4,777	(397)	4,380	-	-	-	-	-	(2)	4,378	4,777	(399)
Buildings	21,070	(5,830)	15,240	-	-	-	21	-	(624)	14,637	21,091	(6,454)
Other Improvements	8,121	(3,756)	4,365	-	-	-	4,351	-	(1,091)	7,625	12,472	(4,847)
Vehicles	18,276	(10,970)	7,306	-	(43)	43	(431)	-	(1,711)	5,164	17,802	(12,638)
Furniture and office equipment	5,816	(4,446)	1,370	-	(1,045)	1,045	1,088	-	(259)	2,199	5,859	(3,660)
Library collections	768	(593)	175	-	-	-	45	-	(24)	196	813	(617)
Total non-infrastructurel assets	58,828	(25,992)	32,836	-	(1,088)	1,088	5,074	-	(3,710)	34,200	62,814	(28,614)
Roading	409,596	(62,156)	347,440	-	-	-	12,674	-	(5,549)	354,565	422,270	(67,705)
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 infrastructurel assets	569,278	(92,622)	476,656	-	-	-	15,132	-	(9,390)	482,398	584,410	(102,012)
Total assets	628,106	(118,614)	509,492	-	(1,088)	1,088	20,206	-	(13,100)	516,598	647,224	(130,624)
Capital work in progress	4,568	-	4,568	-	-	-	6,579	-	-	11,147	11,147	-
Total assets including work in progress	632,674	(118,614)	514,060	-	(1,088)	1,088	26,785	-	(13,100)	527,745	658,371	(130,624)

	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	-	-	5	-
Disposals	(708)	-	(708)	-
Total cost as at 30 June	90	798	403	1,106
Accumulated amortisation and impairment 1 July	796	794	1,047	1,031
Current year amortisation charge	1	2	1	2
Disposals	(708)	-	(696)	14
Total accumulated amortisation and impairment at 30 June	89	796	352	1,047

Software carrying value 30 June	1	4	51	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	247	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 Rooding 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	69
Direct operating expenses from investment property generating revenue	157	-

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	9,466	11,966
Total current	8,500	11,500	9,466	11,966

Non-current

Secured Loans	1,026	7,526	3,795	9,643
Total non-current	1,026	7,526	3,795	9,643
Total borrowings	9,526	19,026	13,261	21,609

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 4.25% Group (2024: 3.83%). The carrying amounts of borrowings repayable within one year approximate their fair value. The Council and the Group have \$2 million in floating rate debt.

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Carrying amounts	9,526	19,026	13,261	21,599
Fair values	9,400	18,466	9,495	18,888

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	9,465	11,966
Weighted average effective interest rate	4.85%	4.88%	5.02%	5.05%
Later than one year but less than two years	-	3,500	2,770	5,607
Weighted average effective interest rate	0.00%	3.93%	1.09%	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	13,261	21,599

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	1,420	1,368	2,788
Stormwater and drainage	719	1,268	1,987
Wastewater	6,394	(807)	5,587
Waste management	457	980	1,437
Transport	6,588	(1,235)	5,353
Community facilities	(321)	(2,032)	(2,353)
Leadership and governance	578	1,326	1,904
Planning and regulatory	1,931	788	2,719
Support services	4,989	(3,775)	1,214
Total internal borrowings	22,755	(2,119)	20,636

The Council uses an assumed internal interest rate of 4.95% (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	65	67
Stormwater and drainage	33	34
Wastewater	293	304
Waste management	21	22
Transport	172	305
Community facilities	-15	-15
Leadership and governance	26	27
Planning and regulatory	88	92
Support services	235	238
Total internal interest charged	918	1074

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 2076, 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: 2026 (2024: 2025)
- Length of post-closure monitoring period: 50 years (2024: 37 years)
- Total expected cash outflow – undiscounted: \$3.432m (2024: \$2.031m)
- Discount rate: 3.14% (2024: 5.30%)

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 Māhira 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	2,032	1,378	2,032	1,378
Movement in provision	1,400	654	1,400	654
Amount utilised	-	-	-	-
Landfill post closure costs – closing balance	3,432	2,032	3,432	2,032
Current	-	-	-	-
Non-current	3,432	1,378	3,432	1,378
Landfill post closure costs – closing balance	3,432	1,378	3,432	1,378

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.

EQUITY MANAGEMENT

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Special reserves	24,395	22,706	24,395	22,706
Revaluation reserves	304,289	307,327	304,270	308,318
Ratepayer's equity	188,717	172,032	194,861	177,005
Total equity	517,401	502,065	523,526	508,029

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 2025.

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	307,327	267,538	307,327	268,529
Net transfer from asset revaluation reserve on disposal	(3,038)	-	(3,057)	-
Revaluation recognised in other comprehensive revenue and expense	-	39,789	-	39,789
Revaluation reserves - closing balance	304,289	307,327	304,270	308,318

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	172,032	163,798	177,996	167,980
Surplus (deficit) for year	15,317	6,284	15,497	7,075
Transfers to special reserves	(4,528)	(3,691)	(4,528)	(3,691)
Transfers from special reserves	2,839	5,641	2,839	5,641
Transfers from revaluation reserves	3,057	-	3,057	-
Ratepayer's equity - closing balance	188,717	172,032	194,861	177,005

