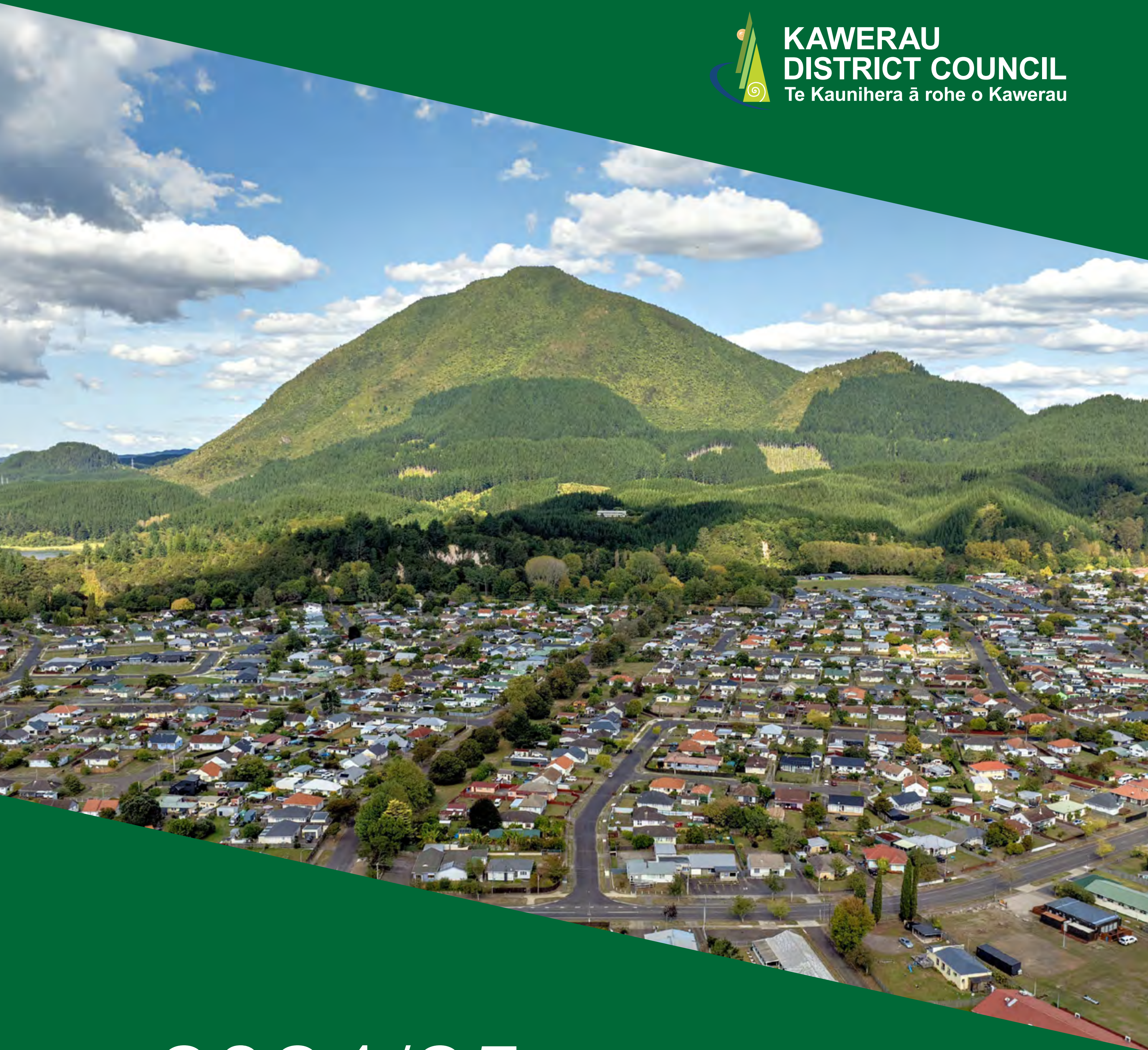
KAWERAU DISTRICT COUNCIL
Te Kaunihera ā rohe o Kawerau



2024/25
Te Pūrongo ā-Tau
Annual Report

For the year ended 30 June 2025

KAWERAU DISTRICT COUNCIL

ANNUAL REPORT FOR 2024/25

Contents | Page No

MESSAGE FROM KAHIKA | MAYOR AND TUMU WHAKARAE | CHIEF EXECUTIVE OFFICER

Kia ora mai tātau,
Ngā mihi ki a tātau.

We warmly welcome you to the annual report of Kawerau District Council (Te Kaunihera ā Rohe o Kawerau) for the year ended 30 June 2025.

Kawerau District Council and local government continue to face change and challenges. Following the Local Water Done Well legislation in 2023 and 2024, Council completed an Enhanced Annual Plan for 2024/2025. This past year, Council completed a nine-year Long Term Plan for 2025 to 2034, in parallel with a thorough review and planning for the future delivery of three waters services. The Local Water Done Well legislation requirements to implement targeted water rates, has obvious impacts on ratepayers over the course of the Long Term Plan, so it was beneficial to communicate both together to the community.

With a 12.2% overall rates increase to the community, it was another tough year for residents, businesses and for Council with national and global pressures pushing costs higher across the board.

Council ended the year with a deficit of $1.7 million, compared to the 2023/2024 deficit of $1.1 million. In addition to depreciation expenditure impacts, the economic downturn impacted budgeted income, effectively shrinking budgets with rising costs for insurance, equipment, labour and materials. Income was also affected with lower than budgeted grant income due to worst-case scenario stormwater modelling required for the Stoneham Park residential development, significantly delaying the project.

Council spent $5.8 million on capital projects compared to the annual plan capital budget of $5.9 million. The major focus was the continued renewals of drinking water reticulation, and water and wastewater plant renewals. By year end, 60% of the drinking water pipes had been renewed. Capital expenditure for three waters infrastructure continues as the major focus in the years ahead.

This Annual Report outlines how Council has delivered on what it had planned and budgeted for the year ended 30 June 2025. This is summarised below:

	Budget	Actual	Variance
Operating Revenue	22,329,280	18,621,187	(3,708,093)
Operating Expense	19,794,810	20,370,342	(575,532)
Operating Surplus/(Deficit)	**2,534,470**	**(1,749,155)**	**(4,283,625)**
Gain on Asset Revaluation	16,391,970	29,905,774	13,513,804
Total Surplus	**18,926,440**	**28,156,619**	**9,230,179**

	Budget	Actual	Variance
Assets	145,010,427	150,001,991	4,991,564
Liabilities	18,908,377	19,483,147	(574,770)
Ratepayers Equity	**126,102,050**	**130,518,844**	**4,416,794**

Significant achievements during the past financial year included:

- Following the introduction of Māori representation through Māori Wards in 2023, a representation review was completed in 2024 involving significant community engagement. The new basis for election resulting in the council table now comprising: the Mayor, two District-Wide councillors, three General Ward councillors and three Māori ward councillors.
- Ongoing agreement from Māori Investment Limited, the landowner and kaitiaki of Umukaraka Spring, for this spring to become the secondary drinking water supply for the District. Following this mutual agreement, Council upgraded the metering and infrastructure, and is progressing the resource consent application
- Progression of stormwater modelling to a 1% AED or 1 in 100-year flood event (climate change adjusted) for the catchment above Stoneham Park Residential Development was required by the Bay of Plenty Regional Council. This work will continue into the new financial year, with the aim to achieve resource consent for the earthworks to commence stage one of the development
- Residential property sales: The two vacant units at Porritt Glade were sold with a Right to Occupy in late 2024 resulting in all 29 units being occupied. Sale of the two-bedroom spec build completed
- More than 1,000 people attended the Mayors' Taskforce for Jobs and ISK Industrial Open Day held in July 2024 successfully connecting the community and industry
- Ongoing development of rangatahi in Kawerau via the Kawerau Youth Council with continued interest to serve on the council for the 2025 calendar year
- The Kawerau Youth Council continues to offer development opportunities for members and the community through the delivery of high-quality events. In 2024, a highlight was the Kawerau Young Achiever Awards that attracted a record-breaking crowd of some 400 people to support the 100-plus recipients
- Completion of 60% of the planned drinking water pipes renewals in the community
- Opening of the Off Highway Road that connects industry and forestry roads to the planned container terminal was opened by Minister Shane Jones, with Mayor Faylene Tunui and Sequal's David Turner
- Fluoridation of the drinking water supply, as directed by the Ministry of Health, commenced on 1 October 2024, following an earlier extension granted by the Ministry of Health
- Formal mihi whakatau for landowners was held to recognise the boundary reorganisation between Kawerau District Council and Whakatāne District Council, of some 546 hectares in April 2025
- Construction and blessing of a new stand-alone Cemetery naming shelter was at the Kawerau Cemetery
- Heads of Agreement signed with the Bay of Plenty Housing Equity Fund in November to invest in Stoneham Park Residential Development. The fund is a pioneering initiative comprising funding agencies and private investors to support housing initiatives in the Bay of Plenty
- Mayors' Taskforce for Jobs partnered with Ara Taiohi to host Kawerau Mana Taiohi Wānanga and Code of Ethics Training, dedicated to the development and well-being of our rangatahi (youth)
- Partnering with the Whakatāne and Ōpōtiki district councils, Kawerau progressed and engaged with the community for the Eastern Bay Spatial Plan, a 30-year plan for growth
- Installation of six solar panels on the Council office roof and a tesla battery provides added resilience and greater sustainability. Council will reduce CO_2 emissions by 34% or one ton of CO_2 per annum
- Rangitāiki Kapa Haka Festival 2024 was held in Kawerau
- Relocation and unveiling of new Te Marukaa Plaque on River Road for greater public accessibility

Council and the community greatly appreciate the support of the following organisations who provided funding throughout the year for events and projects:

- New Zealand Community Trust (NZCT)
- Lion Foundation
- Trust Horizon
- Creative New Zealand Communities Grants
- Ministry for Social Development (for Mayors Taskforce for Jobs)
- Ministry for Youth and Development
- Ministry of Business, Innovation and Employment (MBIE)
- BayTrust

We also wish to acknowledge the support of Tangata Whenua iwi, residents, businesses, stakeholders, and ratepayers.

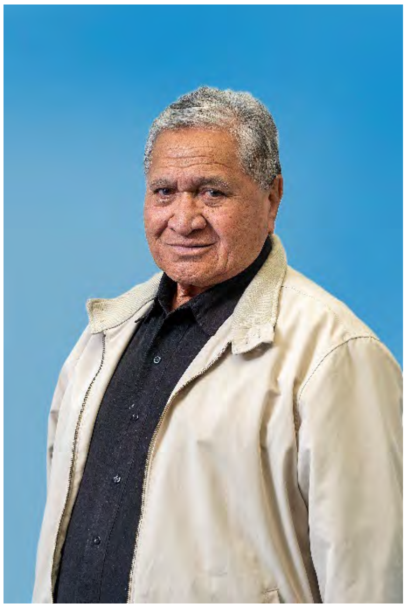
The guidance and support of Council's Iwi Liaison and Cultural Advisor Te Haukakawa Te Rire has been of immeasurable value to the people within our Council and community. Our Council staff (kaimahi) continue to work hard to honour Tangata Whenua and the principles of the Treaty of Waitangi.

Heoi ano, in closing we wish to acknowledge and thank our community for their ongoing commitment to making Kawerau a place we call home, where we can proudly live, work and play. Your support, guidance and feedback is valued.

Faylene Tunui
MAYOR
KAHIKA

Morgan Godfery, LLB
CHIEF EXECUTIVE OFFICER
TUMU WHAKARAE

TANGATA WHENUA AND IWI RELATIONSHIPS AND CONTRIBUTION TO DECISION-MAKING



Te Kaunihera ā rohe o Kawerau (Kawerau District Council) is committed to an open dialogue and working relationship with Māori, Tangata Whenua and Iwi, and is working to grow and enhance these relationships.

Council recognises Ngāti Tūwharetoa (Bay of Plenty) Settlement Trust as tangata whenua of the Kawerau rohe, and as a statutory Te Tiriti o Waitangi consultation partner.

At a governance level, the role undertaken by Ngāti Tūwharetoa ki Kawerau Kaumātua provides immeasurable value for the organisation, our people and community.

During the 2024/2025 year, Council has continued to meet regularly with Iwi Kaumātua and acknowledges the support, knowledge and expertise of Tūwharetoa ki Kawerau Kaumātua and Council Iwi Liaison and Cultural Advisor Te Haukakawa Te Rire (pictured) who provides ongoing invaluable guidance on matters of tikanga ā-Iwi and tika.

With heartfelt gratitude, Council wishes to acknowledge Koro Te Haukakawa Te Rire for his support and guidance to the Mayor and elected members, the Council team and the community during the previous year. Koro Te Haukakawa Te Rire provides Council with a Te Ao Māori lens within policy, decision-making and cultural areas that leads, shapes and improves our organisational thinking and practices.

Depth grows with understanding and during recent years this role has grown as the Council increasingly embeds Te Ao Māori into decision-making and operations. The expertise and guidance, and ongoing commitment to encourage and support for the organisation is greatly appreciated. In addition, we wish to acknowledge the many wānanga held to share and raise the capability and knowledge of Council staff (kaimahi).

Te Kaunihera ā rohe o Kawerau also wishes to acknowledge the guidance and support of Tūwharetoa ki Kawerau Kaumātua Te Amorangi Graham Te Rire, Luvi Ngaheu, Tohia o te Rangi Marae Chair Tomai Fox and Kaumātua and Rautahi Marae committee chair Te Waraki (Chic) Te Ruki.

The Council has increased connections to the wider hapori of Tūwharetoa ki Kawerau through engagement with Tūwharetoa ki Kawerau Hauora and wishes to acknowledge co-chairs Dot Mareroa and Dr Sneha Jessica Gray, and incoming Chair Merehia Savage. Council acknowledges and supports Tūwharetoa ki Kawerau Hauora Te Papa Maengenge (Board of Trustees) mahi to support and improve the lives of those who chose our Kawerau rohe as home. The need for community-lead solutions to be designed for and delivered by communities has clearly paved the way for future successes and Council acknowledges the role of this community-lead organisation Tūwharetoa ki Kawerau Hauora.

In terms of moving into the space of engagement, the Council acknowledges that an important facet is the timeliness of raising issues with Iwi Kaumātua. Council continues to encourage and develop our processes to ensure better planning to engage at the earliest stage.

A significant proportion of Māori residents in Kawerau are from Iwi other than Ngāti Tūwharetoa ki Kawerau. Council ensures the view of the entire hapori by engaging with the Kaumātua and Rautahi Marae committee, a Marae representing many Iwi and ethnicities, and consultation partner.

Council acknowledges all Iwi based organisations in the rohe as consultation partners including the Putauaki Trust, Māori Investments Limited (MIL), the Kaumātua forum and respective Māori Land Trusts.

In addition, the Council acknowledges Te Rūnanga o Ngāti Awa and Te Mana o Ngāti Rangitihi Trust, also Te Tiriti o Waitangi consultation partners, and the post Treaty Settlement entities representing these Eastern Bay Iwi. Both Ngāti Awa and Ngāti Rangitihi have a historical connection to whenua and awa in and around the Kawerau rohe.

SIGNIFICANT EVENTS DURING THE YEAR

WATER SERVICES REFORM

The water services reform legislation, namely the Water Services Entities Act 2022, the Water Services Legislation Act 2023 and the Water Services Economic Efficiency and Consumer Protection Act 2023, was repealed on 17 February 2024. The Government enacted the Local Government Water Services Preliminary Arrangements Act 2024. The new legislation requires Council to deliver a Water Services Delivery Plan (WSDP) to the Secretary for Local Government by 3 September 2025. The plan must include the anticipated or proposed model or arrangements and implementation plan for delivering water services.

Council submitted the Water Services Delivery Plan to the Secretary of Local Government on the 3rd of September 2025. Council is awaiting the outcome of the review and approval of the Water Service Delivery Plan by the Secretary for Local Government.

WATER TREATMENT PLANT UPGRADES

A major upgrade of the water treatment plant occurred with the renewal of four 45kW pumps and controls of the drinking water pumping system to the reservoirs, installation of the fluoridation system, and the pH system utilising caustic soda (replacing the former lime treatment). Three Waters' Team Leader Glen Penny is pictured at the Water Treatment Plant with the new telemetry control system.

OFF HIGHWAY ROAD OPENED

Minister for Regional Development MP Shane Jones (centre) with Sequal Managing Director David Turner (left) and Mayor Faylene Tunui at the opening of the off-highway-road that will streamline industry. The 1.6km road off State Highway 34 connects Kawerau Industrial Park to a private forestry road, removing large trucks from local roads and providing connectivity between the Putauaki Industrial Park and a planned container terminal.

Te Kaunihera ā rohe o Kawerau Governance

The Kawerau rohe is currently represented by a Mayor and eight Councillors who were elected and inaugurated (sworn in) on 25 October 2022 at Rautahi Marae in Kawerau.

Mayor | Kahika:	F K N (Faylene) Tunui
Deputy Mayor | Koromātua Waha Tuarā:	A (Aaron) Rangihika
Councillors | Kaikaunihera:	R (Rowena) Andrews
	W (Warwick) Godfery
	C J (Carolyn) Ion
	B J (Berice) Julian
	S (Sela) Kingi
	J (Justin) Ross
	R G K (Rex) Savage

Committees:	Regulatory and Services	(Chairperson: Cr Carolyn J Ion)
	Audit and Risk	(Chairperson: Philip Jones)

Chief Executive Officer and Senior Leadership Team:

Chief Executive Officer | Tumu Whakarae	Morgan Godfery, LLB
Group Manager, Finance and Corporate Services	Lee-Anne Butler, CA, BMS
Group Manager, Regulatory and Planning	Michaela Glaspey, LLB
Group Manager, Operations and Services	Riaan Nel B. Tech (Mech), Hon B.Sc
Economic and Community Development Manager	Lee Barton
Manager Communications and Engagement and Residential Developments	Tania Humberstone
People and Culture Manager	Sandra Collins-Rieger

KAWERAU DISTRICT COUNCIL
Te Kaunihera ā rohe o Kawerau

Vision

"To create a resilient and sustainable Kawerau that meets the needs of the future"

Mission Statement

- Represent the interests and aspirations of the Kawerau Community, within and beyond the District.
- Promote the social, economic, environmental and cultural wellbeing of the Kawerau Community.
- Continue to provide an industrial base within the District for established industries and their supporting businesses.
- Promote the advantages of Kawerau in order to grow the District population and to further encourage industrial investment and development.
- Ensure that the independence of the District is maintained.

Statement of Principles

To achieve its mission, Council will:

- Provide services, facilities and infrastructure that can support a high quality of life in Kawerau.
- Develop a culture of cost effectiveness, customer service and Community responsiveness.
- Engage with all sectors of the Community to determine their needs and priorities.
- Maintain a fair system of rating to ensure that Council services are sustainable and satisfy Community needs.
- Inform and seek feedback from the Community about Council's current and planned activities.
- Work cooperatively with government agencies, territorial authorities, and other stakeholders to maintain or improve Council services.
- Maintain relationships with industry and business groups represented in the District.
- Promote the District to attract development.

Kawerau – Taonga o te whenua Treasure of the land.

COMPLIANCE WITH COUNCIL POLICIES

All local authorities are required to prepare the following funding and financial policy documents:

- Revenue and Financing Policy
- Investment Policy
- Liability Management Policy
- Development Contributions or Financial Contributions Policy
- Rates Remission and Rates Postponement on Māori Freehold Land Policy

This report provides an overview of the extent to which Council has complied with its policies.

REVENUE AND FINANCING POLICY

Council reviewed and adopted the Revenue and Financing Policy in June 2025 as part of the preparation of the Long Term Plan 2025–2035. The objective of this policy is to ensure that the costs of Council's activities are met by those benefiting from, or contributing to the need for, the activity.

The overall funding mix achieved by Council for 2024/25 was consistent with its Revenue and Financing Policy.

INVESTMENT POLICY

Council reviewed and adopted the Investment and Policy on 30 October 2024. Council delegates responsibility for the management, monitoring and reporting of its investments to the Regulatory and Services Committee. The Investment Policy document sets out the parameters for the operation of the investments that Council can be involved with. The mix of investments between short-term and longer term is determined according to Council's working capital needs.

There were no significant variations or material departures from Council's objectives for its investment activities as reported in the Investment Policy. Council's investments returned $84,081 compared to the Annual Plan estimate for 2024/25 of $52,000.

LIABILITY MANAGEMENT POLICY

Council's Liability Management Policy was adopted on 30 October 2024. The policy ensures that Council's debt and associated risks are maintained at prudent levels.

There were no significant variations or material departures from Council's Liability Management Policy during the year.

FINANCIAL CONTRIBUTIONS POLICY

Council's Financial Contributions Policy adopted 18 December 2024, retains the provisions of the District Plan that allows the assessment of financial contributions.

No financial contributions were received during the 2024/25 financial year.

RATES REMISSION AND POSTPONEMENT FOR MĀORI FREEHOLD LAND POLICY

This Policy sets out the conditions and criteria for the remission and postponement of rates on Māori Freehold Land.

There were no variations or departures during the year from Council's policy as reported in Council's Long Term Plan 2021-2031.

STATEMENT OF COMPLIANCE

COMPLIANCE AND RESPONSIBILITY

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

The Council and Management accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial and service performance reporting. The statement performance information in this report is compliant with NZ Generally Accepted Accounting Practice (GAAP).

In the opinion of the Council and Management, the Annual Report for the year ended 30 June 2025 fairly reflects the financial performance, financial position, cash flows and service performance of the Council.

Faylene K N Tunui
Mayor Kahika

Morgan Godfery, LLB
Chief Executive Officer
Tumu Whakarae

Mayor Faylene Tunui (centre), Council Iwi Liaison and Cultural Advisor Te Haukakawa Te Rire and Councillor Sela Kingi unveil the new Te Marukaa Plaque

Independent Auditor's Report

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

The Auditor-General is the auditor of Kawerau District Council (the Council). The Auditor-General has appointed me, René van Zyl, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf.

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

We are also required to report on:

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

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

Opinion on the audited information

In our opinion:

- the financial statements of the Council on pages 15 to 50:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2025;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime;
- the Council's statement of service performance for the year ended 30 June 2025 on pages 57 to 106:
  - provides an appropriate and meaningful basis to enable readers to assess the Council's actual service provision for each group of activities; determined in accordance with generally accepted accounting practice in New Zealand;
  - fairly presents, in all material respects, the Council's actual levels of service for each group of activities, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime.
- the statement comparing actual capital expenditure to budgeted capital expenditure for each group of activities of the Council for the year ended 30 June 2025 on 64 to 108, has been prepared, in all material respects, in accordance with clause 24 of Schedule 10 to the Act;
- the funding impact statement for each group of activities of the Council for the year ended 30 June 2025 on 64 to 107 has been prepared, in all material respects, in accordance with clause 26 of Schedule 10 to the Act; and
- the funding impact statement of the Council for the year ended 30 June 2025 on page 19, has been prepared, in all material respects, in accordance with clause 30 of Schedule 10 to the Act.

Report on the disclosure requirements

We report that:

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

Date

We completed our work on 29 October 2025. This is the date on which we give our opinion on the audited information and our report on the disclosure requirements.

Emphasis of matter – Future of water delivery

Without modifying our opinion, we draw attention to note 30 on page 48, which outlines that in response to the Government's Local Water Done Well reforms, the Council has decided to deliver water services itself.

There is some uncertainty as the proposal is yet to be accepted by the Secretary for Local Government.

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

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

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

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

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

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

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

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

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

Responsibilities for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We evaluate whether the statement of service performance includes all groups of activities that we consider are likely to be material to the readers of the annual report.
- We evaluate whether the measures selected and included in the statement of service performance for groups of activities present an appropriate and meaningful basis that will enable readers to assess the

Council's actual performance. We make our evaluation by reference to generally accepted accounting practice in New Zealand.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

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

Responsibilities for the disclosure requirements

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

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

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

Other information

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

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

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

Independence

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

In addition to our audits of the Council and our report on the disclosure requirements, we have carried out audit engagement for the 2025-34 Long term plan and performed a limited assurance engagement on the Council's debenture trust deed, which are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the Council.