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	883	35	-	918
Total reserves held for emergency purposes	883	35	-	918
Reserves held for future asset purchases				
District development fund	304	12	(10)	306
Asset and vehicle depreciation reserve	2,459	434	(337)	2,556
Information systems renewal reserve	643	112	(56)	699
Water production depreciation reserve	1,347	156	(32)	1,471
Water reticulation depreciation reserve - Wairoa	4,141	882	-	5,023
Water reticulation depreciation reserve - peri urban	(106)	-	(529)	(635)
Water reticulation depreciation reserve - Tuai	62	2	-	64
Water reticulation depreciation reserve - Frasertown	56	2	-	58
Water reticulation depreciation reserve - Mahanga	17	2	-	19
Sewerage system depreciation reserve - Wairoa	2,952	556	(431)	3,077
Sewerage system depreciation reserve - Tuai	363	16	-	379
Stormwater reticulation depreciation reserve - Wairoa	3,240	366	(296)	3,310
Stormwater reticulation depreciation reserve - Mahia	15	2	(43)	(26)
Parking area depreciation reserve	112	5	-	117
Bridges depreciation reserve	(1,103)	289	(46)	(860)
Landfill/RTS depreciation reserve	1,269	52	(24)	1,297
Airport runway depreciation reserve	39	22	-	61
Roading depreciation reserve	(1,370)	1,062	(897)	(1,205)
Footpaths depreciation reserve	1,457	58	(4)	1,511
Library book stocks depreciation reserve	193	30	(45)	178
Pensioner housing depreciation reserve	245	44	(47)	242
Parks and reserves depreciation reserve	(258)	154	(39)	(143)
Total reserves held for future asset purchases	16,077	4,258	(2,836)	17,499
Reserves held for future operational costs				
General purpose fund	644	26	(1)	669
Wairoa urban fund	316	13	(1)	328
Retirement and restructuring reserve	116	7	-	123
Tuai village reserve	155	7	-	162
Total reserves held for future operational costs	1,231	53	(2)	1,282
Reserves held for repayment of maturing debt				
Loan repayment reserve - external	2,714	110	-	2,824
Loan repayment reserve - internal	1,801	72	(1)	1,872
Total reserves held for repayment of maturing debt	4,515	182	(1)	4,696
Total special funds reserves	22,706	4,528	(2,839)	24,395

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	15,317	46,073	15,479	46,864
Add/(deduct) non-cash items:				
Depreciation	11,364	10,210	13,362	11,850
Loss on disposal of assets	-	14	36	48
Gain on sale of assets	18	-	(22)	(1)
Amortisation	1	2	13	16
Decrease (increase) in deferred taxation	-	-	(48)	1,308
Increase (decrease) in employee benefit provision	97	67	169	74
Net (decrease) in bad debts provision	-	357	-	357
Unrealised loss (gain) on investments	(47)	(7)	(47)	(7)
(Decrease) in landfill aftercare provision	1,400	654	1,400	654
Increase in quarry aftercare provision	-	-	8	(1)
Loss / (gain) revaluation	-	(39,789)	-	(39,789)
Total non-cash items	12,833	(28,492)	14,871	(25,491)
Add/(deduct) movement in working capital¹:				
(Increase) decrease in rates receivable	(954)	(593)	(954)	(593)
(Increase) decrease in trade and other receivables	5,067	(3,438)	4,653	(3,626)
Increase (decrease) in trade and other payables	(3,510)	4,226	(1,437)	2,077
(Increase) decrease in GST receivable	(66)	64	(68)	64
Increase (decrease) in taxation payable	-	-	(530)	593
(Increase) / decrease inventories	(14)	18	(435)	(332)
Total movement in working capital	523	277	1,229	(1,817)
Net cashflows from operating activities	28,673	17,858	31,579	19,556

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	107	177
Expenditure payments made by Council for services provided by QRS	30,485	34,538
Dividend received from QRS	1,050	100
Subvention payment from QRS	0	0
Current receivables and recoverables owing to the Council from QRS	2	55
Current payables owed by the Council to QRS	5,064	4,756
Contract retentions	1,968	1,719

The receivable and payable balances are non-interest bearing and are to be settled on normal trading terms and conditions, except for \$1,967,589 (2024: \$1,718,741) of contract retentions which are payable at closure of defects liability period.

No related party transactions were forgiven or written off during the period (2024: 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	325	291	325	291
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Financial liabilities

Interest-bearing loans and borrowings:

• Floating rate borrowings	2,000	-	-	-
• Fixed rate borrowings	11,261	14,809	9,495	11,270

	Council			
	Carrying amount		Fair value	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000

Financial assets

Other financial assets:

• At fair value through OCI	325	291	325	291
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Financial liabilities

Interest-bearing loans and borrowings:

• Floating rate borrowings	-	-	-	-
• Fixed rate borrowings	9,526	11,026	9,400	10,997

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 31 December 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	504	-	-	490	-	-
Financial assets at fair value through OCI	-	325	-	-	291	-

Financial liabilities measured at amortised cost

Fixed rate borrowings	13,309	-	-	14,809	-	-
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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 2025. 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 2025.

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 2025.

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 2025, 100% of the Group's borrowings are at a fixed rate of interest (2024: 100%). For the Council, 100% of all borrowings as at 30 June 2025 are at a fixed rate of interest (2024: 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 2025 the Council and Group have \$2 million in floating rate debt. Therefore a movement in interest rates has an 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 \$504,000(2024: \$490,000). A decrease of 10% on the NZX market index could have an impact of approximately \$49,000 (2024: \$49,000) 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 65% of the Group's debt will mature in less than one year at 30 June 2025 based on the carrying value of borrowings reflected in the financial statements (2024: 24%).

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	20,432	23,087	20,797	22,092
1-2 years	2,041	3,359	2,041	3,375
2-5 years	1,131	4,648	1,131	4,648
More than 5 years	56	56	195	123
Contractual cashflows of financial liabilities	23,660	31,150	24,164	30,238
Represented by				
Carrying amount as per the Statement of Financial Position	23,371	30,284	23,874	29,368
Future interest payable	290	868	290	871
Contractual cashflows of financial liabilities	23,661	31,152	24,164	30,239

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	1,981	2,307	2,786	2,968
Trade and other receivables	13,297	17,509	16,372	18,993
Total financial instruments with credit risk	15,278	19,816	19,158	21,961

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	703	779	703	779
Less: Charged through rates this financial year	(80)	(88)	(80)	(88)
Add back: Interest charged in rates	22	26	22	26
Less: Early repayment policy payments	(5)	(14)	(5)	(14)
Balance at 30 June	639	703	639	703

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 2025.

25. COMMITMENTS

FUTURE CONTRACTUAL COMMITMENTS

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Capital commitments				
Infrastructural assets - Water system	5,340	2,776	5,340	2,776
Infrastructural assets - Roading network	23,207	16,233	13,307	3,709
Other	861	2,805	994	2,805
Total capital commitments	29,408	21,814	19,641	9,290
Operational commitments				
Maintenance and service contracts	5,925	194	5,925	194
Total operational commitments	5,925	194	5,925	194
Total contractual commitments	35,333	22,008	25,566	9,484

At balance date, QRS had no capital commitments. (2024: \$133,196 for two excavators).

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	7	25	86	25
Later than one year and not later than five years	33	-	115	-
Later than five years	-	-	-	-
Buildings				
Up to one year	-	21	-	21
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	40	46	201	186
Total non-cancellable operating lease commitments as lessee	61	46	61	186

26. VARIANCES FROM THE ANNUAL PLAN

Explanations for major variances from the Council's estimated figures in the 2024/25 budget (Annual Plan 2024/2026) 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:

- 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.
- 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.
- Solid Waste expenditure was \$382,000 higher than budgeted due to increases to Waste Levies, the Emmisions 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.
- 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 recieved 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 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), following consultation with the community Wairoa District Council has resolved to establish a Water Services Council Controlled Organisation to deliver Water Services. It is expected this Water Services CCO will be operational from 1 July 2027.

For more information on the programme, please visit Water Services Policy and Legislation - [dia.govt.nz](#)

Resource Management Reform

The Resource Management Act 1991 is being replaced by a suite of new legislation aimed at streamlining planning, enhancing environmental outcomes, and improving housing and infrastructure delivery. The reform is being implemented in phases:

Natural and Built Environments Act – The primary replacement for the RMA, focused on outcomes-based planning within environmental limits. It introduces a single regional plan overseen by a regional committee and guided by a National Planning Framework.

Strategic Planning Act – Requires 30-year regional spatial strategies integrating land use, infrastructure, and investment. It also mandates regional collaboration and long-term visioning.

Climate Adaptation Act – Will address managed retreat and climate resilience, though this is still under development.

These reforms will significantly reshape how councils plan, regulate, and deliver services. Council is actively monitoring legislative developments and preparing for the introduction of mandatory regional spatial strategies and new governance frameworks. The transition will require substantial resourcing and coordination, particularly in planning, iwi engagement, and infrastructure alignment.

28. ADOPTION OF THE ANNUAL REPORT

Council adopted the 2023/24 Annual Report on 31 October 2024.

RATING BASE

The total projected rateable units within the district at the end of the fiscal year 2024/25 is 6,958. This is projected to increase at an average of 10 rating units per year over the 3 years of this Long-Term Plan.

Forecast (rateable) rating units

	2024/25	2025/26	2026/27
Rating units	6,958	6,968	6,978

HE MATAPAE PŪTEA

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.

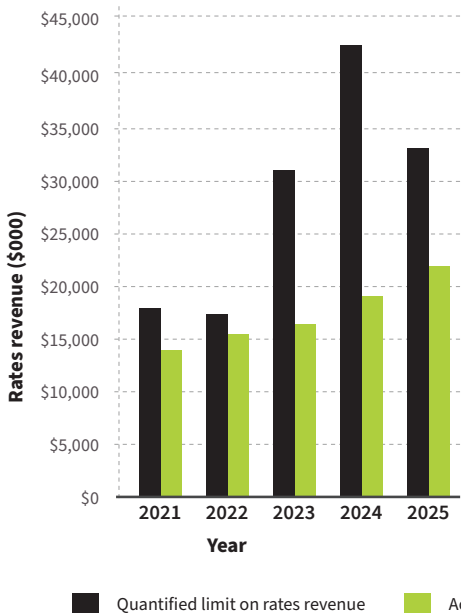
Annual Report disclosure statement for year ending 30 June 2024 - What is the purpose of this statement?
The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to

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.

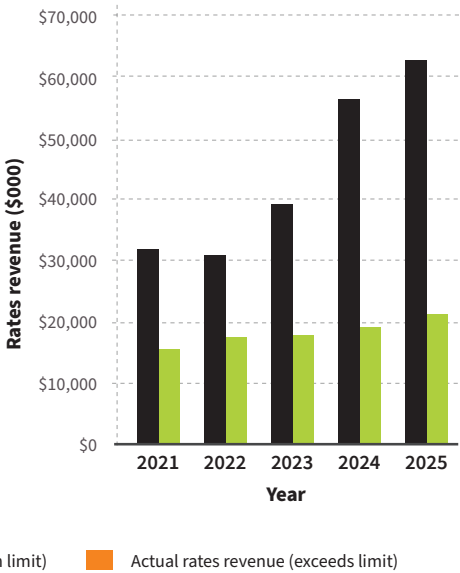
RATES AFFORDABILITY BENCHMARK

- 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.