René van Zyl
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

KAWERAU DISTRICT COUNCIL

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the Year Ended 30 June 2025

$ 2023/24		Note	$ Budget	$ 2024/25
	Revenue			
13,057,847	Rates revenue	3	14,518,750	14,618,756
2,933,953	Subsidies and grants	4	4,852,850	1,487,779
1,720,585	Fees and charges	5	2,540,680	2,050,600
81,650	Interest revenue	8	52,000	84,081
312,994	Other revenue	5	365,000	379,971
0	Vested assets		0	0
18,107,029	**Total Revenue**		**22,329,280**	**18,621,187**
	Expenses			
6,838,457	Personnel costs	6	7,335,980	7,247,973
4,606,264	Depreciation and amortisation expense	13-15	4,338,620	4,744,406
213,916	Finance costs	8	350,000	331,013
7,366,878	Other expenses	7	7,770,210	7,841,451
183,778	Loss on disposal of property, plant and equipment		0	205,499
19,209,293	**Total Expenses**		**19,794,810**	**20,370,342**
(1,102,264)	**SURPLUS / (DEFICIT)**		**2,534,470**	**(1,749,155)**
	Other comprehensive revenue and expense			
0	Property, plant and equipment revaluation		16,391,970	29,905,774
(1,102,264)	**TOTAL COMPREHENSIVE REVENUE AND EXPENSE**		**18,926,440**	**28,156,619**

Explanations of significant variances against budget are detailed in Note 32
The accompanying notes, including Accounting Policies, form part of these financial statements.

KAWERAU DISTRICT COUNCIL
STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

$ 2023/24		Note	$ Budget	$ 2024/25
	ASSETS			
	Current assets			
2,801,969	Cash and cash equivalents	9	3,482,150	2,261,225
1,806,905	Receivables	10	2,477,970	2,260,543
0	Other financial assets	12	0	0
289,697	Prepayments		0	188,264
2,728,614	Inventory	11	8,742,360	2,466,140
7,627,185	Total current assets		14,702,480	7,176,172
	Non-current assets			
136,252	Other Financial Investment including CCOs	12	286,250	336,252
111,651,666	Property, plant and equipment	13	129,915,267	142,384,420
90,741	Intangible assets	14	106,430	105,147
111,878,659	Total non-current assets		130,307,947	142,825,819
119,505,844	**TOTAL ASSETS**		**145,010,427**	**150,001,991**
	LIABILITIES			
	Current liabilities			
3,376,772	Payables and deferred revenue	16	3,442,727	2,984,816
4,008,554	Borrowings and other financial liabilities	19	17,800	9,264
1,042,403	Employee entitlements	18	919,050	1,237,587
8,484,615	Retirement Village – Residents Liability	20	8,245,000	9,039,728
10,000	Provisions		10,000	0
16,922,344	Total current liabilities		12,634,577	13,271,395
	Non-current liabilities			
131,429	Payables and deferred revenue	16	142,080	125,714
33,982	Borrowings and other financial liabilities	19	6,068,810	6,024,718
55,866	Employee entitlements	18	62,910	61,322
0	Provisions	17	0	0
221,277	Total non-current liabilities		6,273,800	6,211,754
17,143,621	**TOTAL LIABILITIES**		**18,908,377**	**19,483,149**
102,362,223	**NET ASSETS**		**126,102,050**	**130,518,842**
	EQUITY			
36,867,511	Accumulated Funds	21	45,920,270	35,000,438
65,494,712	Reserves	21	80,181,780	95,518,404
102,362,223	**TOTAL EQUITY**		**126,102,050**	**130,518,842**

The accompanying notes, including Accounting Policies, form part of these financial statements. Explanations of significant variances against budget are detailed in Note 30

KAWERAU DISTRICT COUNCIL
STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2025

$ 2023/24	Total Equity	Note	$ Budget	$ 2024/25
103,464,487	Balance at 1 July		107,175,610	102,362,223
(1,102,264)	Total comprehensive revenue and expense		18,926,440	28,156,619
102,362,223	**Balance at 30 June**		**126,102,050**	**130,518,842**

The accompanying notes, including Accounting Policies, form part of these financial statements.

Council's focus on the Housing Strategy to grow the district continued with the building and sale of a two-bedroom unit in Bell Street in late 2024.

KAWERAU DISTRICT COUNCIL
STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2025

$ 2023/24		Note	$ Budget	$ 2024/25
	CASH FLOWS FROM OPERATING ACTIVITIES			
12,579,114	Receipts from rates revenue		14,384,170	14,576,524
0	Rates on behalf Regional Council		0	2,982
3,240,894	Subsidies and grants received		4,852,850	1,523,164
1,642,838	Fees and charges received		2,904,740	1,918,406
83,072	Interest received		51,990	84,081
62,860	Receipts from other revenue		65,000	61,868
(8,410,629)	Payments to suppliers		(7,616,870)	(7,634,844)
(6,551,345)	Payment to employees		(7,242,230)	(7,047,333)
(187,298)	Interest paid		(350,000)	(297,594)
64,327	Goods and services tax (net)		0	(29,978)
(21,542)	Regional Council rates paid		0	(5,407)
2,502,290	Net cash flow from operating activities		7,049,650	3,151,869
	CASH FLOWS FROM INVESTING ACTIVITIES			
0	Receipts from sale of property, plant and equipment			0
(13,021)	Purchase of intangible assets		0	(38,502)
(50,000)	Sale/(Purchase) of investments		(3,150, 000)	(200,000)
1,124,997	Receipt from ORA – Retirement Village		0	841,821
(6,584,335)	Purchase of property, plant and equipment		(5,624,680)	(6,287,380)
(5,522,359)	Net cash flow from investing activities		(8,774,680)	(5,684,061)
	CASH FLOWS FROM FINANCING ACTIVITIES			
2,047,872	Loans/Finance Leases Raised		6,000,000	6,000,000
0	Repayment of borrowings		(4,000,000)	(4,000,000)
(5,335)	Payment of principal for finance leases		(17,800)	(8,552)
2,042,537	Net cash flow from financing activities		1,982,200	1,991,448
(977,532)	**Net increase/(decrease) in cash, cash equivalents and bank overdrafts**		257,170	(540,744)
3,779,501	Cash, cash equivalents and bank overdrafts at the beginning of the year		3,224,980	2,801,969
2,801,969	**Cash, cash equivalents and bank overdrafts at the end of the year**	9	3,482,150	2,261,225

The accompanying notes, including Accounting Policies, form part of these financial statements.

Explanations of significant variances against budget are detailed in Note 32

KAWERAU DISTRICT COUNCIL
FUNDING IMPACT STATEMENT

(Whole of Council)
For the year ended 30 June 2025

	2024		2025	
	$ Annual Plan	$ Actual	$ Annual Plan	$ Actual
SOURCES OF OPERATING FUNDING				
General rates, UAGC and rate penalties	11,770,850	11,874,186	13,212,910	13,238,608
Targeted rates	1,167,360	1,183,661	1,370,840	1,380,147
Subsidies and grants for operating purposes	4,680,030	1,431,024	3,539,600	1,140,493
Fees and charges	2,218,260	1,720,584	2,200,150	2,082,993
Interest and dividends from investments	97,530	81,651	52,000	84,081
Local Authorities Fuel tax, fines, infringements and other receipts	648,900	62,860	640,500	60,868
TOTAL OPERATING FUNDING (A)	**20,582,930**	**16,353,966**	**21,016,000**	**17,987,190**
APPLICATIONS OF OPERATING FUNDING				
Payment to staff and suppliers	18,132,830	14,215,339	18,106,180	15,086,499
Finance costs	177,500	213,916	350,000	331,013
Other operating funding applications	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**18,310,330**	**14,429,255**	**18,456,180**	**15,417,512**
SURPLUS/(DEFICIT) OF OPERATING FUNDING (A-B)	**2,272,600**	**1,924,711**	**2,559,820**	**2,569,678**
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	916,500	1,502,929	1,313,250	347,285
Development and Financial contributions	0	0	0	0
Increase/(decrease) in debt	1,982,000	2,053,206	1,982,200	1,991,446
Gross proceeds from sale of assets	0	0	0	32,393
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	1,125,000	0	841,821
TOTAL SOURCES OF CAPITAL FUNDING (C)	**2,898,500**	**4,681,135**	**3,295,450**	**3,212,945**
APPLICATIONS OF CAPITAL FUNDS				
Capital expenditure:				
- to meet additional demand	0	0	0	0
- to improve the level of service	320,000	0	1,000,000	0
- to replace existing assets	6,407,700	6,950,322	4,642,470	5,791,295
Increase/(decrease) in reserves	(1,556,600)	(394,476)	212,800	(208,672)
Increase/(decrease) of investments	0	50,000	0	200,000
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**5,171,100**	**6,605,846**	**5,855,270**	**5,782,623**
SURPLUS/(DEFICIT) OF CAPITAL FUNDING (C-D)	**(2,272,600)**	**(1,924,711)**	**(2,559,820)**	**(2,569,678)**
FUNDING BALANCE ((A-B)+(C-D))	**0**	**0**	**0**	**0**

The accompanying notes, including Accounting Policies, form part of these financial statements.

1. Statement of Accounting Policies for the Year Ended 30 June 2025

REPORTING ENTITY

Kawerau District Council is a territorial local authority established under the Local Government Act 2002, is domiciled and operates in New Zealand and has designated itself a public benefit entity for financial reporting purposes.

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

BASIS OF PREPARATION

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

The financial statements of Kawerau District Council (KDC) have been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with the reduced disclosure regime of tier 2 Public Benefit Entities, as Council:

- Has total expenses of less than $33 million for the year and
- Does not have debt or equity instruments nor holds assets in a fiduciary duty for a broad group of outsiders.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, and financial instruments.

The financial statements are presented in New Zealand dollars. The functional currency of KDC is New Zealand dollars.

These financial statements are prepared in accordance with the Public Benefit Entity standards and comply with these standards.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue

Revenue is measured at the fair value of consideration received or receivable.

The accounting policies for significant revenue items are explained as follows:

Rates revenue
The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.

- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of the Bay of Plenty Regional Council (BOPRC) are not recognised in the financial statements as Council is acting as an agent for the BOPRC.

Waka Kotahi - New Zealand Transport Agency Subsidies
KDC receives government grants from Waka Kotahi - New Zealand Transport Agency, which subsidises part of KDC's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

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

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.

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

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

Vested assets
Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in KDC are recognised as revenue when control over the asset is obtained.

Interest and dividends
Interest revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

Amenity fees

The Occupation Right Agreement (ORA) conferring the right to occupancy are considered leases under PBE IPSAS 13 – Leases. The amenities fee is calculated as a percentage of the ORA amount and accrues monthly, for a set period, based on the terms of the individual contracts and treated as lease income over the period. The current Disclosure Statement and ORA accrues amenity fees at the rate of 3% per annum for a maximum of 10 years.

The amenities fee is recognised on a straight-line basis in the Statement of Comprehensive Revenue and Expense over the average expected length of stay of residents.

The amenities fee is payable by the resident at the time of repayment (to the resident) of the refundable ORA amount due. At year end, the amenities fee receivable that has yet to be recognised in the Consolidated Statement of Comprehensive Revenue and Expense as amenities fee revenue is recognised as deferred amenities fee on the Consolidated Balance Sheet.

The timing of the recognition of amenities fee is a critical accounting estimate and judgement. The management fee is recognised on a straight-line basis in the Statement of Comprehensive Revenue and Expenditure over the average expected length of stay of residents. The current assessments are as follows:

Expected average length of stay	30 June 2024	30 June 2025
Independent living units	10 years	10 years

There is uncertainty regarding how long a resident stays, as they have complete autonomy to terminate their ORA when and for such reasons as they see fit. As the village is new, there is limited data to determine the length of stay. At 30 June 2025, an increase in the average expected length of stay of residents by one year is estimated to reduce amenities fee revenue by $26,065 (2024: $22,740) and a decrease of one year would increase amenities fee revenue by $31,857 (2024: $27,793).

Borrowing Costs

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

Grant Expenditure

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

Discretionary grants are those grants where KDC has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of KDC's decision.

Leases

Finance leases
A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, KDC recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether KDC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases
An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and Cash Equivalents

Cash and Cash Equivalents include cash in hand, on-call deposits held with banks, bank overdrafts and other short term high liquidity investments with original maturities of three months or less.

Receivables

Short-term receivables are recorded at the amount due, less an allowance for Expected Credit Losses (ECL). The Council applies the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been assessed on a collective basis as they possess shared credit risk characteristics. A provision matrix is used to establish the expected credit losses, which is based on the days past due date and those debts that have been referred to a Debt Collection Agency.

Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding rates debts, which assist in the high likelihood of recovering rates.

Financial assets

KDC classifies its financial assets into the following categories; loans and receivables and financial assets at fair value through other comprehensive revenue and expense. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

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

Purchases and sales of investments are recognised on trade-date, the date on which KDC 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 KDC has transferred substantially all the risks and rewards of ownership.

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

The categories of financial assets are:

1. Loans and receivables

   These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the balance date which are included in non-current assets.

   After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

   Financial assets in this category include cash, cash equivalents, short term deposits (maturities 4 – 12 months) and debtors

2. Fair value through other comprehensive revenue and expense

   Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within twelve months of balance date.

   This category encompasses:

   - Investments that Kawerau District Council intends to hold long-term, but which may be realised before maturity.
   - Shareholdings that it holds for strategic purposes.

   These investments are measured at their fair value with gains and losses recognised in other comprehensive revenue and expense except for impairment losses, which are recognised in the surplus or deficit. On de-recognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Currently, KDC has shares in BOPLASS Ltd and Local Government Insurance Corporation (Civic Assurance) which are recorded at cost.

Impairment of financial assets

At each balance date, KDC assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Loans and receivables and held-to-maturity investments
Impairment is established when there is evidence that KDC will not be able to collect amounts according to the original terms of the receivable. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cashflows discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible it is written off against the allowance amount. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Impairment in term deposits, local authority stock, government bonds and community loans are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense
For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measures as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit. Equity instrument impairment losses recognised in the surplus or deficit, are not reversed through the surplus or deficit.

Inventory

Council currently holds two categories of inventory. These are:

- Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis, are measured at the lower of cost and current replacement cost.
- Residential sections which are available for sale. Council has developed residential sections which are currently held for sale and are measured at the lower of cost or net realisable value in accordance with PBE IPSAS 12.

The cost of purchased inventory is determined using the FIFO method.

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

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

The write down from cost to current replacement cost is recognised in the surplus or deficit in the period of the write-down.

Property, plant and equipment

Property, plant and equipment consist of:

Operational assets — these include land, buildings, library books, plant and equipment, and motor vehicles.

Restricted assets — restricted assets are parks and reserves owned by KDC, which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

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

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

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

Revaluation
Operational land and buildings are shown at fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by CBRE Limited, and the valuation was effective as at 30 June 2025.

Restricted land and buildings are shown at fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by CBRE Ltd, and the valuation was effective as at 30 June 2025.

Infrastructural asset classes: roads, water reticulation, sewerage reticulation and stormwater systems are recorded at fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by Bayleys Ltd, and the valuation was effective as at 30 June 2025. All infrastructural asset classes carried at valuation were valued.

Land under roads, was valued based on fair value of adjacent land determined by CB Richard Ellis, effective 1 July 2004. On transition to NZ IFRS, KDC elected to use the fair value of land under roads as at 30 June 2005 as deemed cost. Additions are recorded at cost. Land under roads is no longer revalued.

Library books were valued at deemed cost as at 1 July 1991, by Beca Carter Hollings and Ferner, (Registered Valuers). Library additions are recorded at cost less accumulated depreciation on the diminishing value basis.

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

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

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

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit.
Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit, will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

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

Work in progress is recognised at cost, less impairment and is not depreciated. Property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, (non-exchange transaction), it is recognised at fair value as at the date of acquisition.

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

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

Depreciation
Depreciation is provided on either the straight-line (SL) or diminishing value (DV) basis on all property, plant and equipment other than land and pavement formation, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The estimated useful lives, associated depreciation rates and depreciation basis for each major class of assets is as follows:

	Estimated Useful Life	Depreciation Rate	Basis
Operational			
Buildings	3-50 years	2.0-33.0%	SL
Computer/Electronic Office Equipment	3-15 years	6.7-33.3%	SL
Fixtures, Fittings & Equipment	5-50 years	2.0-20.0%	DV
Plant (including vehicles)	5 years	20.0%	DV
Library Collections (excluding special collections)	7 years	15.0%	DV
Special Collections	Not depreciated		
Infrastructural			
Roading Network			
Street lighting	5-47 years	2.13-20.0%	SL
Kerb, channel & footpath	5-100 years	1.0-20.0%	SL
Bridges and Culverts	18-80 years	1.25-5.3%	SL
Pavement surface	3-19 years	5.26-33.3%	SL
Pavement structure	5-80 years	1.25-20.0%	SL
Stormwater	5-100 years	1.0-20.0%	SL
Water Systems:			
Collection & Storage	2-80 years	1.25-50.0%	SL
Local Distribution	5-80 years	1.25-20.0%	SL
Wastewater Systems:			
Reticulation system	5-80 years	1.25-20.0%	SL
Pumping & Treatment	5-80 years	1.25-20.0%	SL
Restricted			
Buildings & Other	6-25 years	4.0%-16.7%	SL

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.
Some assets components classified as buildings have a shorter life than others and therefore there is a significant range for the estimated useful lives of these assets.

Intangible assets

Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by KDC, are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

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 surplus or deficit.

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

	Estimated Useful Life	Amortisation Rate	Basis
Computer Software	3 - 8 years	12.5 – 33.3%	SL

Impairment of property, plant and equipment and intangible assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment at balance date. When there is an indicator of impairment, the asset's recoverable amount is estimated.

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

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the Council would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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

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 the surplus or deficit.

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 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 (other than goodwill) the reversal of an impairment loss is recognised in the surplus or deficit.

Payables

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

Employee entitlements

Short-term employee benefits
Employee benefits that KDC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

KDC recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that KDC anticipates it will be used by staff to cover those future absences.

Long-term employee entitlements
These are employee entitlements that are payable beyond 12 months, which include long service leave and retirement leave, and have been calculated on an actuarial basis.

The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- The present value of the estimated future cash flows. A discount rate of 3.0%, and an inflation factor of 2.0% were used.
- The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Superannuation schemes

Defined contribution schemes
Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of comprehensive revenue and expense as incurred.

Refundable Occupation Right Agreements

Occupation right agreements (ORA) conferring the right to occupancy are considered leases under PBE IPSAS 13 – Leases. A new resident is charged a refundable security deposit on being issued the right to occupy which is refunded to the resident on termination, after the subtraction of the capital deduction. The Operator (Council) has a legal right to set off any amounts owing to the Operator by a resident against that resident's deposit, including amenities fee, loans receivable, service fees and village fees. As the agreement can be cancelled by the resident with one month's notice, the liability is considered to have a demand feature and is therefore shown at face value and classified in full as a current liability.

The right of residents to occupy the properties of the Operator (Council) are protected by the Statutory Supervisor restricting the ability of the Operator to fully control these assets without undergoing a consultation process with all affected parties. Residents do not have a right to participate in capital gains.

Provisions

KDC recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

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

Landfill
KDC has a responsibility under its resource consent to provide ongoing maintenance and monitoring of the Kawerau landfill after the site is closed.

KDC recognises a liability for these costs. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred and the provision has been estimated taking account of existing technology and using a discount rate of 3.0%.

Financial guarantee
A financial guarantee contract is a contract that requires KDC to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a standalone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a provision is recognised based on the probability that KDC will be required to reimburse a holder for a loss incurred, discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if KDC assesses that it is probable that expenditure will be required to settle a guarantee then the provision for the guarantee is measured at the present value of the future expenditure.

KDC currently is not a guarantor for any group or individual.

Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Equity

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

1. Accumulated Funds
2. Restricted and Council created reserves
3. Property revaluation reserves

Restricted and Council Created Reserves
Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by KDC.
Restricted reserves are those subject to specific conditions accepted as binding by KDC and which may not be revised by KDC without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Property Revaluation Reserves
This reserve relates to the revaluation of property, plant and equipment to fair value.

Goods and Services Tax (GST)

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council for 2024/25 in the Annual Plan 2024/25. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by KDC for the preparation of the financial statements.

Cost allocation

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

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

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Critical accounting estimates and assumptions

In preparing these financial statements KDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:
Landfill aftercare provision
Note 17 provides information about the estimates and assumptions surrounding the landfill after care provision.

Estimating the fair value of land, buildings and infrastructure assets
Note 13 provides information about the estimates and assumptions surrounding the fair value of land, buildings and infrastructure assets.

Infrastructural assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Costs (DRC) 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 potable (drinking) 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; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions; for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset then KDC could be over or under estimating the annual deprecation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, KDC'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 KDC's asset management planning activities, which gives KDC further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations. Note 13 provides information about the estimates and assumptions surrounding infrastructure assets

Critical judgements in applying KDC's accounting policies

Management has exercised the following critical judgements in applying the KDC's accounting policies for the period ended 30 June 2025:

Classification of property
KDC owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the KDC's social housing policy. They are leased to and operated by the Kawerau Social Services Trust in order to meet these objectives. The properties are accounted for as property, plant and equipment.

Changes in accounting policies

<u>PBE IPSAS 33 Disclosure of Fees from Audit Firms' Services (Amendments to PBE IPSAS 1)</u>
Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1) has been adopted in the preparation of these financial statements. The amendment changes the required disclosures for fees for services provided by the audit or review provider, including a requirement to disaggregate the fees into specific categories. This new disclosure is included in note 7.

<u>Other changes in accounting policies</u>
There have been no other changes in accounting policies.

2. Summary of Revenue and Expenditure for Groups of Activities

Revenue and expenditure for groups of activities

2023/24		Budget	2024/25
	Revenue		
1,209,996	Democracy	928,810	1,174,976
2,188,549	Economic Development	5,265,160	2,293,444
1,547,122	Environmental Services	1,556,410	1,645,559
1,928,555	Roading	2,944,470	1,937,179
383,728	Stormwater	189,880	165,667
2,066,696	Water	1,872,370	1,889,698
1,848,801	Wastewater	1,960,300	1,954,179
2,977,867	Solid Waste	3,555,040	3,330,687
4,761,246	Leisure and Community Services	4,920,180	4,914,680
18,912,560		23,192,620	19,306,069
(805,531)	Less internal revenue	(863,340)	(684,882)
18,107,029	**Total revenue**	**22,329,280**	18,621,187

2023/24		Budget	2024/25
	Expenditure		
1,264,495	Democracy	948,800	1,281,111
2,172,387	Economic Development	2,164,510	2,282,962
1,373,339	Environmental Services	1,556,410	1,443,888
2,428,991	Roading	2,594,480	2,553,203
367,221	Stormwater	429,880	394,860
2,317,908	Water	2,110,380	2,595,145
2,054,123	Wastewater	2,184,290	2,171,708
3,141,705	Solid Waste	3,561,230	3,546,285
4,886,731	Leisure and Community Services	5,128,190	5,039,165
20,006,900		20,678,170	21,308,327
(797,607)	Less internal expenditure	($883,360)	(937,982)
19,209,293	**Total expenditure**	**19,794,810**	**20,370,342**

3. Rates Revenue

2023/24		2024/25
9,580,798	General rate (charged on property's capital value)	10,799,528
2,176,739	Uniform Annual General Charge	2,313,391
	Targeted rates attributable to activities:	
157,778	Water Supply – Uniform Annual Charge	213,900
43,886	Water Supply – metered	57,380
383,890	Wastewater	438,020
598,107	Refuse Collection	670,847
116,649	Rate penalties	125,688
13,057,847	**Total revenue from rates**	14,618,756

Rates revenue is shown net of rates remissions. KDC's rate remission policy allows KDC to remit rates (for the purpose of ensuring the rates charged to these properties are fair and equitable) which are shown below:

2023/24		2024/25
13,071,949	**Total rates revenue**	14,652,685
	Rates remissions	
(14,102)	Higher value properties/Farms	(33,929)
13,057,847	**Rates revenue net of remissions**	**14,618,756**

In accordance with the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. This includes schools, places of religious worship, public gardens & reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of water, wastewater and refuse collection. Non-rateable land does not constitute a remission under KDC's remission policies.