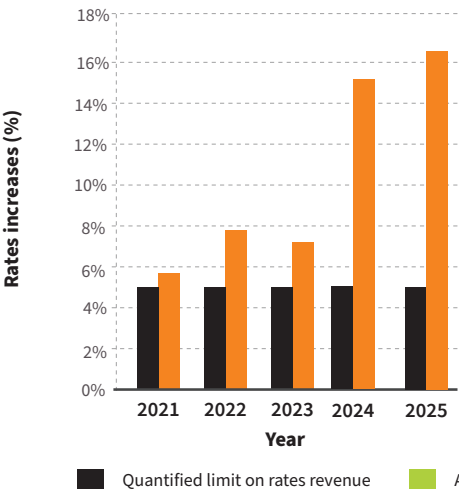
RATES (INCOME) AFFORDABILITY

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.



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.



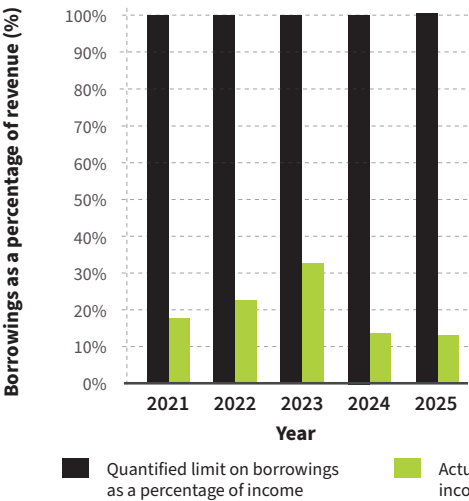
Rates (Increases) Affordability

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.

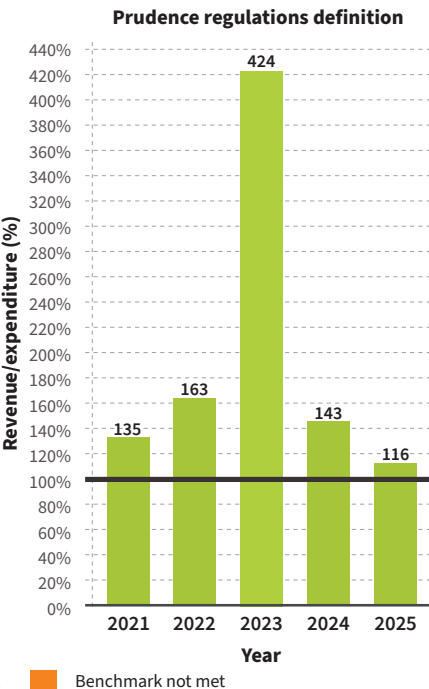
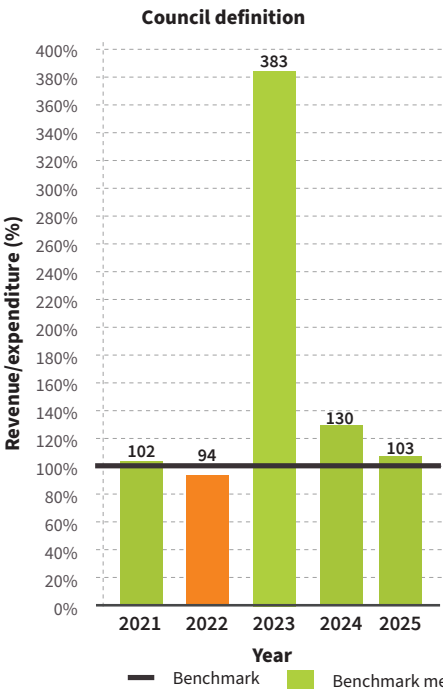
Debt as Percentage of Income

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

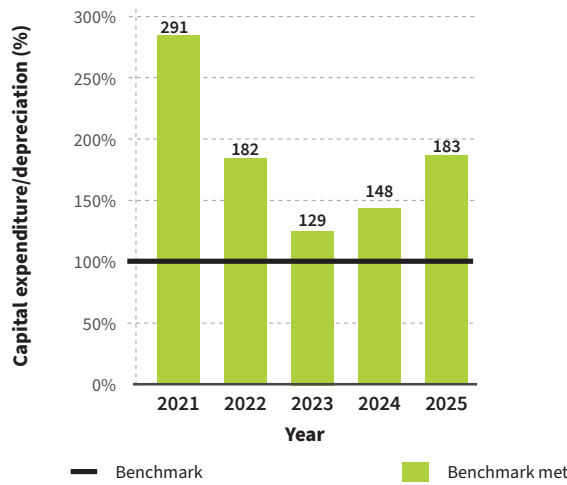
Section 100(1) of the Local Government Act 2002 (LGA) requires Council’s to have a balanced budget. This is defined in the regulations as Council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, 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



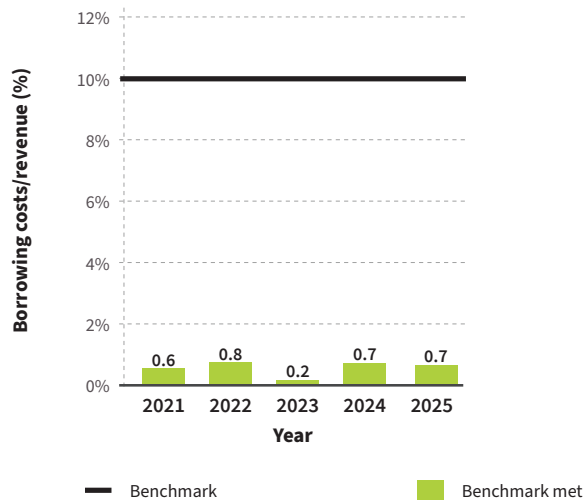
This graph displays the Council’s capital expenditure on network services as a proportion of expected depreciation on network services.