4. Subsidies and Grants

2023/24		2024/25
623,114	Waka Kotahi – Roading Subsidies	560,432
306,133	Waka Kotahi – Subsidies for Stormwater	37,287
2,004,706	Grants for other capital projects and events	890,060
2,933,953		**1,487,779**

Subsidies and Government Grants carried forward $254,727 ($2024: $217,658) to the 2025/26 financial year are:

- Tarawera Walkway (MBIE) Grant - $112,854 (2024: $0)
- BOP LASS grant CCTV - $123,667 (2024: $165,500)
- Freedom Camping (DIA) grant – $14,668 (2024: $39,972)
- Ministry of Youth Development grant - $3,538 (2024: $12,186)

5. Fees and charges and other revenue

2023/24		2024/25
1,720,585	User fees and charges	2,050,600
62,860	Petrol Tax	60,868
0	Profit on disposal of Assets	32,393
250,134	Amenities Fee	286,710
2,033,579	**Total fees and charges and other revenue**	**2,430,571**

6. Personnel Costs

2023/24		2024/25
6,402,553	Salaries & Wages	6,884,255
8,250	Employer contributions to multi-employer defined benefit plans	8,541
140,542	Employer contributions to Kiwisaver	154,537
287,112	Increase/ (decrease) in employee benefit liabilities	200,640
6,838,457	**Total employee benefit expenses**	**7,247,973**

7. Other expenses

2023/24		2024/25
29,511	General grants	24,820
2,095,512	Contractors	2,350,198
341,742	Insurance premiums	370,026
244,564	Consultants and legal fees	331,042
127,702	Impairment of receivables (note 10)	49,943
	Fees to auditors	
160,389	* fees to Audit NZ for audit of the financial statements	185,825
10,011	* fees to Audit NZ for audit of Council's Long Term Plan	105,262
19,094	* fees to Audit NZ for audit of Porritt Glade Lifestyle Village	13,875
7,000	* fees to Audit NZ for audit of Council's Debenture Trust Deed	7,000
0	* fees to Audit NZ for under provision of prior year audit fees	0
4,331,353	Other operating expenses	4,403,460
7,366,878		**7,841,451**

8. Interest revenue and finance costs

2023/24		2024/25
	Interest revenue:	
81,650	Term deposits	84,081
	Interest expense:	
(202,570)	Interest - loan	(327,478)
(11,346)	Interest on finance leases	(3,535)
(132,266)	**Net interest revenue**	**(246,932)**

9. Cash and cash equivalents

2023/24		2024/25
2,801,969	Cash at bank and in hand	2,261,225
0	Short term deposits with maturities of 3 months or less	0
2,801,969	**Total cash and cash equivalents**	**2,261,225**

The carrying value of short-term deposits with maturity dates of 3 months or less approximates to their fair value.

10. Receivables

2023/24		2024/25
1,043,872	Rates receivable	1,162,253
380,067	Other receivables	380,752
0	Licence to occupy deposits	0
224,827	Sundry debtors	579,364
295,436	GST receivable	325,414
1,944,202		2,447,783
(137,297)	Less Expected Credit Losses	(187,240)
1,806,905	**Current portion**	**2,260,543**
215,232	Receivables from non-exchange transactions	585,430

1,591,673	Receivables from exchange transactions	1,675,113
1,806,905		**2,260,543**

Movements in the Expected Credit Losses are as follows:

2023/24		**2024/25**
9,595	Balance as at 1 July measured under PBE IPSAS 29	137,297
127,702	Additional provisions made during the year	49,943
0	Receivables written off during the period	0
137,297	**At 30 June**	**187,240**

11. Inventory

2023/24		**2024/25**
	Inventories held for distribution (Non-Commercial):	
145,440	Water & sewerage reticulation spare parts	128,560
62,839	Other	84,966
208,279	**Total inventories held for distribution (Non-commercial)**	**213,526**
	Inventory held for sale (Commercial):	
2,520,335	Residential Developments – Hine Te Ariki Place, Central Cove & Stoneham Park	2,252,614
2,520,335	**Total inventory held for sale (Commercial)**	**2,252,614**
2,728,614	**Total**	**2,466,140**

There has been no write-down of inventory during the year (2023/24 – $nil)
No inventories are pledged as securities for liabilities (2023/24 - $nil)

12. Other Financial Assets/Investments in CCOs

2023/24		**2024/25**
	Current portion	
	Loans and receivables	
0	Short term deposits with maturities of 4 -12 months	0
0	**Total loans and receivables**	**0**
	Non-current portion	
	Investments - at cost	
31,161	Investment in Civic Financial Services Limited	31,161
100,000	Debenture Stock	300,000
5,091	Investment in BOPLASS Ltd - CCO	5,091
136,252		**336,252**

There were no impairment provisions or expenses for other financial assets.

Shares in Civic Financial Services Limited are held at cost. The asset backing for these shares at 31 December 2024 was $0.94 (2023 - $0.93).

Maturity analysis and effective interest rates

The maturity dates for all other financial assets with the exception of equity investments, and advances to, subsidiaries and associates are as follows:

2023/24	Short Term Deposits	2024/25
0	Average investment	0
0		**0**

13. Property, plant and equipment 2025

	Cost/ revaluation 30-Jun-24	Accum Depn and Imp Chgs 30-Jun-24	Carrying Amount 30-Jun-24	WIP	Curr. Yr Additions	Curr. Yr Disposals (Cost)	Curr. Yr Disposals (Accum Depn)	Curr. Yr Depn	Valuation Adjustment	Cost/ revaluation 30-Jun-25	Accum Depn and Imp Chgs 30-Jun-25	Carrying Amount 30-Jun-25
Council operational assets												
Land	10,530,796	0	10,530,796	0	0	0	0	0	(772,796)	9,758,000	0	9,758,000
Buildings	22,711,644	(1,709,826)	21,001,818	0	140,282	0	0	885,703	3,797,756	24,081,700	0	24,081,700
Plant, machinery & vehicles	2,955,105	(1,772,406)	1,182,699	0	302,500	(172,758)	146,814	228,364	0	3,150,187	(1,918,529)	1,231,658
Fixtures, fittings and equipment	5,891,996	(3,632,654)	2,259,342	0	154,314	(18,177)	13,361	246,081	0	5,935,242	(3,800,800)	2,134,442
Library collections	1,975,866	(1,602,714)	373,152	0	78,188	0	0	61,837	0	2,054,053	(1,664,551)	389,502
Leased assets	49,216	(4,535)	44,681	0	0	0	0	9,574	0	49,216	(14,110)	35,106
Work in progress	33,047	0	33,047	0	14,540	0	0	0	0	47,587	0	47,587
Total operational assets	44,147,670	(8,722,135)	35,425,535	0	689,823	(190,935)	160,175	1,431,559	3,024,960	45,075,985	(7,397,990)	37,677,995
Roading network	25,420,996	(3,074,392)	22,346,604	0	486,849	(19,798)	0	1,432,586	8,018,409	29,399,478	0	29,399,478
Water - Other	15,448,163	(1,067,599)	14,380,564	128,710	1,562,152	(270,928)	115,987	554,584	8,108,102	23,343,750	0	23,343,750
Water – Treatment Plant	1,770,146	(192,021)	1,578,125	0	1,118,302	(11,259)	11,259	145,235	380,105	3,059,480	(1,929)	3,057,551
Sewerage - Other	11,098,492	(910,509)	10,187,983	0	790,196	0	0	477,867	3,977,709	14,478,020	0	14,478,020
Sewerage – Treatment Plant	4,516,835	(372,922)	4,143,913	0	157,537	0	0	199,387	1,783,486	5,885,550	0	5,885,550
Stormwater - Network	6,607,859	(637,825)	5,970,034	0	73,127	0	0	326,964	4,357,883	10,074,080	0	10,074,080
Work in Progress	128,710	0	128,710	(128,710)	722,315	0	0	0	0	722,315	0	722,315
Total infrastructural assets	64,991,201	(6,255,268)	58,735,933	0	4,910,478	(301,985)	127,246	3,136,622	26,625,694	86,962,673	(1,929)	86,960,744
Council restricted assets												
Land	15,076,924	0	15,076,924	0	0	0	0	0	(329,500)	14,747,424	0	14,747,424
Buildings	2,589,765	(255,694)	2,334,071	0	152,489	0	0	149,481	584,620	2,921,700	0	2,921,700
Library - Special Collection	12,300	0	12,300	0	0	0	0	0	0	12,300	0	12,300
Other	88,100	(21,196)	66,904	0	0	0	0	2,650	0	88,100	(23,846)	64,254
Total restricted assets	17,767,089	(276,890)	17,490,199	0	152,489	0	0	152,131	255,120	17,769,524	(23,846)	17,745,678
Total property, plant and equipment	**126,905,960**	**(15,254,293)**	**111,651,667**	**0**	**5,752,790**	**(492,920)**	**287,421**	**4,720,312**	**29,905,774**	**149,808,182**	**(7,423,765)**	**142,384,417**

Property, plant and equipment 2024

Council operational assets	Cost/ revaluation 30-Jun-23	Accum Depn and Imp Chgs 30-Jun-23	Carrying Amount 30-Jun-23	WIP	Curr. Yr Additions	Curr. Yr Disposals (Cost)	Curr. Yr Disposals (Accum Depn)	Curr. Yr Depn	Valuation Adjustment	Cost/ revaluation 30-Jun-24	Accum Depn and Imp Chgs 30-Jun-24	Carrying Amount 30-Jun-24
Land	10,530,796	0	10,530,796	0	0	0	0	0	0	10,530,796	0	10,530,796
Buildings	21,288,521	(850,698)	20,437,823	200,533	1,222,590	0	0	859,127	0	22,711,644	(1,709,826)	21,001,818
Plant, machinery & vehicles	2,618,772	(1,534,505)	1,084,267	0	336,333	0	0	237,902	0	2,955,105	(1,772,406)	1,182,699
Fixtures, fittings and equipment	5,512,088	(3,405,779)	2,106,309	0	398,728	(18,821)	15,045	241,920	0	5,891,996	(3,632,654)	2,259,342
Library collections	1,910,835	(1,542,601)	368,234	0	65,030	0	0	60,112	0	1,975,866	(1,602,714)	373,152
Leased assets	90,259	(90,259)	0	0	47,872	(88,915)	88,915	3,191	0	49,216	(4,535)	44,681
Work in progress	217,737	0	217,737	(200,533)	15,843	0	0	0	0	33,047	0	33,047
Total operational assets	42,169,008	(7,423,842)	34,745,166	0	2,086,396	(107,736)	103,960	1,402,252	0	44,147,670	(8,722,135)	35,425,535
Roading network	25,000,233	(1,666,913)	23,333,320	0	447,451	(26,690)	0	1,407,480	0	25,420,996	(3,074,392)	22,346,604
Water - Other	13,492,955	(529,565)	12,963,390	0	2,088,367	(133,159)	11,867	549,901	0	15,448,163	(1,067,599)	14,380,564
Water – Treatment Plant	1,437,476	(93,272)	1,344,204	0	357,470	(24,800)	15,214	113,963	0	1,770,146	(192,021)	1,578,125
Sewerage - Other	10,221,780	(443,177)	9,778,603	0	892,312	(15,600)	867	468,198	0	11,098,492	(910,509)	10,187,983
Sewerage – Treatment Plant	4,141,524	(184,113)	3,957,411	0	384,412	(9,100)	1,400	190,209	0	4,516,835	(372,922)	4,143,913
Stormwater - Network	6,092,617	(316,809)	5,775,808	0	515,243	0	0	321,016	0	6,607,859	(637,825)	5,970,034
Work in Progress	25,920	0	25,920		102,790	0	0	0	0	128,710	0	128,710
Total infrastructural assets	60,412,505	(3,233,849)	57,178,656	0	4,788,045	(209,349)	29,348	3,050,767	0	64,991,201	(6,255,268)	58,735,933
Council restricted assets												
Land	15,076,924	0	15,076,924	0	0	0	0	0		15,076,924	0	15,076,924
Buildings	2,526,903	(126,756)	2,400,148	0	62,862	0	0	128,938		2,589,765	(255,694)	2,334,071
Library - Special Collection	12,300	0	12,300	0	0	0	0	0	0	12,300	0	12,300
Other	88,100	(18,547)	69,553	0	0	0	0	2,650	0	88,100	(21,196)	66,904
Total restricted assets	17,704,227	(145,302)	17,558,925	0	62,862	0	0	131,587	0	17,767,089	(276,890)	17,490,199
Total property, plant and equipment	**120,285,740**	**(10,802,993)**	**109,482,747**	**0**	**6,937,303**	**(317,085)**	**133,308**	**4,584,606**	**0**	**126,905,960**	**(15,254,293)**	**111,651,667**

Core asset disclosures

Valuation

Land and Buildings
Council's operational and restricted land and buildings were revalued by independent registered valuer Grant Utteridge of CBRE Limited as at 30 June 2025. The land is valued at fair value as determined from market-based evidence by the independent valuer. For buildings these assets were revalued on the basis of depreciated replacement cost in accordance with PBE IPSAS 17. Non-specialised buildings (residential and commercial) were valued using market based evidence (income and lease data). Specialised assets were valued on the basis of depreciated cost replacement method.

Depreciated replacement cost is determined using a number of significant assumptions, which include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- For the Council's earthquake-prone buildings that are expected to be strengthened, the estimated earthquake-strengthening costs have been deducted off the depreciated replacement cost.
- The remaining useful life of assets is estimated after considering factors such as the condition of the assets, future maintenance and replacement plans, and experience with similar buildings.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Infrastructural Assets
Council's Infrastructural assets were revalued by independent registered valuer Mike Morales of Bayleys Ltd, on the depreciated replacement cost basis as at 30 June 2025 in accordance with PBE IPSAS 17. These assets were considered to be specialised as they were unlikely to be sold on the open market.

The depreciated replacement cost is determined using a number of significant assumptions, which include:

- Estimating any obsolescence or surplus capacity of the asset
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of benefits of the asset, Council could be over or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

The library collection was initially valued at deemed cost in accordance by Beca Carter Hollings and Ferner (Valuers) in 1991 and since then additions have been recorded at cost and depreciation charged on the diminishing value basis.

Disposals
The net loss on disposal of property, plant and equipment $205,499 (2024 - $183,778) has been recognised in the statement of comprehensive revenue and expense.

Leases
The net carrying amount of plant and equipment held under finance leases is $35,106. (2024 - $44,681).

Impairment
There were no impairment losses incurred for the year to 30 June 2025 (2024 – nil).

Restrictions
Land and buildings in the Restricted Assets category are subject to either restrictions on use or disposal or both. This includes restrictions from legislation (such as a reserve under the Reserves Act 1977) or other restrictions (such as land or buildings under a bequest or donation that restricts the purpose for which the assets can be used). No restricted assets are used as security for Council liabilities.

Core infrastructure asset disclosure
Included within the Council infrastructure assets (above) are the following core Council assets.

2025	**Closing book value**	**Additions (constructed)**	**Additions (transferred)**	**Most recent replacement cost estimate for revalued assets (30 June 2025)**
Water Supply:				
-Treatment plant	3,057,551	1,690,862	0	4,149,600
-Other assets (reticulation)	23,343,750	1,562,152	0	42,464,780
Sewerage:				
-Treatment plant	5,885,550	157,537	0	12,933,570
-Other assets (reticulation)	14,478,020	790,196	0	30,603,440
Stormwater drainage	10,074,080	73,127	0	30,368,670
Roads and Footpaths	29,399,478	486,849	0	60,065,020
2024				**Replacement cost:**
Water Supply:				**(30 June 2024)**
-Treatment plant	1,578,125	357,470	0	2,738,150
-Other assets (reticulation)	14,380,564	2,088,367	0	36,926,140
Sewerage:				
-Treatment plant	4,143,913	384,412	0	7,689,320
-Other assets (reticulation)	10,187,982	892,312	0	31,620,630
Stormwater drainage	5,970,034	515,243	0	22,979,900
Roads and Footpaths	22,346,607	447,451	0	54,301,100

14. Intangible assets

2023/24		2024/25
	Acquired computer software	
	Balance at 1 July	
522,103	Cost	535,123
(422,724)	Accumulated amortisation and impairment	(444,382)
99,379	Opening carrying amount	**90,741**
13,020	Additions	38,500
(21,658)	Amortisation charge	(24,094)
90,741	**Closing carrying amount**	**105,147**
	Balance at 30 June	
535,123	Cost	573,623
(444,382)	Accumulated amortisation and impairment	(468,476)
90,741	**Closing carrying amount**	**105,147**

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

15. Depreciation and amortisation expense by group of activity

2023/24 Actual	Depreciation and amortisation expense (for group of activity)	2024/25 Budget	2024/25 Actual
24,346	Democracy	17,440	24,981
484,268	Economic and community development	484,940	485,326
31,245	Environmental services	34,490	31,001
1,393,403	Roading	1,386,210	1,425,351
321,376	Stormwater	320,660	327,504
672,763	Water supply	686,280	710,778
679,184	Wastewater	649,880	697,789
44,562	Solid waste	41,740	50,626
745,480	Leisure and recreation	716,980	792,872
209,637	Other activities	0	198,178
4,606,264	**Total**	**4,338,620**	**4,744,406**

16. Payables and deferred revenue

2023/24	**Current portion:** **Payables and deferred revenue under exchange transactions:**	2024/25
1,185,680	Trade payables	900,602
1,089,258	Accrued expenses	769,147
5,714	Revenue in advance	5,714
2,280,653	**Total**	**1,675,463**
	Payables and deferred revenue under non-exchange transactions:	
964,489	Rates fees and grants received in advance	1,196,172
12,689	Rates due to BOP Regional Council	4,300
118,941	Deposits and bonds	108,881
1,096,119	**Total**	**1,309,353**
3,376,772	**Total payables and deferred revenue**	**2,984,816**
	Non-current portion:	
	Payables and deferred revenue under exchange transactions:	
$131,429	Income in advance	**$125,714**

17. Provisions

2023/24		2024/25
	Current provisions are represented by:	
10,000	Landfill aftercare provision	0
	Non-current provisions are represented by:	
0	Landfill aftercare provision	0

2023/24		2024/25
	Landfill aftercare provision	
19,709	Opening balance	10,000
(17,062)	Amount utilised	(17,062)
291	Discounting changes	0
7,062	Increase/(Decrease) in provision	7,062
10,000	**Closing Balance**	**0**

KDC gained a resource consent in late 2002 to operate the Kawerau Landfill. KDC has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site is closed. The landfill closed in July 2006 and the cash outflows for landfill post-closure are expected to occur until 2024/25. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

The provision, taking into account existing technologies and known legal requirements, is estimated at $0 (2024 - $10,000) over the remaining life of the resource consent. This liability has been discounted to a current value of $0 (2024 - $10,000) using a discount rate of 3.00% (2024 – 3.0%).

18. Employee Entitlements

2023/24		2024/25
732,158	Annual leave	797,178
55,866	Retirement gratuities	61,322
310,245	Accrued salaries	440,409
1,098,269	**Total employee benefit liabilities**	**1,298,909**
	Comprising:	
1,042,403	Current	1,237,587
55,866	Non-current	61,322
1,098,269	**Total employee benefit liabilities**	**1,298,909**

Note: The 29th of June 2025 was the last day for the payroll period and the accrual comprises: accrued payroll, PAYE and employee deductions. No provision has been made for sick leave liability as the number of sick days taken by all employees during 2024/25 did not exceed the sick leave entitlement for the year. The present value of retirement gratuities, depends on a number of factors and are determined on an actuarial basis. Two key assumptions are used in calculating this liability: the discount rate and the salary inflation factor. Any changes to these assumptions will affect the carrying amount of the liability. A weighted average discount rate of 3% (2024 3%) and an inflation factor of 2.0% (2024 2.0%) were used.

19. Borrowings and other financial liabilities

2023/24		2024/25
	Current	
8,554	Finance leases	9,264
4,000,000	Loan	0
4,008,554	**Total current borrowings**	**9,264**
	Non-current	
0	Loan	6,000,000
33,982	Finance Lease	24,718
33,982	**Total non-current borrowings**	**6,024,718**

Security

KDC's loans are secured over either targeted or general rates of the District. A new loan for $2,000,000 was uplifted in October 2024 and a renewal loan for $4,000,0000 was raised in April 2025 following the maturity of two earlier loans. Both loans are due for repayment on the 20 April 2029 and the interest rate is 4.91% and 4.55% p.a. respectively.

Lease liabilities are effectively secured, as the rights to the leased asset revert to the lessor in the event of default.

Internal borrowings

Information about internal borrowings is provided in note 23 of the annual report. Internal borrowings are eliminated on consolidation of activities in the financial statements.

Analysis of finance lease liabilities

2023/24		2024/25
	Total minimum lease payments are payable	
8,554	Not later than one year	9,264
33,982	Later than one year and not later than five years	24,718
42,536	Total minimum lease payments	33,982
(7,941)	Future finance charges	(4,847)
34,595	**Present value of minimum lease payments**	**29,135**
	Present value of minimum lease payments are payable	
5,460	Not later than one year	6,880
29,135	Later than one year and not later than five years	22,255
34,595	**Total**	29,135

Description of material leasing arrangements

During 2023/24 a new photocopier lease agreement was entered into for a 5 year period with a nominal value of $47,872 and an annual interest rate of 8.0%

The net carrying amount of the leased items within each class of property, plant and equipment is shown in Note 13.

The finance leases can be renewed at KDC's option with the agreement of the lessor, with rents equal to the original terms. KDC does not have the option to purchase the assets at the end of the lease terms.

20. Retirement Village – Liability to residents

2023/24		2024/25
6,366,500	Residents liability – refundable occupation right agreements –	6,930,000
2,118,115	Residents liability – refundable amenities fee	2,109,728
8,484,615	**Total refundable occupational rights agreements**	**9,039,728**

Refundable Occupational Right Agreements and Amenity fees are liabilities for liquidity purposes as the entity does not have an unconditional right to defer these. A terminating resident occupational license deposit is repaid once the license has been assigned to an incoming resident.

It is expected that the new residents' deposits will generally exceed the repaid residents deposits and will represent a positive cash flow for Council.

21. Equity

2023/24		2024/25
	Accumulated Funds	
36,506,158	As at 1 July	36,867,511
	Transfers to:	
(2,275,136)	Council created reserves	(2,357,341)
	Transfers from:	
	Restricted reserves	
89,497	Revaluation reserve - disposals	128,363
3,649,256	Council created reserves	2,111,060
(1,102,264)	Total Comprehensive Revenue and Expense	(1,749,155)
36,867,511	**As at 30 June**	**35,000,438**
	Council created reserves	
4,857,502	As at 1 July	3,483,382
	Transfers to:	
(3,649,256)	Accumulated Funds	(2,111,060)
	Transfers from:	
2,275,136	Accumulated Funds	2,357,341
3,483,382	**As at 30 June**	**3,729,663**
	Property revaluation reserves	
62,100,827	As at 1 July	62,011,330
0	Total Comprehensive Revenue and Expense	29,905,774
(89,497)	Revaluation reserve - disposals	(128,363)
62,011,330	**As at 30 June**	**91,788,741**
65,494,712	**TOTAL RESERVES**	**95,518,404**

	Asset revaluation reserves consist of:	
	Operational Assets	
8,555,849	Land	7,783,053
74,548	Landscaping	74,548
7,263,642	Buildings	11,061,398
95,916	Other Equipment	95,916
15,989,955		**19,014,915**
	Infrastructural Assets	
15,884,522	Roading Network	23,890,546
7,305,080	Water System	15,677,307
6,239,966	Wastewater System	12,001,161
3,111,634	Stormwater Network	7,469,519
32,541,202		**59,038,533**

	Restricted Assets	
11,104,250	Land	10,774,750
2,375,923	Buildings	2,960,543
13,480,173		**13,735,293**
62,011,330		**91,788,741**

22. Reserves

2023/24 $	Council created Reserves Purpose of Fund	Deposits $	Expenditure $	2024/25 $
3,483,382	**General Asset Renewal Reserve for all Council Assets – (**Depreciation Reserve for all Council assets where depreciation is funded).	2,357,341	(2,111,060)	3,729,663
3,483,382	**Total**	**2,357,341**	**(2,111,060)**	**3,729,663**

Council resolved at the Council meeting of 29 March 2023, to combine all the current separate activity depreciation reserve accounts into one Council created reserve account called "General Depreciation Reserve". The Council created depreciation reserves have been funded by the General Rate.

The Council created reserve fund is held to fund the required asset renewals of Council's assets. Any surplus held in the reserve is credited with interest. The Council created reserve is a discretionary reserve which is funds set aside for the renewal of assets and Council has full discretion to determine the application of the reserve fund.

Council also has revaluation reserves, which records the amount that Council's assets have increased in value.

23. Internal Loans

Internal Loans are used to fund capital works from reserves where there are insufficient funds set aside in the specific council created depreciation reserve. The internal loans are charged approximately the same interest rate as Council's average return on bank investments and the remaining repayment periods for these loans ranges between 3 and 17 years. Internal loan costs (interest and principal) are funded by the activity for which the loan was raised, and the corresponding revenue is recognised in interest revenue. Internal borrowings are eliminated on consolidation of activities in Council's financial statements.

2023/24			2024/25		
Interest $	**Loans $**	**Internal Loans**	**Interest $**	**Repayments $**	**Loans $**
		Solid Waste:			
947	22,020	Transfer Station Loan	414	(22,020)	0
		Leisure and Recreation:			
1,008	34,532	Swimming Pool Loan	813	(8,062)	26,470
9,038	350,831	Changing rooms Loan	8,679	(14,754)	336,077
19,079	740,641	Firmin Lodge Loan	18,323	(31,147)	709,494
10,007	389,346	Archives/Museum Loan	9,640	(15,127)	374,219
40,079	**1,537,370**	**Total**	**37,869**	**(91,110)**	**1,446,260**

24. Capital commitments and operating leases

At the 30 June 2025 there were outstanding contracts for work still to be done totaling $2,314,263 (2024 $1,735,403).

Capital commitments were for Water reticulation renewals $2,069,785 (2024: $986,054)and water treatment plant upgrade $244,478 (2024: $651,101) and Fluoride plant installation $0 (2024: $98,248).

Council leases the Tarawera Sports Clubrooms which is situated on Tarawera Park reserve to the Kawerau Sports Club Inc. The lease is for a period of 5 years and expires on 28 February 2027.

2023/24		2024/25
	Total minimum lease payments	
5,316	Not later than one year	5,316
8,878	Later than one year and not later than five years	3,562
14,194	Total minimum lease payments	8,878

25. Contingencies

Council currently has no outstanding loan guarantees for community organisations (2024 - $Nil).

Kawerau District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme (‘Riskpool’). The Scheme is in wind down; however, the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call, in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in *Napier City Council v Local Government Mutual Funds Trustee Limited,* it has been clarified that Riskpool has a liability for that member’s claim in relation to non-weathertight defects (in a mixed claim involving both weathertight and non-weathertight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

26. Related Party Transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect Council would have adopted in dealing with the party at arm’s length in the same circumstances.

Council has an interest in a Council Controlled Organisation, holding a one eighth share in Bay of Plenty Local Authority Shared Services Limited (BOPLASS). Total transactions for the period are:

2023/24		2024/25
18,202	Annual Contribution	18,802
20,320	Services Provided	38,453
38,522	**Total**	**57,255**

2023/24	**Key management personnel compensation:**	2024/25
	Councillors:	
378,388	Remuneration (including non-financial benefits)	398,596
9	Full-time equivalent members (NB number of elected members)	9

	Senior management team including Chief Executive Officer	
945,234	Remuneration (including non-financial benefits)	992,598
26,995	Employer contribution to Kiwi-saver scheme	29,777
6	Full-time equivalents	6
1,323,622	Total key management personnel remuneration	1,391,194
15	Total full-time equivalent personnel	15

27. Remuneration

2023/24		**2024/25**
	Chief Executive Officer	
	Morgan Godfery	
93,500	Salary	211,000
2,678	Employer contribution to Kiwi saver scheme	6,330
	The Chief Executive Officer also received an additional benefit of $10,000 for private of Council Vehicle	10,000
	Russell George (For 2023/24 year July 2023 - October 2023)	
97,114	Salary	0
2,913	Employer contribution to Kiwi-saver scheme	0
	The Chief Executive Officer also received additional benefit in 2023 - $600 for telephone rental.	
	Chris Marjoribanks (Interim CE November 2023- January 2024	
37,155	Contract for Services	0
233,360	Total Chief Executive Officer Remuneration	**227,330**

2023/24				**2024/25**
	Elected Members			
Total		Communication Allowance	Salary	**Total**
108,078	Mayor - F K N Tunui *	0	111,214*	111,214
44,893	Deputy Major – A Rangihika	2,150	43,849	45,999

Total		Communication Allowance	Salary	**Total**
39,904	Chairperson - C J Ion	2,150	39,151	41,301
32,354	Councillor – R Andrews	2,150	31,322	33,472
32,354	Councillor - W Godfery	2,150	31,322	33,472
32,354	Councillor - B J Julian	2,150	31,322	33,472
32,354	Councillor – S Kingi	2,150	31,322	33,472
32,354	Councillor – J Ross	2,150	31,322	33,472
31,604	Councillor - R G K Savage	1,400	31,322	32,722

* Includes value of vehicle

28. Staffing Levels and Remuneration

As at 30 June 2025 there were 49 staff which received annual salaries of less than $60,000 (2024 47 employees).

2023/24	Total annual remuneration (in bands)	2024/25
No of Staff	(Total remuneration includes non-financial benefits provided to employees)	No of Staff
53	Salary < $60,000	49
18	Salary $60,000 - $79,999	25
7	Salary $80,000 - $99,999	7
7	Salary $100,000 - $139,999	7
4	Salary $140,000 - $219,999	5
89	**Total**	**93**

2023/24		2024/25
64	Number of staff which were full-time employees. (>40 hours per week)	62
12.2	Number of part time staff (ie < 40 hours per week) expressed as FTE	16.3

29. Severance Payments

During the year, $12,000 severance payments were made to one Council employees (2024: $29,231).

30. Events after balance date

Water Service Reforms

The water services reform legislation, namely the Water Services Entities Act 2022, the Water Services Legislation Act 2023 and the Water Services Economic Efficiency and Consumer Protection Act 2023, was repealed on 17 February 2024. The Government has recently enacted the Local Government Water Services Preliminary Arrangements Act 2024. The new legislation requires Council to deliver a Water Services Delivery Plan (WSDP) to the Secretary for Local Government by 3 September 2025. The plan must include the anticipated or proposed model or arrangements and implementation plan for delivering water services.

Council submitted the Water Services Delivery Plan to the Secretary of Local Government on the 3rd of September 2025. Council is awaiting the outcome of the review and approval of the WSDP by the Secretary.

31. Financial Instruments

Financial instrument categories

The accounting policies for financial instruments have been applied to the items below:

2023/24		2024/25
	Financial Assets	
	Loans and receivables	
2,801,969	Cash and cash equivalents	2,261,225
604,894	Debtors and other receivables	960,116
0	Held to maturity investments of 4-12 months	0
3,406,863	**Total loans and receivables**	**3,221,341**
	Fair value through other comprehensive revenue and expense	
136,252	Investments in unlisted shares	336,252
136,252	**Total fair value through other comprehensive revenue and expense**	**336,252**

4,449,690	**Total financial assets**	**4,532,606**

	Financial Liabilities	
2023/24	**Financial liabilities at amortised cost**	**2024/25**
2,406,569	Creditors and other payables	1,782,929
8,554	Finance Leases	9,264
8,484,615	Retirement Village – Residents Liability	9,039,728
4,000,000	Borrowings	0
14,899,738	**Total financial liabilities at amortised cost**	**10,831,921**
	Non-current liabilities	
33,982	Finance lease	24,718
0	Borrowings	6,000,000
33,982	**Total non-current liabilities**	**6,024,718**
14,933,720	**Total financial liabilities**	**16,856,639**

32. Explanation of major variances against budget

Explanations for major variations from KDC's estimated figures in the Annual Plan for 2024/25 are as follows:

Statement of comprehensive revenue and expense

The significant variances from the estimated figures include: Less “subsidies and grants” revenue resulting from the delays to the Stoneham Park residential development and NZTA declining subsidy for some the budgeted roading projects. Fees and Charges income is lower than budget as there were significantly less fees from refuse disposal resulting from less volumes being received.

There was additional depreciation expenditure following asset additions during the year and also losses (unbudgeted) arising from the disposal of assets.

Finally, there is increased revenue for “Property, Plant and Equipment Revaluation”. This mostly resulted from increased cost of construction and materials over the last 3 years.

Descriptions of variances compared to budget are also included in the group Funding Impact Statements.

Statement of financial position

Cash and cash equivalents are lower than budget due to some residential sales not proceeding and inventory is lower than budget due to delays with Stoneham Park development.

Non-current assets (as well as reserves) were higher than budget due to the revaluation of assets at 30 June 2025.

Liabilities overall were close to budget although there are variances for the current and non-current liabilities due to the timing of loan repayments.

Statement of cash flow

Subsidies and grants were considerably lower than anticipated due to delays to the "Stoneham Park" residential development and also NZTA did not approve funding for some of the roading projects. There was reduced fees and charges revenue due to lower refuse disposal volumes for the year.

Also, there were two Occupation Right Agreement (retirement village) payments as well as two ORA renewals received for the year, which had not been budgeted. There are no units available for sale at 30 June 2025.

The budget had anticipated there would be a $423k higher opening cash balance as more residential sales had been predicted during 2023-24.

33. Rating Base

30 June 2024		30 June 2025
3,006	Number of rating units	3,006
$1,423,510,500	Capital value of rating units	$1,423,510,500
$540,170,000	Land value of rating units	$540,170,000

34. Insurance Disclosure

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

30 June 2024		30 June 2025
86,134,687	Total value of all Council assets covered by insurance contracts	118,067,837
235,666,110	Maximum amount to which insured assets are insured	231,118,435
0	Total value of all Council assets covered by financial risk sharing arrangements (Council withdrew from this arrangement on 1 June 2014)	0
0	Maximum amounts available to Council under financial risk sharing arrangements.	0
	Council does not have any assets that are self-insured (2022 Nil)	

KAWERAU DISTRICT COUNCIL
DISCLOSURE STATEMENTS
FOR YEAR ENDING 30 JUNE 2025

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 is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

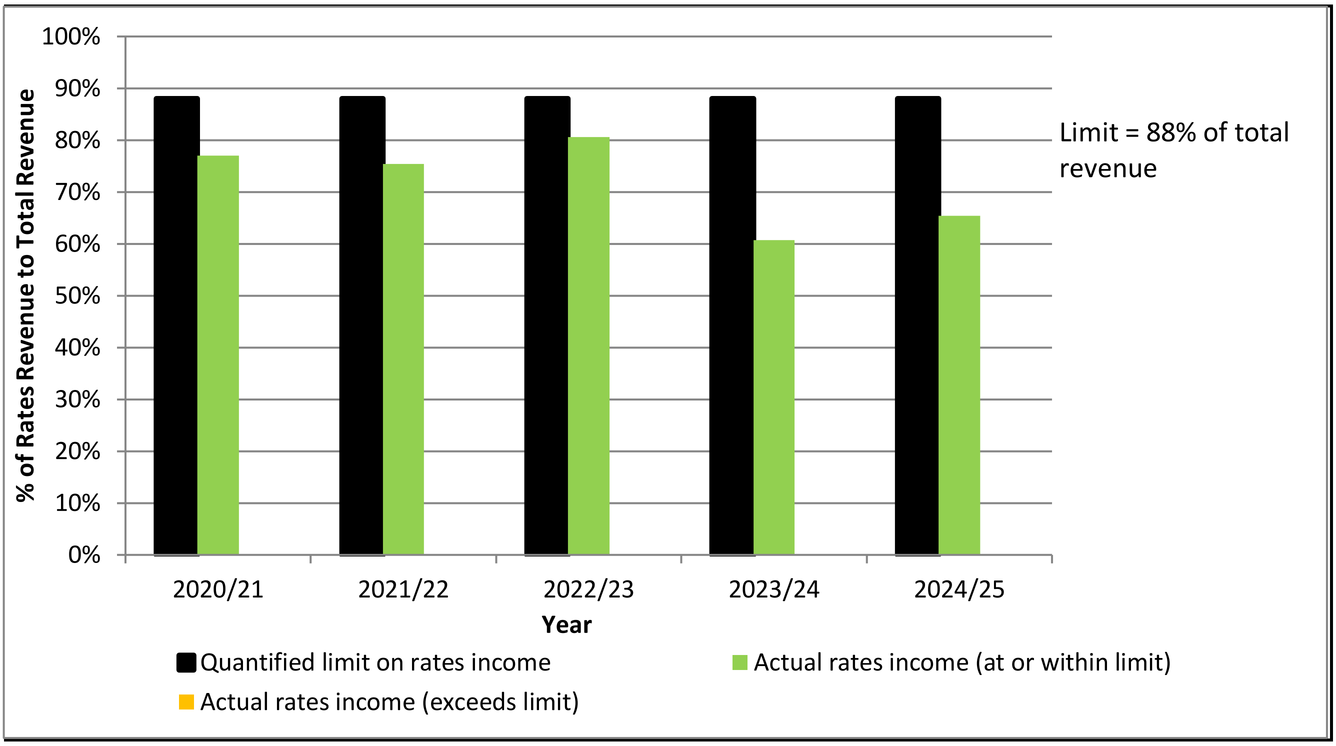
RATES AFFORDABILITY BENCHMARK

The council meets the rates affordability benchmark if—

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

Rates (income) affordability

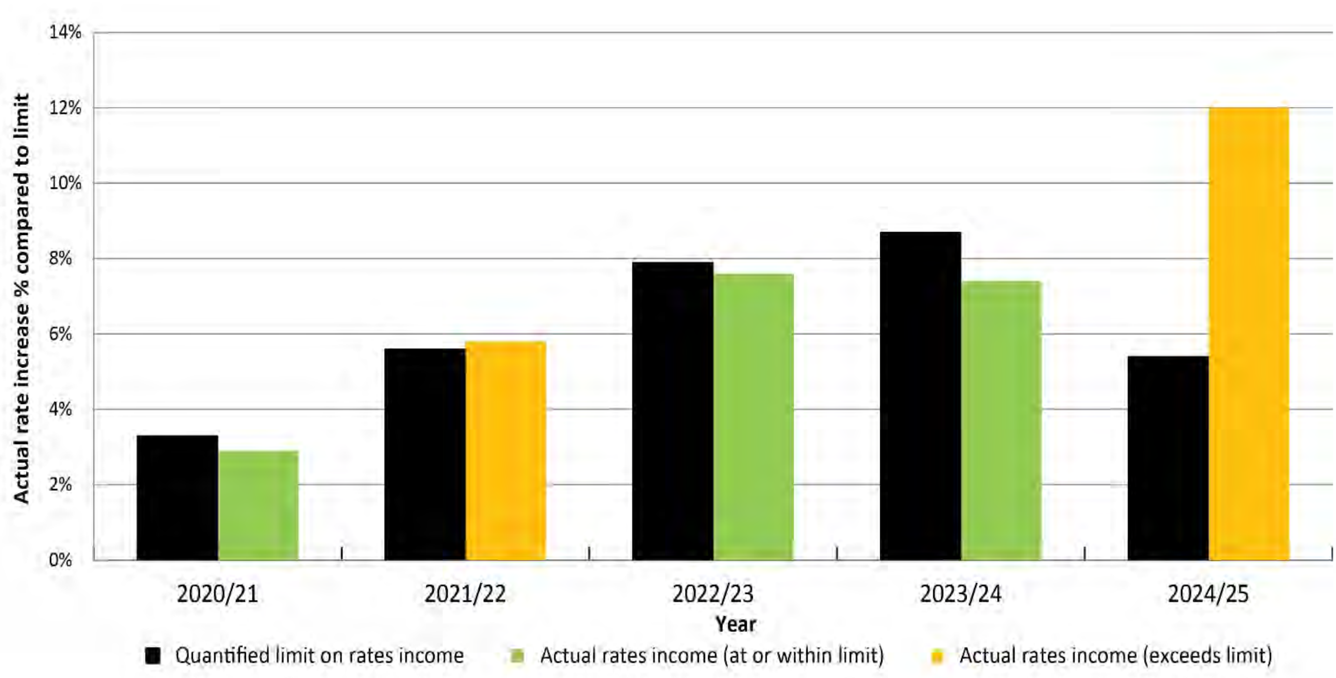
The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's long-term plan. The quantified limit is 88% of Total Budgeted Revenue.



Rates (increases) affordability

The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy in council's long-term plan. The quantified limit is the underlying average rate of inflation (for Council costs) plus 2%. For 2024/25 Council has used the projected inflation rate per the Annual Plan 2024/25 of 3.4%, plus 2%, as its quantified limit on rates.

Actual rates income is the rates revenue reported in the annual report compared to the rates revenue for the previous year.

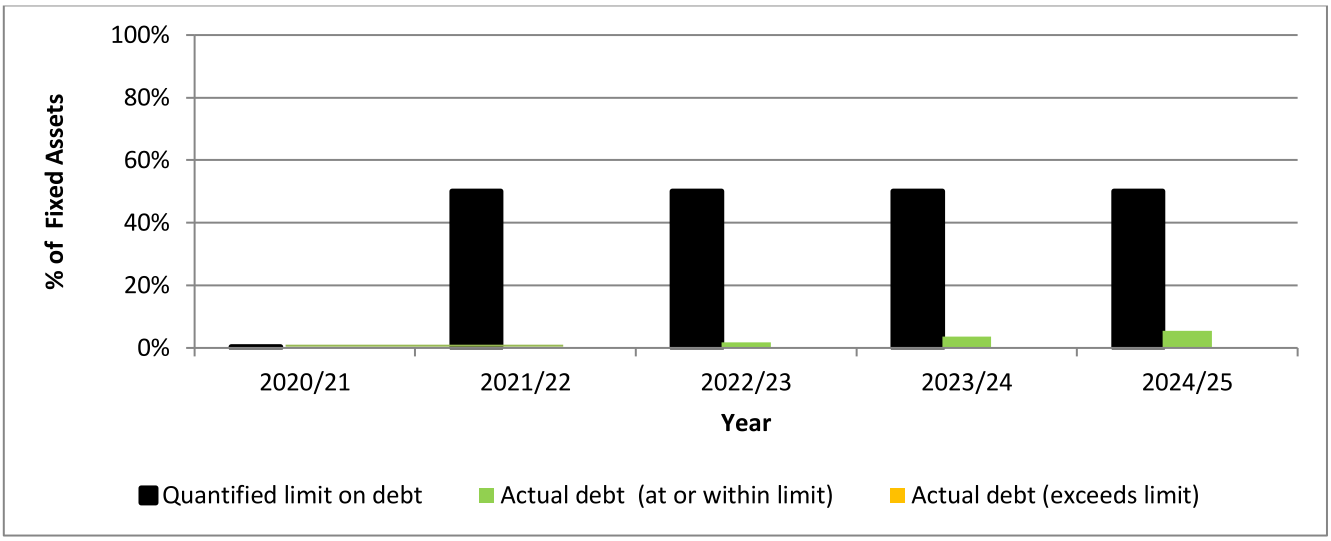


Comment:
Council's overall rates increase for 2024/25 was 12.2% and exceeded the rates increase limit of 5.4% that was in the Annual Plan for 2024/25. Council faced a number of increasing costs including loan interest, requiring the rate increase to exceed the rate increase limit.

DEBT AFFORDABILITY BENCHMARK

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in Council's long-term plan. The quantified limit for the year to 2020/21 was $0 (excluding finance leases) as Council had not needed to borrow funds up until then. The quantified limit on debt from 2021/22 onwards is 50% of fixed assets ($56.3 million).

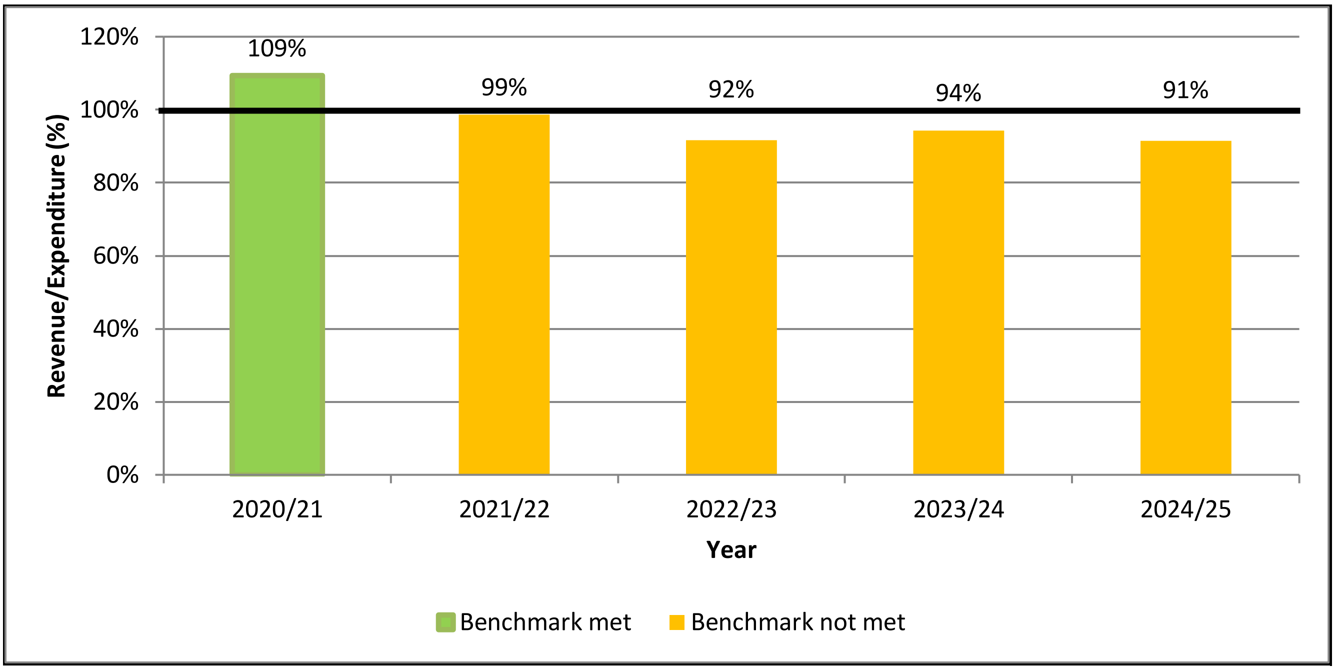


Comment:

Council raised a $2 mil loan in December 2022, a further $2 mil in October 2023 and another $2 mil in October 2024 to fund the water reticulation renewals. The $6 mil debt equates to 4.2% of Council's total Property Plant and Equipment of $142.4 mil.