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

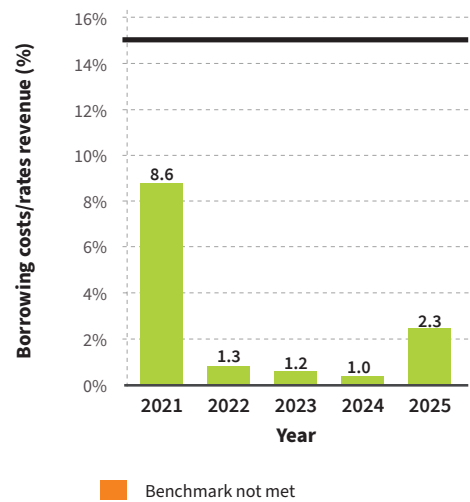
This graph displays the Council’s borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative

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.

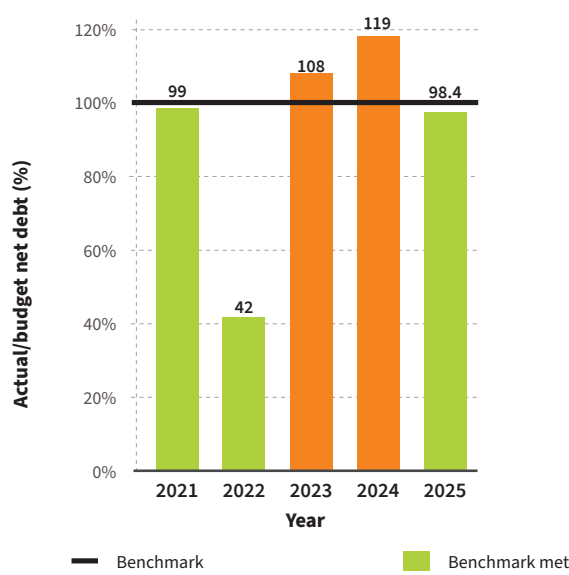


Debt servicing as a percentage of rates revenue

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.

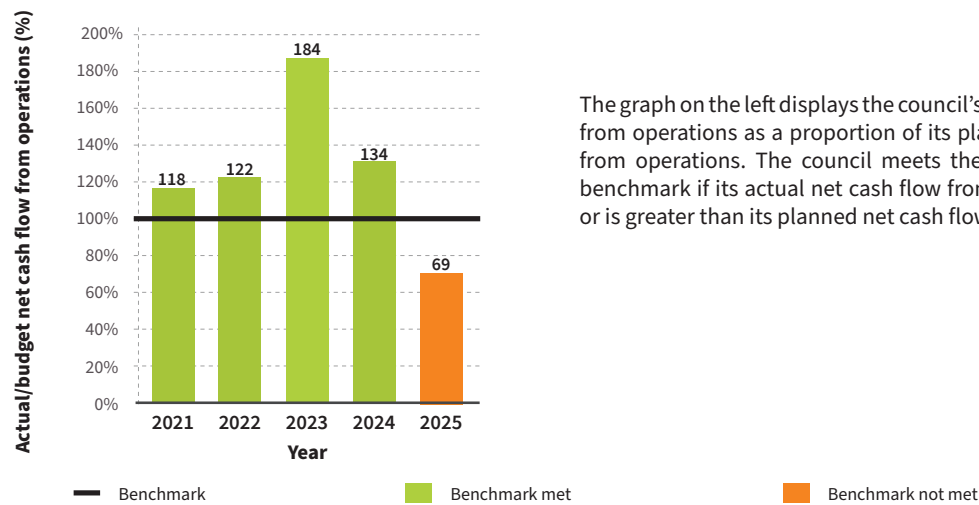
DEBT CONTROL BENCHMARK



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 AP \$000	2023/24 Actual \$000	2024/25 LTP \$000	2024/25 Actual \$000
Sources of operating funding				
General rates	13,049	13,155	14,823	15,248
Targeted rates	5,616	5,986	7,475	7,223
Subsidies and grants for operating purposes	6,676	44,351	12,423	32,666
Fees and charges	3,227	3,324	3,447	4,666
Interest and dividends from Investments	1,183	1,077	1,353	1,413
Local authorities fuel tax, fines, infringement fees, and other receipts	80	82	210	427
Total operating funding (A)	29,831	67,975	39,731	61,643
Applications of operating funding				
Payments to staff and suppliers	27,434	64,756	34,946	52,281
Finance costs	839	1,141	865	506
Other operating funding applications	-	-	-	-
Total Applications of operating funding (B)	28,273	65,897	35,811	52,787
Surplus (deficit) of operating funding (A - B)	1,558	2,078	3,920	8,856
Sources of capital funding				
Subsidies and grants for capital expenditure	22,704	14,142	38,071	17,801
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	409	7,655	9,698	666
Gross proceeds from sale of assets	-	-	-	-
Total sources of capital funding (C)	23,113	21,797	47,769	18,467
Application of capital funding				
Capital expenditure:				
• to meet additional demand	105	-	-	-
• to improve the level of service	4,038	15,758	15,360	12,903
• to replace existing assets	24,706	5,913	41,142	13,632
Increase (decrease) in reserves	(4,178)	2,204	(4,813)	788
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	24,671	23,875	51,689	27,323
Surplus (deficit) of capital funding (C-D)	(1,558)	(2,078)	(3,920)	(8,856)
Funding balance ((A-B) + (C-D))	-	-	-	-

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](https://www.facebook.com/wairoadistrictcouncil)



info@wairoadc.govt.nz



(06) 838 7309



97-103 Queen Street,
Wairoa 4108



Wairoa District Council,
P.O. Box 54, Wairoa 4160





TE PŪRONGO O TE TAU
ANNUAL REPORT
SUMMARY
2024/25





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ABOUT THIS SUMMARY

This Summary Report has been extracted from Wairoa District Council’s full Annual Report and is designed to give readers an overview of Councils (and its group, including its subsidiary Quality Roding Services (Wairoa) Limited). performance for the year to 30 June 2025. The full Annual Report contains detailed information about our finances and service performance and was adopted by Council and approved for issue on DD/MM/YYY.