BALANCED BUDGET BENCHMARK

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



Comment:

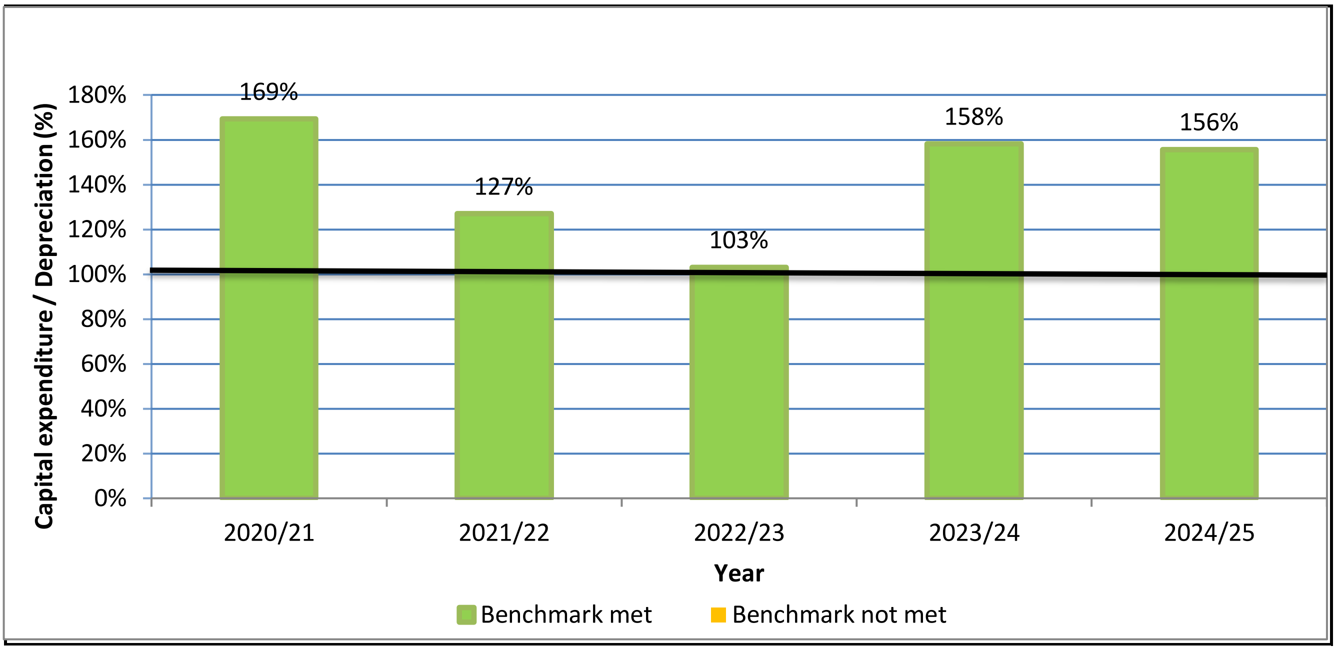
Council's depreciation expenditure significantly increased following the triennial revaluation of assets to 30 June 2022. Council did not fund all the depreciation of its assets in 2023/24 and 2024/25 as it wanted to ensure that rates remained affordable for the community. Also, due to the uncertainty around the 3 waters it was deemed prudent not to fully fund the depreciation on these assets

Council has historically not fully fund depreciation for roads that are subject to Waka Kotahi - New Zealand Transport Agency (NZTA) subsidies. The assumption is that when roads are due for renewal, Waka Kotahi - NZTA will contribute towards the cost at the currently agreed rate of 75%. The benefit of not funding the portion of depreciation where Council expects Waka Kotahi - NZTA subsidies on asset renewals, is that ratepayers are not funding depreciation that it believes is unlikely to be required in the future.

Council has also not fully fund depreciation for some buildings which either: will not be replaced, at least not as they are now, or there will other sources of funding available. These buildings (non-critical assets) include the swimming pool complex, Town Hall, Concert Chambers, Library building, District Office, Tarawera Park Amenity Building, Ron Hardie Recreation Centre, Council Depot and pensioner housing. The advantage of not funding depreciation on non-critical buildings is that the community is not funding depreciation on assets that are unlikely to be replaced with buildings of equivalent value.

ESSENTIAL SERVICES BENCHMARK

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



Comment:
The Kawerau town was built over a period of about 30 years from 1955 to 1987. With asset lives of up to 80 years, the majority of planned renewals will start occurring during the next 10 - 20 years. Council resolved to replace its AC and steel water pipes over a period of 6 years and commenced this programme in 2021/22, which is why network capital expenditure is higher for that year and following years when compared to the annual depreciation for these assets.

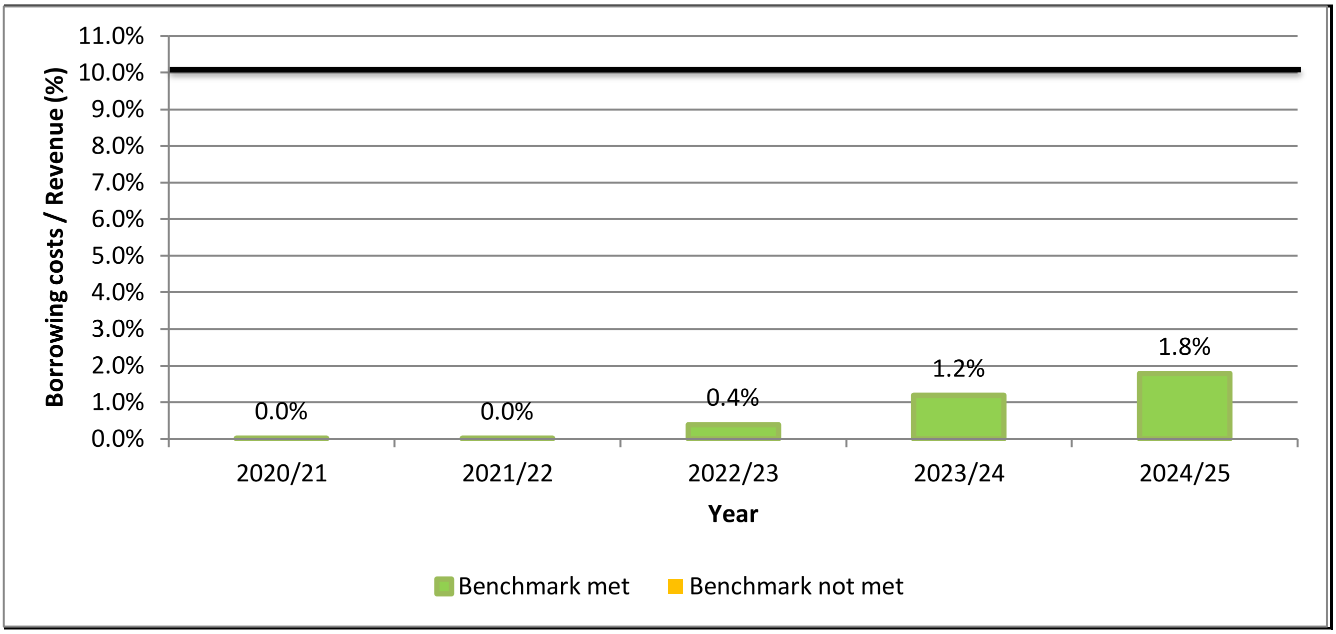
The following table broadly illustrates the age of Councils infrastructure.

Zone	Area	Built (Approx.)	Age (Approx.)
1	Area bounded by State Highway 34 and River Road up to overflow stream and the swimming pool complex and including Ward Street and northern half of Bell, Massey Street area.	1955-58	67 years
2	Cobham Drive and adjoining streets, Porritt Drive and the balance of the Bell, Massey Street area.	1963-68	57 years
3	River Road (Pump house to Fenton Mill Road), Fenton Mill Road, Valley Road (roundabout to SH 34).	1971-75	50 years
4	Valley Road (roundabout to unsealed section) and adjoining side streets.	1976-80	45 years
5	Hardie and Beattie Roads and adjoining side streets.	1983-87	38 years
6	Geothermal area (Rec. Centre, Pool, Bowling Club, TAB carpark).	1962	63 years

DEBT SERVICING BENCHMARK

The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

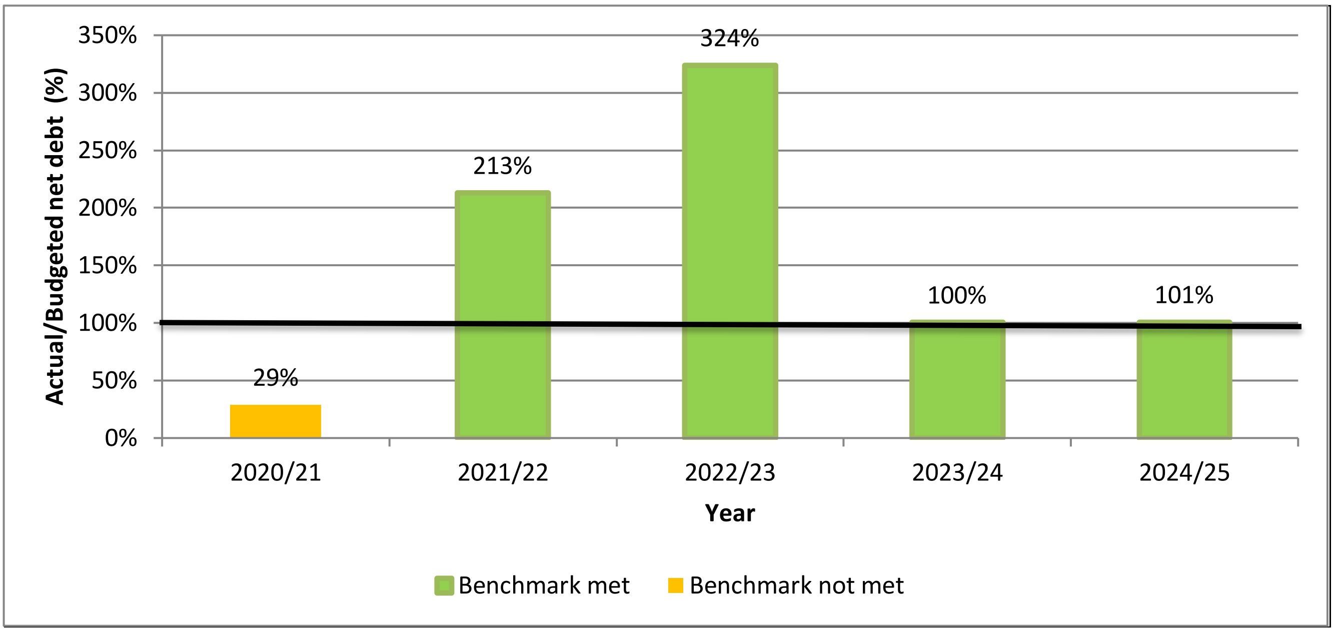
Because Statistics New Zealand projects the council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equals or is less than 10% of its revenue.



Comment:
Council's debt servicing is for $6.0 mil outstanding loans ($2.0 mil raised in October 2024 and $4.0 mil renewal loan raised in April 2025) for funding the water reticulation renewals.

DEBT CONTROL BENCHMARK

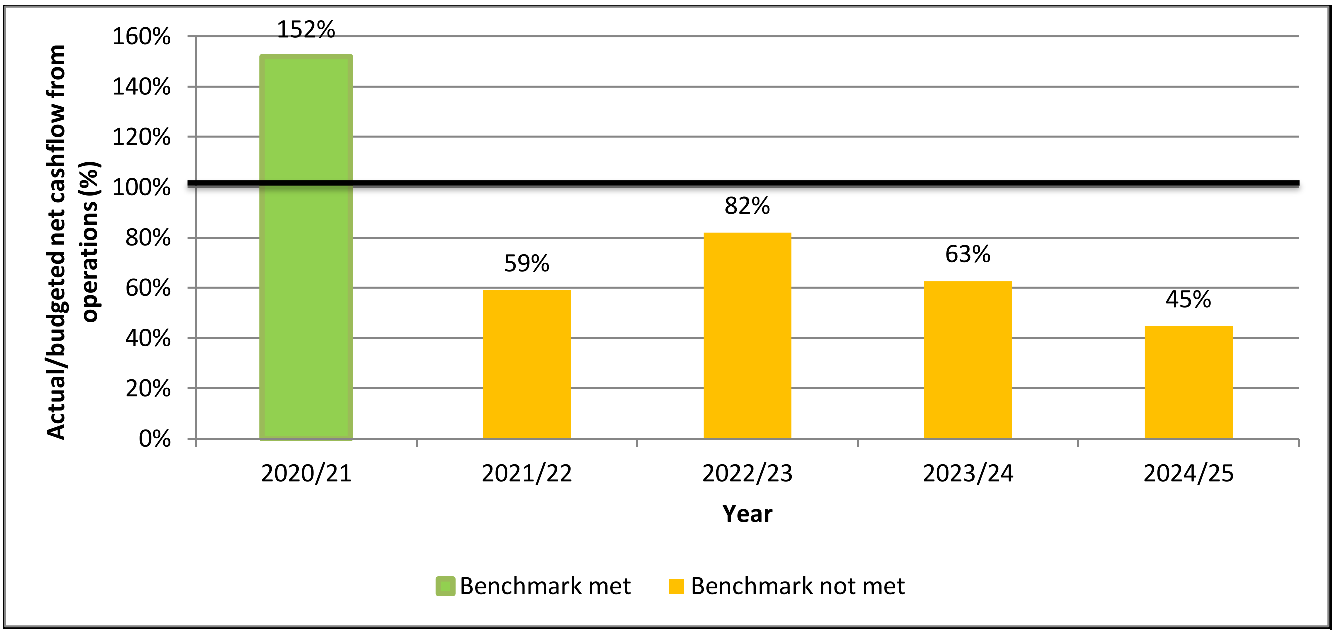
The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). Council meets the debt control benchmark if its actual net debt equals or is less than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



Comment:
Kawerau District Council's actual net debt is very close to the planned net debt in the 2021 – 31 Long Term Plan for 2024/25.

OPERATIONS CONTROL BENCHMARK

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. 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.



Comment:
The council does not meet the operations control benchmark if its actual net cash flow from operations is less than its planned net cash flow from operations. For 2021/22, 2022/23 2023/24 and 2024/25 Council did not meet the 100% threshold for its operations control benchmark, mostly resulting from significant increases in water and solid waste costs.

Groups of Activities

STATEMENTS OF SERVICE PERFORMANCE & FUNDING IMPACT STATEMENTS

The Council's Statement of Service Performance information on pages 59 to 109 has been prepared in accordance with the latest Public Benefit Entity Financial Reporting Standards (PBE RFS 48) and with generally accepted accounting practice (GAAP).

For PBE FRS 48 it states that in reporting about the entity's objectives and how it intends to achieve them, the information should be drawn from the found documents, governance documents and accountability documents. As such, Council has drawn this information from the 2021-2031 Long-Term Plan (LTP), which sets the direction for the next 10 years.

Also, PBE FRS 48 states judgement is required in deciding how much information to provide about the current reporting period as well as comparatives for all performance measure and survey results. Please refer to the individual Statements of Service Performance for each activity.

Service Performance Judgements and Assumptions
When Council prepared the forecast Statement of Service Performance in the 2021-2031 Long-Term Plan, Council made the following judgements in the selection of service performance measures detailed under each Group of Activities sections:

- Council reflected on the extent to which the levels of service Council plans to provide to the community were best captured by performance measures.
- Consideration was given to the views expressed by Kawerau residents and ratepayers. This includes relevant feedback to the levels of service and performance measures received throughout the LTP consultation process.
- Council have ensured that the performance measures adequately inform Kawerau residents and ratepayers of progress towards delivering Council's outcomes.

Relevant measurement judgements have been included within each group of activity section to which the judgement relates.

This information applies to the Statement of Service Performance reporting from pages 60 to 110 of this report.

Under the Local Government Act 2022 Council are mandated to provide standard performance measures so that the public may compare the level of service provided in relation to the following group of activities: water supply, sewerage and the treatment and disposal of sewage, stormwater drainage, flood protection and control works and the provision of roads and footpaths (Kawerau District Council does not report on performance measures relating to flood protections as it does not have any major flood protection and control works as per the DIA definition). DIA guidance has been followed in measuring performance against all mandatory performance measures.

Further to the above judgements being made in the selection of performance measures, Council also applies judgements in the measurement, aggregations, and presentation of service performance information.

As part of setting funding levels Council has considered the impact on services and their related performance measures. Despite funding pressures across the group, management has determined it is possible to continue to provide services at current levels and the related performance measures do not need to be adjusted for funding reasons.

Material judgements have been applied as follows:

Surveys
An important performance target that is measured every three years is the Community Survey, which provides Council with direct feedback on the range of services provided to the Community. For the 2022/23 year, Council completed and reported on Community feedback. The survey is completed every three years and for 2024/25 the community feedback surveys don't apply and are reported as not applicable.

For community feedback for the 2022/23 year, to measure the quality of outputs, Council used customer surveys to cover perceptual related research on customers, citizens and the community. This helps Council to assess the quality of the service provided to Kawerau residents and ratepayers. The survey Council conducts, is distinct from Council's other "satisfaction" surveys which are related to customer interactions with Council services rather than wider perceptions (eg satisfaction with the Mayor and Councillors). The survey also tracks the attitudes and perceptions of Kawerau such as safety, community attractiveness and quality place to live.

External Implications for Statements about Performance
There are conditions that affect the service performance results and may result in a variation from the anticipated or forecasted results. There are ones which are outside the control of the Council. Examples of this are but not limited to changes in government policy in New Zealand, extreme weather events, global and domestic economic conditions that may impact areas such as recruitment and other unforeseen considerations.

Statement of Service Overview
Council is responsible and accountable for giving effect to identified Community Outcomes and priorities in an efficient and effective manner. The services that Council provides are organised into what are known as 'Groups of Activities' and Council has nine activity groups. The Statement of Service Performance reports on Council's progress towards the vision, outcomes and specific statements of intended service provision as set out in Council's Long-term Plan.

Every three years Council is required to prepare a Long-Term Plan which sets out Council's strategic direction for the next 10 years, including outcomes, service levels and financial forecasts. The Long-Term Plan 2021-2031 was adopted in 2021 and includes the Statement of Intended Service Provision for each Group of Activities, which specifically details the:

- Levels of Services - the outputs that Council expects to be generated by the activity.
- Performance measures – the means used to measure whether the levels of service are being delivered.
- Performance targets – the desired levels of performance again the performance measures.

The Long-Term Plan performance measures selected are to provide the public with information to assess the level of service across all of Council's activities.

Each activity group has a limited amount of funding and resources to achieve the identified outcomes. The performance targets that are set, come directly from Council's Long-Term Plan 2021-2031. As Council adopted the transition approach provided by the Local Water Done Well legislative change, to develop a Long Term Plan from 2025 to 2034, the performance target reported for the 2024/25 year relate to year four of the Long Term Plan 2021-2031.

This section of the Annual Report details:

- The achievement of both financial and performance targets for the activities and their respective functions. The service performance targets provide comparisons with the previous years achievements.
- The reasons for any significant variance between actual service provision and expected service provision.
- The reasons for any significant changes in the capital acquisitions and replacement programmes.

QUALITY

Each activity group includes performance measures which incorporate elements of quality. Quality processes are a standard feature of management control systems.

Specifically:

- **Capital Works** - are constructed to design specifications. Inspection of works is undertaken by suitably qualified engineers.
- **Maintenance Works** - are undertaken by employees or by contract under the supervision of suitably qualified and experienced engineers and monitored thereafter in accordance with maintenance programmes.
- **Regulatory Functions** - are undertaken by suitably qualified and experienced employees in accordance with legislative requirements.

SUMMARY OF PERFORMANCE FOR YEAR

During the 2024/25 year, Council achieved 51 (74%) of the non-financial performance targets.

Activity	2024/25			2023/24 Achievement Rate
	No. of targets	End of Year Result		
Democracy	3	2	67%	67%
Economic & Community Development	5	3	60%	100%
Environmental Services	13	8	62%	45%
Roading	7	2	29%	43%
Stormwater	3	3	100%	100%
Water Supply	14	13	93%	77%
Wastewater	7	6	86%	86%
Solid Waste Management	2	2	100%	100%
Leisure and Recreation	12	10	83%	75%
TOTAL*	**66**	**49**	**74%**	**71%**

* Excludes the N/A targets

The following actions are being taken to address the targets that were not achieved:

Democracy

There was one target not met, which was completion of significant projects in the annual work programme, of which 25 (73%) were completed. The uncompleted projects will be carried out in 2025/26.

Economic and Community Development

Two targets were not achieved:

- Attendance at Toi EDA meetings, as the entity ceased operations
- Satisfaction with Youth Council from collaborating groups

Environmental Services

There were five targets that were not achieved:

- response times for dog complaints
- response times to noise complaints
- % of staff trained to respond to an emergency
- % of residents surveyed that were prepared in the event of an emergency
- % of residents surveyed that understand the consequences of a disaster occurring

The reason that most of these targets were not achieved was due to reliance on external providers for response times to: dog, environmental health and noise complaints and there were 3 civil defence targets not met.

Roading

Council did not achieve the targeted timeframes for responding to all streetlight outages, pothole repairs and footpath complaints. Council is reliant of a contractor to complete the streetlight outages and continues to work with the contactor to address the delays. Also, there were staffing shortages at the beginning of the year which delayed the responses for potholes and damaged footpaths.

The approved programme for roading reseals (by NZTA) meant only 3.2% of roads were resealed, also the road smoothness result was below the target.

Stormwater

All targets were met.

Water Supply

All targets were met for water supply, except for drinking water standard for bacteria which was 99.95% - almost met.

Wastewater

Council complied with all wastewater targets, except for dry weather overflows, which was 0.7 per 1,000 connections.

Leisure and Recreation

Council achieved 83% of its targets for leisure and recreation activities during the year. The targets not achieved related to the library membership and items purchased.

All performance targets have been reviewed as part of the preparation of the 2025 – 2034 Long Term Plan to ensure they are relevant for determining the performance of an activity.

The Digital On-Road Access (DORA) bus came to Kawerau via the Library partnering with Digital Inclusion Alliance Aotearoa to offer support for people to learn how to use digital resources.

DEMOCRACY

ACTIVITIES IN THE GROUP AND IMPACT ON COMMUNITY WELL-BEINGS

The Democracy group of activities is the political arm of Kawerau District Council. It includes the following activities:

The Council

Comprising the Mayor and eight Councillors, Council meets monthly to develop and monitor policy, objectives and outcomes for the District. The Mayor and eight Councillors are elected by registered electors in the District every three years.

Regulatory and Services Committee

This standing committee is responsible for matters relating to Council regulation and services. The Committee meets monthly on alternate fortnights to Council meetings. All nine Elected Members of Council are members of the Regulatory and Services Committee, which then elects a Chairperson at the commencement of each triennium.

Audit & Risk Committee

The responsibilities of the audit and risk committee include ensuring Council fulfils its legal responsibilities, monitors existing corporate policies and recommends new policies, provides a communication link between management, council and auditors, monitors performance and internal controls and ensures that Council's risk is appropriately managed.

Community Engagement

The consideration of community views is fundamental to Council decision making. Legislation requires Council to use a special consultative procedure in some circumstances. A community consultation process contained in Council's consultation policy is used to seek input into other decisions.

Local Elections

Council is responsible for holding the elections for District Council representatives every three years, concurrent with Regional Council. The Council elections were held in October, which is the first time Council has a Māori Ward.

Impact on Community Well-beings

The democracy activity impacts on all four well-beings (Social, Cultural, Environmental and Economic) as this activity is responsible for the provision, levels of service and overview of all council activities. Also, it ensures that Council provides sustainable services which have minimal impact on the environment, that are affordable for the community and finally making sure that iwi is consulted and provided a forum that allows participation in Council's decision-making.

NATURE AND SCOPE

Democracy involves the elected members making decisions and advocating on behalf of the needs and interests of the Kawerau Community both in the present and for the future.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Democracy group of activities contributes principally to Kawerau's Community Outcomes of:

- *Council advocates within and beyond the district and governs for community needs and interest.*
- *Council embraces involvement from all sectors of the community in its democracy and decision making.*

IDENTIFIED EFFECTS OF THIS GROUP OF ACTIVITIES ON THE COMMUNITY

The Democracy activity includes balancing the needs and wants of community members when making decisions.

Council endeavours to achieve the best outcome for the community and maximise the community's wellbeing.

THE YEAR IN SUMMARY

Highlights for the Democracy group of activities in 2024/25 were:

- Finalisation of the three staged Representation review, including consultation and confirmation of the number of Councillors and the number of wards for the Election 2025.
- Preparation, consultation and adoption of the 2025 – 2034 Long Term Plan.
- The adoption of the 2023-2024 Annual Report.
- Holding citizenship ceremonies and welcoming new residents to the community.
- Adoption of a number of policies and strategies throughout the year for the betterment of the town and residents.

In 2024/25, Council used the special consultative procedure and/or community consultation process when adopting the following:

- Long Term Plan 2025 - 34 – due to the changes to the Three Waters legislation.
- Consultation on Local Water Done Well and preferred water service delivery options.

A number of policies and strategies were reviewed and adopted during the year, as part of the development of the Long Term Plan 2025 – 2035, which included:

- Financial Strategy and Infrastructure Strategy
- Significance and Engagement Policy
- Revenue and Financing Policy
- Investment and Liability Management Policies
- Financial Contribution Policy
- Rating Policy and Rates Remission Policies

Mayor Tunui (left) talks about the Eastern Bay of Plenty Spatial Plan at a drop-in consultation session at the Rangi Delamere Centre in Kawerau in 2024.

DEMOCRACY

PERFORMANCE

During the year there were eleven ordinary Council meetings, eleven Regulatory and Services Committee meetings, and six meetings of the Audit and Risk Committee.

Levels of Service	Measures	Target 2024/25	Result 2024/25	Result 2023/24	Comments
The community has confidence in the quality of democracy and representation provided by elected members	Community satisfaction with the Mayor and councillors	N/A	N/A	N/A	Survey completed every three years and was last done in 2022/23.
Financial management is prudent, effective and efficient	Community satisfaction with way rates are spent	N/A	N/A	N/A	
Financial management is prudent, effective and efficient	Percentage completion of the annual work programme [1]	>90%	Not achieved (73%)	Not achieved (73%)	There were 34 significant projects in the annual work programme, of which 25 (73%) were completed. Some roading projects did not progress due to reduced funding from NZTA and also staff shortages impacted the completion of some projects, The uncompleted projects will be carried out in 2025/26, with an intended full complement of staff.
Council informs the community about key issues and activities.	Number of newsletters	At least 20 publications for year	Achieved	Achieved (21 published)	22 newsletters published.
Council encourages the community to contribute to Council decision-making	Provision of a public forum at council and committee meetings.	Public forum available at every meeting	Achieved	Achieved	Public forums were available in person throughout the year, with regular attendance by the public.

[1] The significant projects for the year are those significant capital expenditure projects detailed in the Annual Plan for 2023/24, a total of 34. This measure is included as a performance target to ensure the community can assess Councils performance in completing capital projects.

KAWERAU DISTRICT COUNCIL

DEMOCRACY

Funding Impact Statement
for the year ended 30 June 2025

	2024 Long Term Plan	2025 Long Term Plan	2025 Actual
SOURCES OF OPERATING FUNDING			
General rates, UAGC and rate penalties	739,030	748,180	914,976
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	260,000
Fees and charges	0	0	0
Internal charges and overheads recovered	1,180	1,180	0
Local authorities fuel tax, fines, infringements and other receipts	0	0	0
TOTAL OPERATING FUNDING (A)	**740,210**	**749,360**	**1,174,976**
APPLICATIONS OF OPERATING FUNDING			
Payment to staff and suppliers	457,190	465,150	872,170
Finance costs	370	330	215
Internal charges and overheads applied	265,350	265,480	383,745
Other operating funding applications	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**722,910**	**730,960**	**1,256,130**
SURPLUS/(DEFICIT) OF OPERATING FUNDING (A-B)	**17,300**	**18,400**	**(81,154)**
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and Financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING (C)	**0**	**0**	**0**
APPLCATIONS OF CAPITAL FUNDING			
Capital expenditure: - to meet additional demand	0	0	0
- to improve level of service	0	0	0
- to replace existing assets	0	0	0
Increase/(decrease) in reserves	17,300	18,400	(81,154)
Increase/(decrease) of investments	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**17,300**	**18,400**	**(81,154)**
SURPLUS/(DEFICIT) OF CAPITAL FUNDING (C-D)	**(17,300)**	**(18,400)**	**81,154**
FUNDING BALANCE ((A-B)+(C-D))	**0**	**0**	**0**

There was no capital expenditure for this activity in the current year.

ECONOMIC AND COMMUNITY DEVELOPMENT

ACTIVITIES IN THE GROUP AND IMPACT ON COMMUNITY WELLBEINGS

Economic Development

Council is involved in economic development activity at the sub-regional level and is also taking a leadership role in local economic development initiatives.

Council has previously worked with the Opotiki and Whakatane District Councils as well as the BOP Regional Council as members of the Eastern BOP economic development agency, Toi EDA. However, Council withdrew it's membership of the agency during the year as it did feel it was getting value for money for residents.

Events Management

Council supports a diverse range of events in the district and provides a strategic framework to meet future needs and demands. Council's involvement in events management takes advantage of and showcases the district's resources and helps to build capability and capacity of Community volunteers.

Grants and Funding

Council administers various grants which help to:

- Support Community organisations to help maintain Community services
- Promote artistic development
- Assist event organisers to organise new and innovative Community-run events, and
- Fund small business entrepreneurs to conduct feasibility studies of proposed new business ventures in the District.

Information Centre

The Information Centre provides services to residents and visitors ranging from tourism information, event information, travel bookings and forest permits and information. The Centre also maintains the town centre public toilets.

Youth Development

Council's youth development activities include selecting recipients and presenting Young Achievers Awards, coordinating activities during school holidays and supporting Kawerau Youth Council activities, which are funded by the Ministry of Youth Development.

Kawerau Youth Council

Established in 2009, the Youth Council aims to create confident youth leaders who will monitor successive generations. Members meet each month to organise activities and provide a voice on matters affecting youth in the district. The Youth Council has up to 20 members aged between 14 and 24 years, for whom nominations are called each year.

Impact on Community Well-beings

The Economic and Community Development activity impacts mostly on the social and economic well-beings in the community.

The activity is responsible for encouraging and facilitating economic growth in the community thereby ensuring the community grows and council services remain affordable. Also, the activity encourages the social development of the community through such initiatives as the youth council, events and community grants.

NATURE AND SCOPE

Council considers it appropriate that it should be involved in local economic development. Activities in this group focus on promoting and encouraging industrial development, marketing the District as a desirable place to live and developing and extending current event activities.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Economic and Community Development group of activities contributed mainly to Kawerau's Community Outcomes of:

- *Council works in partnership to attract people to visit, live and do business in Kawerau and to enhance economic and employment opportunities in the district.*
- *Council facilitates a vibrant community life with opportunities for creative, cultural and recreational activities*

IDENTIFIED EFFECTS OF THIS GROUP OF ACTIVITIES ON THE COMMUNITY

The Economic Development activity provides funding to a number of agencies that seek to further economic development in the District including the Eastern Bay of Plenty Regional Economic Development Trust.

THE YEAR IN SUMMARY

Major highlights for the Economic and Community Development group of activities in 2024/25 were:

- Sale of residential property (Bell Street)
- Continued progress on the Stoneham Park residential subdivision.
- Full occupation of Porritt Glade Retirement Village complex.

Other achievements included:

- Continuing to provide and obtaining funding for "Christmas in the Park" event.
- Delivering a strong calendar of events
- Appointment of the Kawerau Youth Council and providing support for its activities.
- Administering and providing grants to community groups for projects which benefit Kawerau residents.

Kawerau Community Awards presented by Her Worship Faylene Tunui and Councillors during Manawātia a Matariki 2024.

ECONOMIC AND COMMUNITY DEVELOPMENT

PERFORMANCE

Levels of Service	Measures	Target 2024/25	Results 2024/25	Results 2023/24	Comment
Council is actively involved in the Eastern Bay of Plenty Regional Development Agency	Representation at trustee meetings	90% of trustee meetings	Not Achieved	Achieved	Toi EDA Trustee meeting held on 24 July 2024 which the Economic & Community Development Manager attended. From August 2024 Council resolved to cease financial contributions to Toi-EDA. The status is that Toi-EDA is in an operational hiatus. During the year Council worked closely with neighbouring Eastern Bay Council's developing a Regional Economic Development Strategy.
Council encourages positive perceptions of Kawerau by supporting local events.	Frequency of events from February to December	At least 1 per month	Achieved	Achieved	There was at least one event held each month, with more than 1 event held as follows: July = 1 August = 2 September = 3 October = 4 November = 3 December = 1 January = 1 February = 3 March =3 April = 2 May = 1 June = 3
Council provides an information centre which suits the community's need	Community satisfaction with the information centre	N/A	N/A	N/A	Survey not applicable as survey completed every three years and was last completed in 2022/23.
Council provides a local information centre which is accessible to visitors and the local community	Number of days open each year [2]	At least 360 days	Achieved	Achieved (365/366 days)	The information centre was open 364/365 days for the year

[2] Council's target for the local information centre being open at least 360 days of the year is to ensure high accessibility for all visitors, residents and ratepayers to the Information Centre (isite). The Information Centre - isite was only closed on Christmas Day.

Levels of Service	Measures	Target 2024/25	Results 2024/25	Results 2023/24	Comment
Council supports young people to develop skills and attitudes needed to take a positive part in society	Youth council in place	Annual appointments made	Achieved	Achieved	New Youth Council appointed in March 2025 for the year.
	Satisfaction with youth council collaboration from collaborating groups	>95% satisfaction	Not Achieved	Achieved 95%	Survey undertaken of collaborating groups which reported 79% satisfaction with Youth Council collaboration.

(Top) Kawerau Young Achiever Awards to recognise rangatahi in the community for sporting, cultural and academic achievements. (Below) Christmas in the Park 2024 was a huge success with the New World Kawerau Santa Float Parade, community concert and the star-studded line-up of the evening variety show.

KAWERAU DISTRICT COUNCIL

ECONOMIC AND COMMUNITY DEVELOPMENT

Funding Impact Statement
for the year ended 30 June 2025

	2024	2025	
	Long Term Plan	Long Term Plan	Actual
SOURCES OF OPERATING FUNDING			
General rates, UAGC and rate penalties	981,220	1,049,570	1,154,660
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	449,588
Fees and charges	604,860	652,680	397,665
Internal charges and overheads recovered	0	1,060	4,821
Local authorities fuel tax, fines, infringements and other receipts	550,000	550,000	0
TOTAL OPERATING FUNDING (A)	**2,136,080**	**2,253,310**	**2,006,734**
APPLICATIONS OF OPERATING FUNDING			
Payment to staff and suppliers	1,371,120	1,392,770	1,104,108
Finance costs	18,950	16,810	22,170
Internal charges and overheads applied	559,810	555,810	671,358
Other operating funding applications	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**1,949,880**	**1,965,400**	**1,797,636**
SURPLUS/(DEFICIT) OF OPERATING FUNDING (A-B)	**186,200**	**287,910**	**209,098**
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and Financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale/lease of assets	1,280,000	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	841,821
TOTAL SOURCES OF CAPITAL FUNDING (C)	**1,280,000**	**0**	**841,821**
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	1,040,000	0	0
- to improve level of service	0	0	0
- to replace existing assets	11,830	32,020	11,251
Increase/(decrease) in reserves	414,370	255,890	1,039,668
Increase/(decrease) of investments	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**1,466,200**	**287,910**	**1,050,919**
SURPLUS/(DEFICIT) OF CAPITAL FUNDING (C-D)	**(186,200)**	**(287,910)**	**(209,098)**
FUNDING BALANCE ((A-B)+(C-D))	**0**	**0**	**0**

Capital expenditure during the year that relates to this activity is as follows:

2023/24	CAPITAL RENEWALS	Budget (LTP)	2024/25
7,532	Building Renewals - various	32,020	11,251
7,532		**32,020**	**11,251**
	FUNDED BY:		
7,532	Depreciation Reserve Funding	32,020	11,251
7,532		**32,020**	**11,251**

In April 2023 all 29 retirement units were constructed and completed at the Council-owned Porritt Glade Lifestyle Village, which was ahead of the schedule planned in the Long Term Plan. This retirement village project aimed to provide quality and affordable living for seniors over 60 and free up the family homes for other whānau. As at 30 June 2025, all 29 of the units were leased with a Right to Occupy.

The Porritt Glade Lifestyle Village – Sustainable Living project was a finalist in the Taituarā Local Government Excellence Awards for 2023/24.

Porritt Glade Lifestyle Village, the Council-owned retirement village placed second in the Taituarā 2025 Local Government New Zealand Awards in the Community Collaboration Category.

ENVIRONMENTAL SERVICES

ACTIVITIES IN THE GROUP AND IMPACT ON COMMUNITY WELLBEINGS

The activities in the Environmental Services group are:

Resource Management Planning
Resource Management Planning aims to ensure responsible stewardship of natural and physical resources. Council's resource management responsibilities include ongoing review of policies, objectives and rules contained in the District Plan as well as information management and associated environmental monitoring.

Resource Consents
Council issues land use and subdivision consents for activities which balance development opportunities against the need to minimise adverse environmental effects. Consents are issued with regard to policies, objectives and rules in the District Plan.

Building Control
The Building Control activity regulates buildings to ensure public safety and health. Council's functions are to consent, inspect, monitor and certify building work and building safety.

Environmental Health Services
This activity promotes, safeguards and enhances public health by achieving compliance with environmental health and associated legislation and bylaws in particular food safety, water supply, noise control, liquor licensing and gambling.

Dog Registration and Control
Dog Registration activity is a statutory obligation under the Dog Control Act 1996 for Council to keep a register of dogs kept in the District. Dog Control activity is a community safety service focused on the control of dogs in the district and the enforcement of the Dog Control Act and Council's Dog Control Bylaw.

Civil Defence
The Civil Defence activity provides local planning for and management of civil defence emergencies. It relates to readiness, response, reduction and recovery.

Impact on Community Well-beings
The environmental services activity impacts mostly on the social and environmental well-beings in the community.

The activity is responsible for both providing and monitoring the necessary measures to ensure that the environment is maintained for future generations in a sustainable manner and that is affordable for residents. Also, the activity ensures that the community's social needs are met by establishing the necessary bylaws or provisions in the district plan that enable residents to live together in harmony.

NATURE AND SCOPE

Council has regulatory and enforcement duties and powers under several acts of Parliament including the Local Government Act, the Health Act, the Building Act, the Dog Control Act and the Resource Management Act. Warranted officers work autonomously and in conjunction with enforcement authorities such as the police and public health, to uphold environmental, health and safety standards.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Environmental Services group of activities contributes primarily to the Community Outcomes of:

- *Council sustainably manages Kawerau's environment through its stewardship, planning and consents.*
- *Council regulates, monitors and acts to protect public health and safety, to prevent harm and nuisance and to improve standards in Kawerau's home, commercial and public environment*

IDENTIFIED EFFECTS OF THIS GROUP OF ACTIVITIES ON THE COMMUNITY

Council is committed to the protection and enhancement of the environment, and the promotion, protection and enhancement of public health and safety.

THE YEAR IN SUMMARY

Major highlights for the Environmental Services group of activities in 2024/25 were:

- Continued provision of good quality regulatory services to meet legislative requirements and the needs of the community.

Other achievements included:

- Carrying out, on average, more than one patrol each day to identify illegally dumped litter, abandoned vehicles and health nuisances.
- Completed the development of the Eastern Bay Spatial Plan “Our Places’ in collaboration with Whakatane and Opotiki District Councils and Bay of Plenty Regional Council.
- Undertook a comprehensive review of the district plan
- Impounding 144 dogs during the year for various statutory breaches
- Responding to and investigating 359 noise complaints in accordance with statutory requirements and practice guidelines.
- Maintaining Building Consent Authority Accreditation.
- Participation in the shared service arrangement to deliver civil defence management capability across the Eastern Bay of Plenty.

Animal control services continue to be an important part of the services provided to the community.

ENVIRONMENTAL SERVICES

PERFORMANCE

Building Control

Levels of Service	Measures	Target 2024/25	Result 2024/25	Result 2023/24	Comments
Council provides in-house building consent, inspection and approval services.	Bi-annual Building Consent Authority accreditation re-assessment [3]	Accreditation and registration retained	Achieved	Achieved	Building Control Authority accreditation and registration retained.
Service users consider Council's building control activity to be effective	Satisfaction* of service users – Building Inspection Processes	>90% satisfaction	Achieved	Achieved 4/4 (100%)	14 survey forms were sent out and 2 responded scoring the service as being predominantly good or excellent. (100%)
	Satisfaction* of service users – Building Consents Processes	>90% satisfaction	Achieved 5/5 (100%)	Achieved 4/4 (100%)	23 survey forms were sent out and 5 responded, all scoring the service as being predominantly good or excellent. (100%)
Kawerau buildings requiring Building Warrant of Fitness (WOF) are compliant	Number of buildings audited for Building Warrant of Fitness (WOF) requirements [4]	At least 35% audited	Achieved	Achieved (29/80)	28/80 (35%)

**The questions asked in the survey to determine user satisfaction were:*

1. *Getting you quickly and directly to someone you could explain your needs to*
2. *How knowledgeable that person was about your request*
3. *The time it took for us to do what we said we could for you*
4. *How well our response or actions solved the matter for you*
5. *How friendly and interested we were*

Environmental Health

Levels of Service	Measures	Target 2024/25	Result 2024/25	Result 2023/24	Comments
Premises licensed under the Sale and Supply of Alcohol Act 2012 comply with license conditions	Inspection of licensed premises for compliance [5]	100% annually	Achieved	Not Achieved 12/13 (92%)	13/13 (100%). All premises holding a license to serve alcohol were inspected during the year
Registered premises comply with statutory requirements	Inspection of registered premises for compliance with the relevant standards [6]	100% annually	Achieved	Not Achieved 5/7 (71%)	5/5 (100%) All registered premises were inspected during the year.

[3] Accreditation as a Building Control Authority allows Council the ability to provide in-house Building Control Services. This requires meeting the Building Act requirements, which includes being audited every 2 years by International Accreditation New Zealand (IANZ)

[4] Auditing of Building Warrant of Fitness ensures that buildings are complying with that specific buildings Building Warrant of Fitness Requirements including specific systems. There is no set number of audits required to be completed each year, the target of 35% set by Council ensures all audits are completed triennially.

[5] All premises with a license under the Sale and Supply of Alcohol Act are inspected yearly to ensure compliance with their license conditions.

[6] The registered premises are Hairdressers and Funeral Homes, who are inspected annual to ensure compliance with the relevant legislation applicable to the business type.

Levels of Service	Measures	Target 2024/25	Result 2024/25	Result 2023/24	Comments
	Audit of food premises operating Food Control Plans [7]	100% annually	Achieved	Achieved (23/23 100%)	25/25 (100%)
Council responds to complaints and service requests for environmental health conditions (noise complaints, nuisance conditions and health risks)	Response to noise complaints	80% within 20 minutes and 98% within 30 minutes	Not Achieved	Not Achieved (48% within 20 minutes and 67% within 30 minutes)	57.0% responded to within 20 minutes and 75.3% within 30 minutes. All noise complaints are attended by Council's external contractor Council. These results have also been affected by requests through antenno and emails that are not monitored after hours..
	Response to other Environmental Health service requests/ complaints	100% within 1 working day	Achieved	Not Achieved. 9/10 (90%)	All other environmental health requests were responded to within 1 working day 10/10 (100%).

Dog Control and Registration

Levels of Service	Measures	Target 2024/25	Result 2024/25	Result 2023/24	Comments
Council maintain community satisfaction levels for the dog control service	Community satisfaction with dog control services	N/A [8]	N/A	N/A	Survey completed every three years and was last done in 2022/23.
Service requests about uncontrolled dogs are actioned	Adherence to complaint response process to respond, investigate and record the complaint and advise the complainant of progress or outcome within 24 hours	80% within 20 minutes and 98% within 30 minutes	Not achieved	Not achieved (66% within 20 minutes and 77% within 30 minutes)	65.7% were responded to within 20 minutes, and 75% responded to within 30 minutes The afterhours response to dog complaints is provided by an external contractor. The results are affected by requests received through antenno and emails that are not monitored after hours.

7 All food premises are inspected either every year, 18 months or two years. The regularity of the inspections is determined by the grading they receive in compliance with the Food Safety Standards. The number of non-compliance standard determines the inspection timeframes, if more non-compliance the shorter the inspection period applies.

8 Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2014, 2017 and 2020 Community survey results (by NBR)

Civil Defence

Levels of Service	Measures	Target 2024/25	Result 2024/25	Result 2023/24	Comments
Council provides community education initiatives to increase public awareness and readiness for local and regional hazards	% of residents that have an understanding of what the consequences would be if a disaster struck their area	>85%	Not achieved	N/A	There were 19 individual responses, of which 16 (84%) had a good understanding of the consequences. The survey is undertaken every 2 years.
	% of residents that have taken any action to prepare for an emergency	>85%	Not achieved (16/19 = 84%)	N/A	There were 19 individual responses, of which 16 (84%) had taken action to prepare for an emergency. The survey undertaken every 2 years.
Council will maintain capability to effectively respond to an emergency [9]	Council is prepared for and can respond to an emergency	>80%	Not Achieved	Not achieved 63%	Council has trained 62% of staff. Target set to drive continued improvement. Council has sufficient staff to man a shift while undertaking emergency work. Due to the size of Council, levels above this are difficult to achieve. Emergency Management Group are aware of the shortfall and will help in an emergency event

[9] Capacity to respond relates to the percentage of staff assigned, trained and available for civil defence emergencies. This target is set by CDEM Group.

KAWERAU DISTRICT COUNCIL

ENVIRONMENTAL SERVICES

Funding Impact Statement
for the year ended 30 June 2025

	2024 Long Term Plan	2025 Long Term Plan	2025 Actual
SOURCES OF OPERATING FUNDING			
General rates, UAGC and rate penalties	1,031,830	1,015,650	1,377,225
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	187,950	191,450	268,334
Internal charges and overheads recovered	50	50	0
Local authorities fuel tax, fines, infringements and other receipts	0	0	0
TOTAL OPERATING FUNDING (A)	**1,219,830**	**1,207,150**	**1,645,559**
APPLICATIONS OF OPERATING FUNDING			
Payment to staff and suppliers	737,560	726,290	943,321
Finance costs	7,430	7,150	250
Internal charges and overheads applied	432,000	427,910	469,316
Other operating funding applications	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**1,176,990**	**1,161,350**	**1,412,887**
SURPLUS/(DEFICIT) OF OPERATING FUNDING (A-B)	**42,840**	**45,800**	**232,672**
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and Financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING (C)	**0**	**0**	**0**
APPLCATIONS OF CAPITAL FUNDING			
Capital expenditure: - to meet additional demand	0	0	0
- to improve level of service	0	0	0
- to replace existing assets	0	0	
Increase/(decrease) in reserves	42,840	45,800	232,672
Increase/(decrease) of investments	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**42,840**	**45,800**	**232,672**
SURPLUS/(DEFICIT) OF CAPITAL FUNDING (C-D)	**(42,840)**	**(45,800)**	**(232,672)**
FUNDING BALANCE ((A-B)+(C-D))	**0**	**0**	**0**

There was some additional activity expenditure due to additional grant funding for Council's district and spatial plans.

ROADING

ACTIVITIES IN THE GROUP AND IMPACT ON COMMUNITY WELLBEINGS

The roading group of activities aims to provide and maintain a system of roads and footpaths which provides safe and comfortable passage for all users. Activities in the group are:

- Managing and monitoring the transport network
- Repairing and maintaining assets and structures
- Operating roading activity assets, and
- Planning to improve operations and meet future requirements.