This summary report has been prepared in accordance with PBE FRS 43: Summary Financial Statements. It cannot be expected to provide as complete understanding as provided by the full financial report of the financial and service performance, financial position and cash flow of the Council.

The full financial statements for the year ended 30 June 2024 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice Standards (NZ

GAPP). They comply with the Tier 1 New Zealand Public Benefit Entities Standards (NZ PBE Tier 1), and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

All values presented in this summary report are reported in New Zealand Dollars and rounded to the nearest thousand dollars (\$000). Wairoa District Council confirms that all other statutory requirements relating to the Annual Report have been complied with.

This Summary has been examined by Audit New Zealand for consistency with the full Annual Report.

The full Annual Report can be obtained from our website www.wairoadc.govt.nz/documents-and-forms



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MAYOR AND CHIEF EXECUTIVE MESSAGE

Tēnā koutou katoa,
It is a pleasure for me, on behalf of elected members, and Matt Lawson, who took up the position of Council Chief Executive on July 1, 2025, to present this year’s Annual Report of Wairoa District Council.

Wairoa continues to move forward, navigating the challenges of recent years with resilience and determination. While recovery and rebuilding remain key priorities—particularly following the lasting impacts of Cyclone Gabrielle and the June 2024 floods—we are equally focused on delivering services that meet our community’s needs in a sustainable way. Of the 274 yellow-stickered homes, 148 still remain, and our Recovery Team will continue its vital work through to December 2025.

Thanks to strong support from Central Government, we’ve kept our average rates increase to just 5.2%—the lowest in Hawke’s Bay. Our District has received significant investment from Central Government including:

- \$70 million in Crown funding to support flood protection efforts.
- \$94 million from NZTA to enable critical road and bridge repairs.
- Government investment through the Department of Internal Affairs Silt and Debris Fund has also strengthened our waste recovery operations, including infrastructure upgrades at our landfill to support our waste minimisation efforts.



We’ve also seen positive developments in community services:

- Community Leisure Management (CLM) with 30 years’ experience in community leisure management now oversees the Wairoa Community Centre, with a focus on growing its role as a vibrant community hub.
- Our new iSite building in its prominent Marine Parade location has been completed and is ready for business, marking a fresh chapter for local tourism.
- The Mayor’s Taskforce for Jobs continues to support youth employment and training opportunities.

To all our staff and contractors—thank you. Your dedication is helping Wairoa grow stronger and more connected. We are ready to embrace the opportunities ahead.

C Little

Craig Little
Te Kahika
Mayor

M. J. Lawson

Matthew Lawson
Te Tumu Whakarae
Chief Executive Officer



???

OUR JOURNEY THROUGH 2024/25

The 2024/25 year was a testament to Wairoa District Council’s resilience, adaptability, and commitment to community wellbeing. As we embarked on the first year of our Long-Term Plan 2024–2027, our journey was shaped by both progress and adversity.

We began the year with a clear vision: to support our community through decision-making that promotes cultural, social, economic, and environmental wellbeing. This vision guided every step we took—from infrastructure upgrades to community engagement, from financial stewardship to recovery planning.

Navigating Challenges

The lingering effects of Cyclone Gabrielle and the June 2024 flooding continue to impact our whānau, with 148 homes still carrying yellow placards. Despite these challenges, we have maintained momentum, supported by Crown funding and a shared commitment to rebuild stronger.

Delivering Results

We achieved 69% of our non-financial performance measures, consistent with the previous year, and met 80% of the mandatory Local Government benchmarks. Our strongest performing areas were Wastewater, Drinking

Water, and Waste Management, each area meeting nearly all their targets.

Financially, Council revenue totalled \$79.3 million, down slightly from the previous year due to a reduced need for emergency grants. We recorded an operating deficit of \$15.3 million, largely due to accelerated transport projects enabled by settled weather. While 95% of this spend is reimbursed by NZTA, timing differences in invoicing has meant the deficit was reflected in this year’s accounts.

Strategic Direction

- Our journey is anchored in four pou:
- 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 communityPDF type

These outcomes shape our strategic direction and ensure that our daily activities align with long-term recovery and growth.