Council's roading group of activities provides a network of roads/footpaths for the safe and comfortable passage of vehicles and vulnerable road users such as pedestrians, cyclists and mobility scooters in and through the District.

Impact on Community Well-beings

The roading activity impacts mostly on the social and economic well-beings for the community.

This activity is responsible for providing and maintaining the roading network within the community to ensure that economic activity can continue and that residents are able to maintain their social networks.

Also, the roading activity is provided in a sustainable manner to ensure that it is affordable.

STRATEGY

Council has developed a Roading Asset Management Plan which provides for the efficient and effective management of the roading asset. This Plan allows Council to allocate detailed funding to properly maintain the asset while also making provision for the longer term financing required.

NATURE AND SCOPE

The roading network comprises approximately 43 kilometres of roads and associated infrastructure such as bridges, streetlights, kerbing, signs and markings, car parks and footpaths.

Control over the District's roads is vested in Council by the Local Government Act 2002. Waka Kotahi subsidises much of Council's roading expenditure, including street cleaning and the maintenance of roads and associated lighting systems. In addition to this work, Council also maintains Kawerau's footpaths and a substantial paved area in the town centre. Waka Kotahi is responsible for State Highway 34.

GOALS

To provide and maintain a system of roads/footpaths for the safe and comfortable passage of vehicles, pedestrians, cyclists and other vulnerable road users (including mobility scooters) in and through the District.

CONTRIBUTION TO COMMUNITY OUTCOMES

The roading group of activities contributes mainly to Kawerau's Community Outcomes of:

- *Council infrastructure and services are accessible, age and disability friendly, effective, efficient and affordable now and for the future.*

IDENTIFIED EFFECTS OF THIS GROUP OF ACTIVITIES ON THE COMMUNITY

The Roading activity delivers an efficient transport network that has minimal impact on the environment. During the year, Council carried out its programmed reseals, street lighting upgrades, road marking and safety improvements.

Significant negative effects on the roading network are traffic accidents. To reduce numbers and severity, Council is a partner in the Eastern Bay of Plenty Road Safety Management System. Council has developed the Eastern Bay of Plenty Road Safety System, which undertakes safety audits and provides street lighting, signage and pavement marking.

THE YEAR IN SUMMARY

Achievements for the Roading group of activities in 2024/25 were:

- Ongoing renewals of reseals, footpaths and upgrading streetlights to improve safety for residents
- Renewing carparks at water treatment plant and the recycling centre
- Renewing cesspits and improving stormwater drainage in Hardie Ave

Improved access to the River Road drinking water taps for the community and staff into the Water Treatment Plant on River Road.

ROADING

PERFORMANCE

Levels of Service	Measures	Target 2024/25	Result 2024/25	Result 2023/24	Comments
Council maintains community satisfaction for the roading activity	Community satisfaction with roading assets	N/A [10]	N/A	N/A	Survey completed every three years and was last done in 2022/23.
Council provides a network of roads which facilitates the safe movement of people and vehicles around the district	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	Increase of zero or less	Achieved [11]	Achieved. No fatalities but 1 serious crash occurred	There were no fatalities or crashes causing serious injury recorded, on the roads controlled by Council for this financial year.
Road quality	The average quality of ride on a sealed local road network, measure by smooth travel exposure (STE) [12]	No less than 95%	Not Achieved 89%	Achieved (95%)	The Road Roughness Survey was undertaken in June 2025 with a result of 89% STE
Road maintenance	The percentage of the sealed local road network that is resurfaced.	>5% per annum	Not achieved	Not achieved (1%)	Resealing length was 3.2%. Council did complete the maximum reseal length per the NLTF approved budget limit.
Response to service requests	The percentage of customer service requests relating to roads to which Council responds within the time frame specified	Potholes: 90% within 14 days and 100% within 28 days	Not achieved 74% within 14 days and 82% within 28 days	Not Achieved (33% within 14 days and 67% within 28 days)	34 potholes reported – 25 (74%) responded to within 14 days, 28 (82%) within 28 days. 6 exceeded 28 days to repair due to staff shortages.
		Streetlights 90% within 14 days and 100% within 28 days	Not achieved 63% within 14 days and 94% within 28 days	Not achieved (73.1% repaired within 14 days and 91% repaired within 28 days)	63 streetlight outages reported, 40 repaired within 14 days (63%), 59 repaired within 28 days (94%) and 4 exceeded 28 days. There were 2 outages in progress. Council engage Horizon Networks to repair the streetlights within the District. Council is therefore reliant on the external contractor to meet the performance timeframes.

[10] Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2011, 2014 and 2017 Community survey results (by NBR)

[11] DSI numbers may differ for the same time period due to dependency on Waka Kotahi's Crash Analysis System which is updated continuously.

[12] The percentage of vehicle kilometers travelled in the district exposed to roads with roughness less than the threshold for urban roads set by the National State Highway Strategy

Levels of Service	Measures	Target 2024/25	Result 2024/25	Result 2023/24	Comments
Response to service requests	The percentage of customer service requests relating to footpaths to which Council responds within the time frame specified.	Footpaths 100% within 14 days	Not achieved	Not Achieved (70%)	19 service requests for footpaths received, with 9 (47%) repaired within 14 days. Delays were due to staffing shortfalls early in the financial year.
Footpath condition	Percentage of footpaths that fall within the level of service for the condition of footpaths set out in the Long Term Plan*	>95%	Achieved	Achieved (99%)	The independent survey was undertaken in June 2025, with 98% of footpaths falling within the service level condition.
Council provides an appropriate network of footpaths for pedestrian use	Community satisfaction with footpaths	N/A [13]	N/A	N/A	Survey completed every three years and was last done in 2022/23.

Note: *20 lips equates to 5% that are outside the service standard for footpath condition.

[13] Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2014, 2017 and 2020 Community survey results (by NBR)

KAWERAU DISTRICT COUNCIL
ROADING
Funding Impact Statement
for the year ended 30 June 2025

	2024 Long Term Plan	2025 Long Term Plan	2025 Actual
SOURCES OF OPERATING FUNDING			
General rates, UAGC and rate penalties	1,084,810	1,112,120	1,239,023
Targeted rates	0	0	0
Subsidies and grants for operating purposes	234,900	241,250	213,147
Fees and charges	17,000	17,000	76,856
Internal charges and overheads recovered	18,270	18,940	0
Local authorities fuel tax, fines, infringements and other receipts	74,340	76,500	60,868
TOTAL OPERATING FUNDING (A)	**1,429,320**	**1,465,810**	**1,589,894**
APPLICATIONS OF OPERATING FUNDING			
Payment to staff and suppliers	526,380	539,190	531,661
Finance costs	0	0	310
Internal charges and overheads applied	622,650	625,030	576,083
Other operating funding applications	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**1,149,030**	**1,164,220**	**1,108,054**
SURPLUS/(DEFICIT) OF OPERATING FUNDING (A-B)	**280,290**	**301,590**	**481,840**
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	587,290	388,240	347,285
Development and Financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING (C)	**587,290**	**388,240**	**347,285**
APPLCATIONS OF CAPITAL FUNDING			
Capital expenditure: - to meet additional demand	0	0	0
- to improve level of service	280,000	0	0
- to replace existing assets	549,920	565,870	534,349
Increase/(decrease) in reserves	37,660	123,960	294,776
Increase/(decrease) of investments	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**867,580**	**689,830**	**829,125**
SURPLUS/(DEFICIT) OF CAPITAL FUNDING (C-D)	**(280,290)**	**(301,590)**	**(481,840)**
FUNDING BALANCE ((A-B)+(C-D))	**0**	**0**	**0**

Capital expenditure during the year for this activity is as follows:

2023/24	CAPITAL RENEWALS	Budget (LTP)	2024/25
23,754	Streetlights renewals and upgrade	32,928	41,666
151,069	Kerbs & Footpaths renewals	252,105	153,110
132,938	Reseals & carparks	149,505	158,354
317,478	Other renewals	131,332	181,219
625,239	**Total Infrastructural**	**565,870**	**534,349**
	FUNDED BY:		
229,054	Depreciation Reserve Funding	177,630	347,285
396,185	Subsidies and grants for capital purposes	388,240	187,064
625,239		**565,870**	**534,349**

Economic and community development remains an important focus for council with the strategy to support current businesses and potential new businesses in the district.

STORMWATER

ACTIVITIES IN THE GROUP AND IMPACT ON COMMUNITY WELL-BEINGS

The purpose of the stormwater activity is to dispose of stormwater in a manner which protects the community from flooding and minimises negative impacts to the environment. Activities in the group include:

- Disposal of stormwater from the roading network
- Repairing or replacing unsound pipes and other stormwater structures
- Cleaning pipes and cesspits
- Planning to meet future requirements and improving operations

Impact on Community Well-beings

The stormwater activity impacts mostly on the social and environmental well-beings for the community.

This activity is responsible for providing and maintaining the stormwater network within the community to ensure that the risk of flooding is mitigated as much as possible, and residents are kept safe.

Also, the stormwater activity is provided in a sustainable manner to minimise the impact on the environment and to ensure that it is affordable for residents.

STRATEGY

Council has adopted a stormwater Asset Management Plan which provides for the efficient and effective management of stormwater assets. This Plan allows Council to properly maintain the asset at the optimum level while also making provision for the longer term financing required.

NATURE AND SCOPE

The stormwater system is a network of pipes, manholes and cesspits which collects stormwater from roads and transports it to natural water courses. The network is divided into six zones based on the estimated average date at which each zone was developed. Each zone is given the same installation date and the same replacement date.

Most of the stormwater network is made of concrete pipes and the rate of deterioration is very slow. To resist corrosion in the small geothermal area in the CBD, the network has a mixture of glazed earthenware and High Density Polyethylene (HDPE) black plastic pipes, which are more resistant to the sulphur.

GOALS

To provide and maintain a system for the disposal of stormwater in a manner which the community from flooding and minimises the negative impacts to the environment.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Stormwater activity contributes mainly to Kawerau's Community Outcomes of:

- *Council infrastructure and services are accessible, age and disability friendly, effective, efficient and affordable now and for the future.*

IDENTIFIED EFFECTS OF THIS GROUP OF ACTIVITIES ON THE COMMUNITY

The stormwater activity delivers an efficient network that has minimal impact on the environment. During the year, Council carried out its programmed renewal work.

The significant negative effects for the collection and discharge of stormwater are that it contains contaminants from road surfaces. However, the receiving water (Tarawera River) is large, clear and fast flowing and capable of dealing with the discharges.

Flooding from the stormwater network can cause property damage for residents.

THE YEAR IN SUMMARY

There were renewal of some existing cesspits and installation of a new cesspit (Hardie Ave).

STORMWATER

PERFORMANCE

Levels of Service	Measures	Target 2024/25	Result 2024/25	Result 2023/24	Comments
Council provides an effective stormwater network which removes stormwater to protect dwellings from flooding (System adequacy)	The number of flood events that occur in the district.	No more than 10	Achieved	Achieved	There were no flooding events where habitable dwellings were flooded
	For each flood event, the number of habitable floors affected.	N/A	N/A [14]	N/A	Kawerau properties are not connected to Council's stormwater system
Council provides an effective stormwater network which removes stormwater to protect dwellings from flooding (Customer satisfaction)	The number of complaints received by Council about the performance of its stormwater system.	N/A	N/A[15]	N/A	Kawerau properties are not connected to Council's stormwater system
Response Times	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	Less than one hour	Achieved	Achieved	There were no flooding events.
Discharge compliance	Compliance with Council's resource consents for discharge from its stormwater system, measured by the number of: • abatement notices • Infringement notices • Enforcement orders, and • Convictions received by Council in relation to those resource consents	No notices, orders or convictions	Achieved	Achieved	Council complied with all conditions of its resource consent. Council did not receive any notices, orders or convictions.

[14] Mandatory measure however is not applicable as Kawerau properties are not connected to Council's stormwater system.

[15] Mandatory measure however is not applicable as Kawerau properties are not connected to Council's stormwater system.

KAWERAU DISTRICT COUNCIL
STORMWATER
Funding Impact Statement
for the year ended 30 June 2025

	2024 Long Term Plan	2025 Long Term Plan	Actual
SOURCES OF OPERATING FUNDING			
General rates, UAGC and rate penalties	255,480	306,550	128,380
Targeted rates	0	0	0
Subsidies and grants for operating purposes	19,500	0	37,287
Fees and charges	0	0	0
Internal charges and overheads recovered	4,860	3,570	0
Local authorities fuel tax, fines, infringements and other receipts	0	0	0
TOTAL OPERATING FUNDING (A)	**279,840**	**310,120**	**165,667**
APPLICATIONS OF OPERATING FUNDING			
Payment to staff and suppliers	26,000	31,910	49,716
Finance costs	0	0	20
Internal charges and overheads applied	8,090	9,620	17,620
Other operating funding applications	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**34,090**	**41,530**	**67,356**
SURPLUS/(DEFICIT) OF OPERATING FUNDING (A-B)	**245,750**	**268,590**	**98,311**
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and Financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING (C)	**0**	**0**	**0**
APPLCATIONS OF CAPITAL FUNDING			
Capital expenditure: - to meet additional demand	0	0	0
- to improve level of service	0	0	0
- to replace existing assets	50,000	751,400	0
Increase/(decrease) in reserves	195,750	(482,810)	98,311
Increase/(decrease) of investments	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**245,750**	**268,590**	**98,311**
SURPLUS/(DEFICIT) OF CAPITAL FUNDING (C-D)	**(245,750)**	**(268,590)**	**(98,311)**
FUNDING BALANCE ((A-B)+(C-D))	**0**	**0**	**0**

Capital expenditure related to this activity is as follows:

2023/24	CAPTIAL RENEWALS	Budget (LTP)	2024/25
376,092	Pipework Cesspits/Manhole renewals	751,400	0
376,092	**Total Infrastructural**	**751,400**	**0**
	FUNDED BY:		
94,030	Depreciation Reserve Funding	751,400	0
282,062	Subsidies and grants for capital purposes	0	0
376,092		**751,400**	**0**

Renewing the drinking water pipes throughout the district has continued in the previous year as agreed in the Long Term Plan 2021-2031. The project is now 60 per cent completed.

WATER SUPPLY

ACTIVITIES IN THE GROUP AND IMPACT ON THE COMMUNITY WELL-BEINGS

The Water Supply group of activities is concerned with sourcing, treating and supplying potable (drinkable) water to more than 2,700 households, four large industries and approximately 200 other businesses in the District.

Impact on Community Well-beings

The water activity impacts mostly on the social, environmental and economic well-beings for the community.

This activity is responsible for providing potable water to the community in a sustainable manner to ensure that it is affordable and meets the necessary health standards.

NATURE AND SCOPE

The District's water supply is sourced from two springs, one in town and the other 3.5 km to the southwest of the town as well as bores in Tarawera Park. From there, water is pumped to a treatment plant for UV disinfection and chlorination to comply with Drinking Water Standards of NZ guidelines. After treatment, water is pumped to three reservoirs, two on Monika Lanham Reserve and one above Beattie Road, and then gravity-fed to premises around Kawerau.

The Water Supply activity also involves:

- Managing Water Supply assets: pipes, structures and plant
- Monitoring and reporting water quality
- Planning to improve operations and meet future requirements.

CONTRIBUTION TO COMMUNITY OUTCOMES

The supply of good quality water is fundamental to Community wellbeing. This group of activities contributes mainly to the Community Outcomes of:

- *Council infrastructure and services are accessible, age and disability friendly, effective, efficient and affordable now and for the future.*

IDENTIFIED EFFECTS OF GROUP OF ACTIVITIES ON THE COMMUNITY

The provision of potable water is fundamental to a community's health and well-being.

Kawerau's water supply is not considered a "secure" supply as defined by the Drinking Water Standards New Zealand (DWSNZ) due to historical detection of faecal coliforms at the source water and the inability to prove that the water has been underground for more than twelve months or is not directly affected by surface or climate influences in the environment. Previously, contaminations, when detected, were temporarily treated with a shock dose of chlorine to the water supply.

Council after considering all the potential risks to the community resolved to chlorinate the water supply from 1 July 2018 in order to comply with the DWSNZ.

THE YEAR IN SUMMARY

Achievements for the Water Supply group of activities in 2024/25 were:

- Continuation of 6 year programme to replace AC and steel pipes in town – 5.5 km renewed
- Continuing programme of valve, toby and hydrant renewals.
- Renewal of water treatment plant
- Completion of fluoride dosing plant to improve dental health for community

WATER SUPPLY

PERFORMANCE

Levels of Service	Measures	Target 2024/25	Results 2024/25	Results 2023/24	Comments
Provision of a quality water supply	Community satisfaction with water supply	N/A [16]	N/A	N/A	Survey completed every three years and was last done in 2022/23.
Safety of drinking water	The extent to which the Council's drinking water supply complies with the following parts of the drinking water quality assurance rules: a) Bacterial Rules b) Protozoal Rules c) Microbiological Monitoring Rules	a) Water complies with 4.10.1 T3 Bacteria Rules b) Water complies with 4.10.2 T3 Protozoal Rules c) Water complies with 4.11.5 D3 29 Microbiological Monitoring Rules **	a) 99.95%* Almost met b) 100%* Met c) 100%* Met	a) Not Achieved for standards for bacteria* b) Not Achieved for standards for Protozoal* c) Microbio-logical Monitoring Rules new measure in 2024/25	The T3 Protozoal and D3 Microbiological Monitoring were both met at 100%. The T3 Bacteriological rules were almost met at 99.95%. This was due to a one incident in February 2025, when the requirement for flow through the UV reactors to not exceed 362.5 m3/hr was not met. This was due to 4 newly commissioned pumps all running simultaneously, rather than 2 pumps at one time. This was not reflective of normal operations. All follow up E-coli samples were all within the acceptable range, with no public health risk due to the nature of the event.
	* Taumata Arowai changed the calculation method for drinking water safety performance measure. The previous compliant/non-compliant rating has been replaced with a four step scale of 'All met (100%)', 'Almost met (95-99%)', 'Partially met (1-94%)', and 'Not met (0%)'.Due to the changes in methodology, results for the 2024/25 year are not directly comparable with those reported in the prior year. **The Department of Internal Affairs updated this mandatory performance measure after the council had published the Long Term Plan, which sets our statement of service. The updated measure still covers the bacterial and protozoal compliance of water supplies but now is directly referenced to the relevant rules in the Drinking Water Quality Assurance Rules 2022. Our reporting is, therefore, against these rules for 2024-25. Water quality in 2023-24 was measured against the same bacterial and protozoal rules, therefore the current and previous years are comparable.				

[16] Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2011, 2014 and 2017 Community survey results (by NBR)

Levels of Service	Measures	Target 2024/25	Results 2024/25	Results 2023/24	Comments
Customer satisfaction	The total number of complaints received about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply, and Council's response to any of these issues expressed per 1,000 connections to the networked reticulation system	a) No more than 4 per 1,000 connections b) No more than 2 per 1,000 connections c) No more than 1 per 1,000 connections d) No more than 2 per 1,000 connections e) No more than 2 per 1,000 connections f) 0 per 1,000 connections	Achieved	Not achieved (per 1,000 connections) a) 7.6 b) 0 c) 0 d) 0.3 e) 0 f) 0	Council has 2,903 connections. Council received (per 1,000): a) 3.4 water clarity complaints b) 0.34 water taste complaints c) 0.34 water odour complaints d) 1.37 water pressure complaints e) 0 continuity of supply complaints f) 0 complaints regarding Council's responses.
Maintenance of the reticulation network	The percentage of real water loss from the Council's networked reticulation system, measure using the minimum night flow (MNF) analysis method contained in the DIA Guidelines [17]	<200 litres per connection per day	Achieved	Achieved (154 litres per connection per day)	Average water loss for the year is 143 litres per connection per day.
Demand management	The average consumption of drinking water per day per resident within the district.	<0.6 m^3	Achieved	Achieved (0.45m^3)	The average consumption was 0.46m^3 per person per day.
Fault response times	Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the median response times are:				
	a) attendance for urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site, and	Less than 2 hours	Achieved	Achieved (1 urgent call outs and response time was 29 minutes)	There was no urgent call outs received
	b) resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption. [18]	Less than 8 hours	Achieved	Achieved (resolution was 1 hour 59 minutes)	There were no urgent call outs.
	c) Attendance for non-urgent call-outs: from the time that Council receives notification to the time that service	24 hours	Achieved	Achieved (107 callouts median response time 30 minutes)	82 non-urgent call outs and median response time was 1 hour and 30 minutes (all less than 24 hours

17 Taumata Arowai introduced new Drinking Water Quality Assurance Rules (DWQAR from 12 November 2022. The reporting again it started from 1 January 2023.

18 An urgent call-out is one that leads to a complete loss of supply of drinking water. A non-urgent call-out is one where there is still a supply of drinking water.

	personnel reach the site, and				
	d) Resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	48 hours	Achieved	Achieved (Median resolution time was 2 hours)	82 non-urgent call outs and median resolution time was 8 hours and 34 minutes (all less than 48 hours).
Levels of Service	**Measures**	**Target 2024/25**	**Results 2024/25**	**Results 2023/24**	**Comments**
Water is sourced with minimal environmental effects	Compliance with BOP Regional Council water supply resource consents as reported in annual "consents and compliance field sheet"	Compliance [19]	Achieved	Achieved	There was compliance with all BOP Regional Council water consents.
The water supply is reliable and has minimal disruptions	Number of unplanned shutdowns - reticulation	No more than 12	Achieved	Achieved (1 shutdown)	8 unplanned shut downs occurred.
	Number of unplanned shutdowns – pump stations	None	Achieved	Achieved (None)	There were no unplanned shutdowns of pump stations during the year
	Number of water main breaks	No more than 8	Achieved	Achieved (1 breaks)	1 water main break occurred.

* Results are based on attendance and resolution times recorded by Council staff responding to the call-outs, however there is no process to independently verify the information.

19 BOPRC inspection reports state either compliance or non-compliance

KAWERAU DISTRICT COUNCIL
WATER SUPPLY
Funding Impact Statement
for the year ended 30 June 2025

	2024 Long Term Plan	2025 Long Term Plan	2025 Actual
General rates, UAGC and rate penalties	1,356,710	1,533,650	1,569,368
Targeted rates	220,710	223,130	271,280
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	38,550
Internal charges and overheads recovered	52,280	52,900	10,500
Local authorities fuel tax, fines, infringements and other receipts	0	0	0
TOTAL OPERATING FUNDING (A)	**1,629,700**	**1,809,680**	**1,889,698**
APPLICATIONS OF OPERATING FUNDING			
Payment to staff and suppliers	486,530	495,740	813,838
Finance costs	125,000	175,000	327,738
Internal charges and overheads applied	408,380	410,630	587,850
Other operating funding applications	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**1,019,910**	**1,081,370**	**1,729,426**
SURPLUS/(DEFICIT) OF OPERATING FUNDING (A-B)	**609,790**	**728,310**	**160,272**
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and Financial contributions	0	0	0
Increase/(decrease) in debt	2,000,000	2,000,000	2,000,000
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING (C)	**2,000,000**	**2,000,000**	**2,000,000**
APPLCATIONS OF CAPITAL FUNDING			
Capital expenditure: - to meet additional demand	0	0	0
- to improve level of service	0	0	0
- to replace existing assets	2,729,720	2,575,140	3,339,519
Increase/(decrease) in reserves	(119,930)	153,170	(1,179,247)
Increase/(decrease) of investments	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**2,609,790**	**2,728,310**	**2,160,272**
SURPLUS/(DEFICIT) OF CAPITAL FUNDING (C-D)	**(609,790)**	**(728,310)**	**(160,272)**
FUNDING BALANCE ((A-B)+(C-D))	**0**	**0**	**0**

Capital expenditure for this activity during the year included:

2023/24	CAPITAL RENEWALS	Budget (LTP)	2024/25
2,033,884	Pipework Replacement	2,087,329	1,681,563
36,210	Toby Replacement	172,983	24,469
18,274	Valve Replacement	46,128	299,031
14,185	Refurbish Pumps	0	14,185
20,544	UV Tube Replacement	14,992	16,329
202,599	Reservoir, Headworks & Hydrants	253,708	208,886
222,932	Other renewals – Treatment Plant & Dosing Plant	0	1,095,056
2,548,628	**Total Infrastructural**	**2,575,140**	**3,339,519**
	FUNDED BY:		
524,682	Subsidies and grants for capital purposes	0	0
2,000,000	Loan	2,000,000	2,000,000
23,946	Depreciation Reserve Funding	575,140	1,339,519
2,548,628		**2,575,140**	**3,339,519**

The pipework replacement project made significant progress during the year and a loan to fund this project was raised in October 2024.