TĀ TĀTĀU WHAKATUTUKITANGA-Ā-TAIPITOPI TO NEI

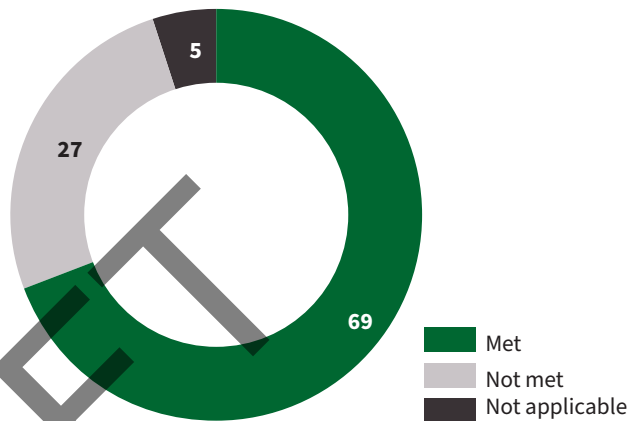
OUR PERFORMANCE IN DETAIL

Delivering on Our Core Activities

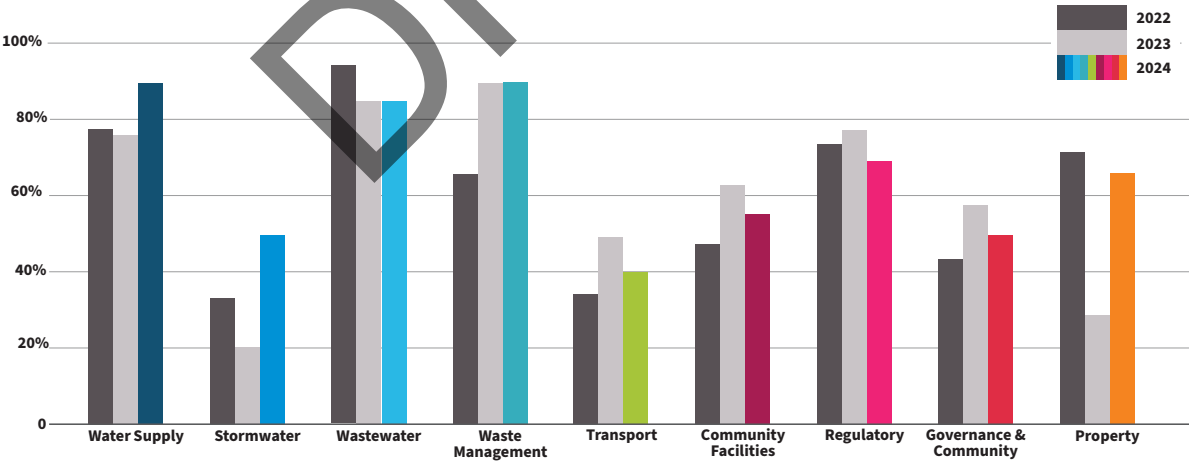
Most of Council’s operations, expenditure, and service delivery are structured around the nine key activity areas detailed in this section. These represent the core functions through which we support our communities and deliver on our strategic commitments.

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 68% (69/101) of these measures, the remaining 5 measures have not been measured.

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. The graph below shows our performance in meeting these measures across the past three years.



% key performance measures met: 3 year trend



This graph shows the percentage of measures met by activity over last three 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.

2024/25 FINANCIAL RESULTS

Total Council revenue for the 2024/25 financial year was \$79.3 million, which is \$2.7 million lower than the previous year. This decrease was primarily due to a reduction in subsidies and grants received—particularly emergency response grants.

Subsidies and Grants accounted for 63% of total revenue, with funding received from:

- NZ Transport Agency (NZTA) for roading projects,
- Kānoa for the completion of the isite building,
- Department of Internal Affairs' Silt and Debris Fund for landfill upgrades,
- and other sources.

Rates contributed 28% of total revenue, consistent with previous years (23% in 2023/24 and 28% in 2022/23). Fees and Charges made up

6%, covering services such as dog registrations, building consent fees, and landfill charges.

Operating and Capital Expenditure

The Council recorded an operating deficit of \$15.3 million in 2024/25, largely due to the completion of transport projects totalling \$10.3 million. These projects were enabled by favourable weather conditions. Although 95% of this expenditure is reimbursed by NZTA, the deficit reflects timing differences in invoicing.

Capital expenditure for the year totalled \$24 million, which was under budget. This was mainly due to roading, and waste minimisation projects being funded by Central Government. Notably, 68% of capital spending was directed toward the transport sector and roading project completions.



HE TAUĀKĪ PŪTEA WHIWHI ME TE PŪTEA WHAKAHAERE

SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

for the year ended 30 June 2025

	COUNCIL			GROUP	
	Actual 2025 \$000	LTP 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Total revenue	79,444	78,015	82,115	96,407	99,078
Total Expense	64,127	46,159	75,831	77,751	89,455
Net Surplus/(deficit) before Taxation	15,317	31,856	6,284	18,656	9,623
Subvention income	-	-	-	-	-
Taxation	-	-	-	(2,548)	(2,548)
Net surplus / (deficit) for the year	15,317	31,856	6,284	16,108	7,075
Other comprehensive revenue and expense					
Fair value movement – property, plant and equipment	-	-	39,789	-	39,789
Total comprehensive revenue and expense for the year	15,317	31,856	46,073	16,108	46,864

HE TAUĀKĪ TU PŪTEA

SUMMARY STATEMENT OF FINANCIAL POSITION

as at 30 June 2025

	COUNCIL			GROUP	
	Actual 2025 \$000	LTP 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Current assets	15,067	22,840	19,521	18,265	22,721
Non-current assets	532,724	518,325	516,360	543,762	523,736
Total assets	547,791	541,165	535,881	562,027	546,457
Current liabilities	25,778	15,292	24,202	24,671	24,062
Non-current liabilities	4,612	22,182	9,614	9,364	14,366
Total liabilities	30,390	37,474	33,816	34,035	38,428
Total equity	517,401	471,834	502,065	522,486	508,029

HE TAUĀKĪ MANA TAURITE

SUMMARY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2025

	COUNCIL			GROUP	
	Actual 2025 \$000	LTP 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Balance as at 1 July	502,065	439,978	455,992	506,359	461,165
Total Comprehensive revenue and expense	15,336	31,856	46,073	16,127	46,864
Balance 30 June	517,401	471,834	502,065	522,486	508,029

HE TAUĀKĪ KAPEWHITI

SUMMARY STATEMENT OF CASHFLOWS

for the year ended 30 June 2025

	COUNCIL			GROUP	
	Actual 2025 \$000	LTP 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Net Cashflow from operating activities	28,673	41,991	17,858	31,654	19,556
Net Cashflow from Investing activities	(27,599)	(56,502)	(21,241)	(31,309)	(24,548)
Net Cashflow from Financing activities	(1,402)	9,698	(8,000)	(190)	(6,788)
Movement in Cash - Net increase/ (decrease)	(328)	(4,813)	(11,383)	(845)	(11,898)
Cash carried forward	1,981	8,392	2,307	2,642	2,968

DRAFT



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](https://www.facebook.com/wairoadistrictcouncil)



info@wairoadc.govt.nz



(06) 838 7309



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Wairoa 4108



Wairoa District Council,
P.O. Box 54, Wairoa 4160



8.2 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 September 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. Following the review of delivery against the 2024-25 capital works programme that was included in the August agenda, a follow up update on the carry forwards process and draft documentation is included in the September agenda

3.2 Annual Report

- 3.2.1. As promised in August a second draft Annual Report will be included in the September meeting agenda. This is the draft that will be audited.

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 draft Water Services Delivery Plan has been reviewed by the Department of Internal Affairs and further information has been provided.

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.

3.3.2.3. Health and Safety

3.3.2.3.1. Following the resignation of the council's Health and Safety Officer the Chief Executive is exploring a shared services option.

3.4 External audit

3.4.1. The audit team arrives onsite the day before the Committee meeting with a draft Annual Report that is approximately 96.35% complete and all information requests to date fulfilled.

3.5 Internal audit

3.5.1. Systems and processes update is provided in the September Agenda

3.5.1.1. The late findings report from a follow up review conducted by BDO has been received in draft and is under review.

3.5.2. An independent review by KPMG of procurement and purchasing processes is late, although summary findings have been presented to the leadership team.

4. SIGNIFICANCE

4.1 This matter is considered to be of low significance.

Who has been consulted?

No consultation is required.

Finance Assurance and Risk Committee Workplan 2025

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	Strategic					Workshop				Deep dive 1 – TBC		Deep dive 2 – TBC Workshop	
	Health and Safety					System Implementation Update				Exceptions and Update		Exceptions and Update	
External Audit	Corporate					Emerging				Emerging		Focus area - cyber security Insurance renewals preliminary	
						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	Internal and Operational					Contractors				Update			
	System and Process			Update		Verbal update				Update		Update	
Recovery										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		Projects and Carry Forwards		Q1 Full Report published				October Financials Projects update	
Annual Report		Status update		Draft financials report		Draft report		Final Report for endorsement					
Risk Management	Strategic			Workshop Deep dive 1 – TBC		Deep dive 2 – TBC Water Services Delivery Plan						Deep dive 3 – TBC Workshop	
	Health and Safety			Exceptions and Update		Exceptions and Update						Exceptions and Update	
Corporate	Risk Management System	Implementation update		Emerging		Emerging		Insurance renewals final				Emerging Status Report	
	Insurance - Material Damage Initiation			Risk Management System Implementation update Insurance - Liability initiation Assets and Infrastructure		Status Report							
External Audit		Update on matters outstanding						Audit Close				Progress on outstanding Management letter points	
Internal Audit	Internal and Operational	Treasury				Exceptions Procurement Review		Exceptions Procurement Review					
	System and Process	Update		Update		BDO Review		BDO Review				Update	
Recovery													

8.3 CAPITAL PROJECT DELIVERY REVIEW FOR 2024 - 2025 CARRY FORWARDS

Author: Martin Bacon, Assistant Accountant

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

Appendices: 1. Carry Forward Proposal Sample [↓](#)
2. Extract from Projects Control Workbook [↓](#)

1. PURPOSE

- 1.1 This report provides information for Committee on the prospective carry forwards of the Capital works budgets unspent in the financial year to June 2025. This report provides the carry forward request template to be completed by the project lead.
- 1.2 This update follows an overview of the 2024/25 projects programme provided to the Committee at its August 2025 meeting.

RECOMMENDATION

The Assistant Accountant 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 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.
- 2.4 There are capital works that were not completed in the 2024/25 year, and some require being carried forward so they can be delivered. This process is completed at the end of each year to ensure long-term projects, that span multiple years, are delivered.
- 2.5 It was requested in the previous meeting that an example of a carry forward request be presented to demonstrate how this process will work.

3. INFORMATION

- 3.1 **Appendix A** attached to this paper contains the carry forwards request template.
- 3.2 **Appendix B** attached to this paper contains a list of projects ear marked to go through the process, extracted from the projects control workbook previously presented to the Committee.

4. OBSERVATIONS

- 4.1 The proposed process is to review the previous year's underspend and analyse which projects are required to be brought forward. Once identified, a report will be produced for each project to be carried forward if appropriate. The template includes five questions for the project lead to answer which will form a business case for carry forward request. The business case will then be reviewed by the finance and leadership teams before it goes to Council for a final decision.

- What is the project?
- Why was the project not completed last year?
- What work has been completed?
- What is the plan for completion?
- How much is to be brought forwards?

Project ID:

Example

Picnic Tables - \$37,000 (amount to be carried forward)

This project is to place picnic tables in playgrounds around the township. This was unable to be completed in the last financial year due to the recent weather events and the changing plans for the playgrounds. We currently have plans in place to finish off this work but is waiting for the playground renewals to be finalised. We have everything in place to complete this, the tables are ready to be ordered, and we have a contractor ready to go. We want to bring forwards the remaining \$37,000 to add to the current budget of \$20,000 to install 15 tables in 4 playgrounds.

Endorsed: Y/N

Funding Source: _____

Signed: _____

Name: _____

Date:

Page 136

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 Management Update	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