Group Manager Operations and Service Riaan Nel at the Water Treatment Plant following the installation of four new pumps to provide greater resilience and more efficiency in the provision of drinking water to the community.

.

WASTEWATER

ACTIVITIES IN THE GROUP AND IMPACTS ON COMMUNITY WELLBEINGS

The Wastewater group of activities involves the collection and disposal of wastewater (including sewage). Council's wastewater system is a network of pipes, manholes, cleaning eyes, pumps and a treatment plant. Wastewater is collected from almost all properties in the district and treated and disposed of in accordance with consent conditions.

The wastewater activities are:

- The treatment of wastewater from properties in the district
- Repairing or replacing unsound pipes and other wastewater structures
- Cleaning pipes
- Planning to meet future requirements and improving operations

Impact on Community Well-beings

The wastewater activity impacts mostly on the social, environmental and cultural well-beings for the community.

This activity is responsible for providing wastewater disposal services for the community in a sustainable manner that is not culturally offensive, ensuring that it meets the necessary environmental standards and is affordable for residents.

NATURE AND SCOPE

Council is involved in wastewater collection and disposal to fulfil a range of legislative duties imposed by the Health Act, the Building Act and the Local Government Act. Council's aims in providing a wastewater disposal system are to enhance public health in the District and to safeguard the local environment.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Wastewater group of activities contributes mainly to Kawerau's Community Outcomes of:

- *Council infrastructure and services are accessible, age and disability friendly, effective, efficient and affordable now and for the future.*

IDENTIFIED EFFECTS OF GROUP OF ACTIVITIES ON THE COMMUNITY

The Wastewater activity contributes to the good health and safety of the Community.

THE YEAR IN SUMMARY

Achievements in the Wastewater group of activities in 2024/25 were:

- Continuous provision of wastewater service to a high standard
- Ongoing renewal and upgrade of wastewater treatment plant
- Renewal of wastewater pipes for the year

WASTEWATER

PERFORMANCE

Levels of Service	Measures	Target 2024/25	Result 2024/25	Result 2023/24	Comment
Provision of domestic wastewater collection and primary treatment	Community satisfaction with wastewater disposal	N/A [20]	N/A	N/A	Survey completed every three years and was last done in 2022/23.
Customer satisfaction	The total number of complaints received about any of the following: a) sewage odour b) sewerage system faults c) sewerage system blockages, and d) Council's response to issues with its sewerage system, expressed per 1000 connections to the sewerage system.	a) No more than 1 per 1,000 connections b) No more than 15 per 1,000 connections c) No more than 15 per 1,000 connections d) 0 per 1,000 connections	Achieved a) 0.69 per 1,000 b) 0 per 1,000 c) 1.38 per 1,000 d) 0 per 1,000	Achieved a) 0.0 per 1,000 b) 0.0 per 1,000 c) 2.4 per 1,000 d) 0.0 per 1,000	Council has 2,880 connections a) 2 odour issues b) 0 faults reported c) There were 4 blockages reported. d) There were no complaints about responses
System Adequacy	The number of dry [21] weather sewage overflows from Council's sewerage system, expressed per 1000 connections to that sewerage system [22]	0 per 1,000 connections to the sewerage system	Not Achieved (0.7 overflows)	Not Achieved (1 overflow)	There were 2 dry weather overflow reported during the year.

Levels of Service	Measures	Target 2024/25	Result 2024/25	Result 2023/24	Comment
Fault response times	Where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, the median response times are:				
	a) attendance time: from the time that Council receives notification to the time that service personnel reach the site, and	Less than 1 hour.	Achieved	Achieved (2 overflows attended to within 5 minutes)	There were 17 sewerage call outs. The median response time was 17 minutes.
	b) resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	Less than 8 hours.	Achieved	Achieved (2 overflow resolved within 2.5 hours)	17 sewerage fault call outs occurred; median resolution time was 3 hours and 3 minutes.

---

[20] Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2011, 2014 and 2017 Community survey results (by NBR)

[21] Dry weather sewerage overflow means sewage that escapes a territorial authority's sewerages system and enters the environment during periods of dry weather.

[22] Sewage overflow means sewage that escapes Council's sewerage system and enters the environment.

Levels of Service	Measures	Target 2024/25	Result 2024/25	Result 2023/24	Comment
Council provides a reliable domestic wastewater collection and disposal service	Number of disruptions to wastewater collection service	No more than 50.	Achieved	Achieved No disruptions to service during year	There were no disruptions to wastewater collection service during the year.
Discharge compliance	Compliance with resource consents for discharge from Council's sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders, and d) convictions, received in relation those resource consents.	No notices, orders or convictions.	Achieved a) 0 b) 0 c) 0 d) 0	Achieved a) 0 b) 0 c) 0 d) 0	Council did not receive any abatement notices, infringement notices, enforcement orders nor convictions during the year. .
The wastewater treatment plant operates effectively	Compliance with wastewater treatment plant resource consents as reported in annual Consents and Compliance Field Sheet	Compliance.[23]	Achieved	Achieved. (Council complied with all conditions of the resource consent.)	Council complied with all conditions of the resource consent.

* Results are based on attendance and resolution times recorded by Council staff responding to the call-outs, however, there is no process to independently verify the information.

[23] BOPRC inspection reports state either compliance or non-compliance.

KAWERAU DISTRICT COUNCIL
WASTEWATER
Funding Impact Statement
for the year ended 30 June 2025

	2024 Long Term Plan	2025 Long Term Plan	Actual
SOURCES OF OPERATING FUNDING			
General rates, UAGC and rate penalties	1,334,930	1,431,950	1,430,299
Targeted rates	472,350	477,190	438,020
Subsidies and grants for operating purposes	0	0	0
Fees and charges	52,790	54,000	85,860
Internal charges and overheads recovered	24,260	18,400	0
Local authorities fuel tax, fines, infringements and other receipts	0	0	0
TOTAL OPERATING FUNDING (A)	**1,884,330**	**1,981,540**	**1,954,179**
APPLICATIONS OF OPERATING FUNDING			
Payment to staff and suppliers	765,040	780,190	703,047
Finance costs	0	0	250
Internal charges and overheads applied	596,800	600,000	770,622
Other operating funding applications	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**1,361,840**	**1,380,190**	**1,473,919**
SURPLUS/(DEFICIT) OF OPERATING FUNDING (A-B)	**522,490**	**601,350**	**480,260**
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and Financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING (C)	**0**	**0**	**0**
APPLCATIONS OF CAPITAL FUNDING			
Capital expenditure: - to meet additional demand	0	0	0
- to improve level of service	0	0	0
- to replace existing assets	1,428,660	818,990	1,010,983
Increase/(decrease) in reserves	(906,170)	(217,640)	(530,723)
Increase/(decrease) of investments	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**522,490**	**601,350**	**480,260**
SURPLUS/(DEFICIT) OF CAPITAL FUNDING (C-D)	**(522,490)**	**(601,350)**	**(480,260)**
FUNDING BALANCE ((A-B)+(C-D))	**0**	**0**	**0**

The capital expenditure during the year that relates to this activity is as follows:

2023/24	CAPITAL RENEWALS	Budget (LTP)	2024/25
540,154	Wastewater Pipework	781,190	861,874
736,570	Other renewals	37,800	149,109
1,276,724	**Total Infrastructural**	**818,990**	**1,010,983**
	FUNDED BY:		
1,276,724	Depreciation Reserve Funding	818,990	1,010,983
0	Subsidies and grants for capital purposes	0	0
1,276,724		**818,990**	**1,010,983**

SOLID WASTE

ACTIVITIES IN THE GROUP AND IMPACT ON COMMUNITY WELLBEINGS

The Solid Waste group of activities involves the collection and disposal of solid waste to maintain public health avoid public nuisance and retain aesthetic values in the district.

The solid waste activities are:

- The weekly residual household waste collection.
- The operation of a local transfer station which accepts all types of waste. Residual waste is transported to Tirohia landfill on the Hauraki Plains.
- A weekly "zero-waste" kerbside collection of recyclable materials and a fortnightly green waste collection

Impact on Community Well-beings

The solid activity impacts mostly on the social, environmental and cultural well-beings for the community.

This activity is responsible for providing solid waste disposal services for the community in a sustainable manner that is not culturally offensive, ensuring that it meets the necessary environmental standards and is affordable for residents.

NATURE AND SCOPE

Council is involved in refuse collection to provide the community with a convenient method to remove unwanted materials from their properties, thereby upholding public health and hygiene standards.

The aim of refuse disposal is to dispose of refuse in an environmentally acceptable manner.

The recycling/zero waste activity aims to reduce the volume of waste going to the landfill by maximising the material going to reusable waste streams thereby minimising some of the negative environmental effects of human consumption.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Solid Waste group of activities contributes mainly to Kawerau's Community Outcomes of:

- *Council infrastructure and services are accessible, age and disability friendly, effective, efficient and affordable now and for the future.*

IDENTIFIED EFFECTS OF THIS GROUP OF ACTIVITIES ON THE COMMUNITY

The potential negative effects for this group of activities are:
- Odour
- Health risks
- Vermin infestation
- Visual pollution.

THE YEAR IN SUMMARY

Achievements in the Solid Waste group of activities in 2024/25 were:

- Refuse and recycle collections continued throughout the year without disruption
- Council looked at various ways to reduce the volumes of material having to go to landfill.

SOLID WASTE

PERFORMANCE

Refuse Collection and Disposal

Levels of Service	Measures	Target 2024/25	Result 2024/25	Result 2023/24	Comment
Provision of cost effective refuse collection and disposal that will encourage a healthy, clean and tidy district	Community satisfaction with refuse collection	N/A [24]	N/A	N/A	Survey completed every three years and was last done in 2022/23.
	Community satisfaction with refuse disposal	N/A	N/A	N/A	
Council's refuse collection and disposal services meet the needs of the Kawerau community and help maintain public health and a clean environment.	Level of compliance with BOP Regional Council refuse disposal resource consents as reported in annual consents and compliance field sheets	Compliance	Achieved	Achieved	No notices, abatement notices, enforcement orders or convictions received during the year.

Recycling (Zero Waste)

Levels of Service	Measures	Target 2024/25	Result 2024/25	Result 2023/24	Comment
Material that would otherwise go to the landfill as household refuse is collected by the recycling collection service.	Average amount of recyclable material collected from each household [25]	No less than 178 kg per annum	Achieved	Achieved (210 kg per household)	2,880 households and 192 kg per household on average.
Levels of Service	**Measures**	**Target 2024/25**	**Result 2024/25**	**Result 2023/24**	**Comment**
Council's refuse collection and disposal services meets the needs of the Kawerau community and helps maintain public health and a clean environment	Community satisfaction with recycling services	N/A [26]	N/A	N/A	Survey completed every three years and was last done in 2022/23.

---

[24] Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2011, 2014 and 2017 Community survey results (by NBR)

[25] This performance target is set to encourage recycling, which reduces the amount of refuse disposed of to landfill. The minimum amount set was selected in the LTP as an initial starting point to encourage household recycling. The average is determined by the total amount of recyclable material dived

[26] Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2011, 2014 and 2017 Community survey results (by NBR)

The Kawerau Transfer Station provides easy access for the community to drop off sorted recycling free of charge, and a pay-by-weight service for the disposal of other waste streams.

KAWERAU DISTRICT COUNCIL
SOLID WASTE
Funding Impact Statement
for the year ended 30 June 2025

	2024 Long Term Plan	2025 Long Term Plan	2025 Actual
SOURCES OF OPERATING FUNDING			
General rates, UAGC and rate penalties	809,660	812,660	1,531,199
Targeted rates	542,380	548,600	670,847
Subsidies and grants for operating purposes	0	0	0
Fees and charges	625,380	637,270	1,128,641
Internal charges and overheads recovered	49,890	50,880	0
Local authorities fuel tax, fines, infringements and other receipts	0	0	0
TOTAL OPERATING FUNDING (A)	**2,027,310**	**2,049,410**	**3,330,687**
APPLICATIONS OF OPERATING FUNDING			
Payment to staff and suppliers	1,372,580	1,398,150	2,202,560
Finance costs	3,750	3,350	1,140
Internal charges and overheads applied	618,270	612,120	1,291,959
Other operating funding applications	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**1,994,600**	**2,013,620**	**3,495,659**
SURPLUS/(DEFICIT) OF OPERATING FUNDING (A-B)	**32,710**	**35,790**	**(164,972)**
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and Financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING (C)	**0**	**0**	**0**
APPLCATIONS OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	0	0	0
- to improve level of service	0	0	0
- to replace existing assets	0	3,000	48,444
Increase/(decrease) in reserves	32,710	32,790	(213,416)
Increase/(decrease) of investments	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**32,710**	**32,790**	**(164,972)**
SURPLUS/(DEFICIT) OF CAPITAL FUNDING (C-D)	**(32,710)**	**(32,790)**	**164,972**
FUNDING BALANCE ((A-B)+(C-D))	**0**	**0**	**0**

More fees were received for waste disposal than originally budgeted in the Long Term Plan due to the significant increase in disposal costs which are also higher than budgeted.

LEISURE AND RECREATION

ACTIVITIES IN THE GROUP AND IMPACT ON COMMUNITY WELLBEINGS

The Leisure and Recreation group of activities includes community halls and facilities, the district library and museum, the swimming pool complex, Kawerau's many parks and gardens and the cemetery. The activities are:

Community Halls and Public Facilities

Council owns and maintains four public halls for recreational and cultural pursuits, four clubroom/pavilion buildings on reserves used by various sporting codes and 3 public toilet facilities on reserves. All these halls and facilities are available for public hire at reasonable rates.

District Library and Museum

The Kawerau District Library and Sir James Fletcher Kawerau Museum is a key facility which supports Community information needs, recreation, cultural interests and lifelong learning.

Parks and Reserves

Council owns and maintains a number of recreation reserves which include sports fields, passive reserves and children's playgrounds. Specimen trees and flowerbeds on roadside and amenity reserves further enhance the visual beauty of the District. Council also provides the Kawerau Cemetery to accommodate Community interment needs.

Swimming Pools Complex

Popular both with locals and visitors, the Maurie Kjar Memorial Swimming Pools Complex is a year-round facility with geothermally heated swimming and spa pools. Entry is free.

IMPACT ON COMMUNITY WELLBEING

The leisure and recreation activity impacts mostly on the social, cultural and economic well-beings for the community.

This activity group is responsible for providing leisure and recreation services for the community to meet their social and cultural needs and also promote both physical and mental health. The activities in this group are provided by Council to make them available and affordable for residents.

NATURE AND SCOPE

Council maintains sporting, leisure and recreational facilities to enhance the nature of Kawerau as a recreation and leisure-conscious Community and to maximise opportunities for the Community to participate in recreational and cultural pursuits. Because this group of activities can potentially improve the quality of life of the whole Community in some way, it is important to Council that a wide range of services is provided.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Leisure and Recreation group of activities contributes mainly to Kawerau's Community Outcomes of:

- *Council infrastructure and services are accessible, age and disability friendly, effective, efficient and affordable now and for the future.*
- *Council facilitates a vibrant community life with opportunities for creative, cultural and recreational activity.*

IDENTIFIED EFFECTS OF THIS GROUP OF ACTIVITIES ON THE COMMUNITY

The Leisure and Recreation group of activities provides the people of Kawerau with a quality of life second to none. The level of quality and extent of these services directly improves the quality of life of the community.

THE YEAR IN SUMMARY

Major highlights for the Leisure and Recreation group of activities in 2024/25 were:

- Renewal of children and adult books at the library and completion of upgrade to reception area
- On-going renewals at the swimming pool
- Renewal of Recreation Centre roof to prevent ongoing water damage to this facility
- Maintenance of Council's gardens, parks and sports fields.

Maurie Kjar Aquatic Centre

LEISURE AND RECREATION

PERFORMANCE

Public Library

Levels of Service	Measures	Target 2024/25	Result 2024/25	Result 2023/24	Comment
The library is accessible to the public	Percentage of the population who are active members of the library [27]	>25%	Not achieved	Not achieved (18.0% library users)	At the end of June 2025, there were 1,307 active users of the library (17.2%)
	New items per 1,000 population added to the collection each year [28]	500	Not achieved	Not achieved (458 new items per 1,000)	There were 434 new items (per 1,000 of population) added to the collection (total of 3,306).
Council provides public library services and resources which suit community needs	Community satisfaction with the public library	N/A [29]	N/A	N/A	Survey completed every three years and was last done in 2022/23.

Museum

Levels of Service	Measures	Target 2024/25	Result 2024/25	Result 2023/24	Comment
Council provides a museum service which reflects community needs	Number of exhibitions held	6 exhibitions held for year	Achieved	Achieved (6 exhibitions)	There were 6 exhibitions held during the year
	Number of objects processed per annum	200	Achieved	Achieved (267 objects)	There were 239 objects accessioned into the museum collection
	Community satisfaction with the museum	N/A [30]	N/A	N/A	Survey completed every three years and was last done in 2022/23.

[27] Based on those who have used the library services in the past two years.

[28] The target for new books is to ensure there are new library book stocks available, ensuring the books are new and relevant to meet the needs of the library users. The target was set in the LTP and took into consideration historic knowledge on collection levels.

[29] Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2014, 2017 and 2020 Community survey results (by NBR)

[30] Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2014, 2017 and 2020 Community survey results (by NBR)

Swimming Pools

Levels of Service	Measures	Target 2024/25	Result 2024/25	Result 2023/24	Comment
Council provides a swimming pool complex which is accessible to the Community	Weeks open per year	Open at least 48 weeks	Achieved (49/52)	Achieved (49/52)	Pool was open, apart from 3 weeks to undertake annual maintenance.
Swimming pool water meets water quality standards	Level of compliance with standards [31]	Full compliance in 95% of tests	Achieved	Achieved (98%)	All tests complied with water quality standards. (100%)
Council provides a swimming pool complex which reflects community needs	Community satisfaction with public swimming pool	N/A [32]	N/A	N/A	Survey completed every three years and was last done in 2022/23.

The Kawerau Library School holiday programmes encouraging active participation and movement were supported by Sport Bay of Plenty.

[31] The water quality standards are to comply with Standard for Pool Water Quality – NZS 5826:2010

[32] Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2014, 2017 and 2020 Community survey results (by NBR)

Public Halls and Facilities

Levels of Service	Measures	Target 2024/25	Result 2024/25	Result 2023/24	Comment
Council provides public halls and facilities which reflects community needs	Community satisfaction with public halls [33]	N/A	N/A	N/A	Survey completed every three years and was last done in 2022/23.
	User satisfaction with the public halls	N/A	N/A	N/A	
	Community satisfaction with public toilets	N/A	N/A	N/A	
	User satisfaction with the public toilets	N/A	N/A	N/A	
Four Community halls available for hire: Ron Hardie Recreation Centre, Town Hall, Concert Chambers and the Bert Hamilton Hall	Number of weeks public halls available for hire	Each hall is available for 50 weeks	Achieved	Not achieved Ron Hardie Rec Centre closed for 10 weeks	All halls were available for at least 50 weeks to 30 June 2025. The Town Hall, Bert Hamilton Hall and Concert Chambers were available for 52 weeks and the Rec Centre for 50 weeks.
Clean public toilets are provided in the central business district	Town centre public toilets are open for at least 360 days	Open at least 360 days	Achieved	Achieved (366/366)	The town centre public toilets were open 365/365 days at end of June.

Parks and Reserves

Levels of Service	Measures	Target 2024/25	Result 2024/25	Result 2023/24	Comment
Council provides parks and reserves which meets community needs	Community satisfaction with parks and reserves[34]	N/A	N/A	N/A	Survey completed every three years and was last done in 2022/23.
Sport field playing surfaces meet the requirements of codes for which they are used	Implementation of recommendations of NZ Sports Turf Institute advisory reports.	100%	Achieved	Achieved	Sports fields inspected in March 2025 and recommendations are implemented.

[33] Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2014, 2017 and 2020 Community survey results (by NBR)

[34] Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2014, 2017 and 2020 community survey results (by NBR)

Levels of Service	Measures	Target 2024/25	Result 2024/25	Result 2023/24	Comment
Bedding displays are attractive and updated to suit the season	Number of bedding displays [35]	2 (1 summer and 1 winter)	Achieved	Achieved	Summer (October) and winter displays (May) were planted
Playground equipment is safe for children to use	Monthly inspections of all playground equipment	12 inspections conducted	Achieved	Achieved (12 inspections completed)	12 inspections were completed during the year.
The Kawerau Cemetery meets community interment needs in the present and the medium term	Number of burial plots available	At least enough available for the next 5 years	Achieved	Achieved	There are currently enough plots for approximately a further 10 years.
	Community satisfaction with the cemetery	N/A [36]	N/A	N/A	Survey completed every three years and was last done in 2022/23.

The Rangitaiki Kapa Haka Festival held in the Ron Hardie Recreation Centre in Kawerau was a huge highlight with hundreds of supporters enjoying the performances.

[35] Bedding displays are the garden plant displays around the District. To keep the town looking attractive a winter and summer display is Council target for all year round attractive gardens.

[36] Target set in Long-Term Plan 2021-2031 Statement of Intended Service Provision based on average of 2011, 2014 and 2017 survey results (by NBR)

KAWERAU DISTRICT COUNCIL
Leisure and Recreation
Funding Impact Statement
for the year ended 30 June 2025

	2024	2025	
	Long Term Plan	Long Term Plan	Actual
SOURCES OF OPERATING FUNDING			
General rates, UAGC and rate penalties	4,190,530	4,240,280	4,799,885
Targeted rates	0	0	0
Subsidies and grants for operating purposes	940	960	26,138
Fees and charges	69,680	71,010	88,657
Internal charges and overheads recovered	17,910	19,560	0
Local authorities fuel tax, fines, infringements and other receipts	0	0	0
TOTAL OPERATING FUNDING (A)	**4,279,060**	**4,331,810**	**4,914,680**
APPLICATIONS OF OPERATING FUNDING			
Payment to staff and suppliers	2,254,570	2,288,370	2,634,288
Finance costs	39,160	36,630	21,879
Internal charges and overheads applied	1,289,140	1,281,660	1,590,126
Other operating funding applications	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	**3,582,870**	**3,606,660**	**4,246,293**
SURPLUS/(DEFICIT) OF OPERATING FUNDING (A-B)	**696,190**	**725,150**	**668,387**
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and Financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING (C)	**0**	**0**	**0**
APPLCATIONS OF CAPITAL FUNDING			
Capital expenditure: - to meet additional demand	0	0	0
- to improve level of service	0	0	0
- to replace existing assets	234,200	355,600	485,149
Increase/(decrease) in reserves	461,990	369,550	183,238
Increase/(decrease) of investments	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	**696,190**	**725,150**	**668,387**
SURPLUS/(DEFICIT) OF CAPITAL FUNDING (C-D)	**(696,190)**	**(725,150)**	**(668,387)**
FUNDING BALANCE ((A-B)+(C-D))	**0**	**0**	**0**

Expenditure capitalised during the year that relates to this activity is as follows:

2023/24	CAPITAL RENEWALS	Budget (LTP)	2024/25
65,006	Library Stock Renewals	77,330	78,188
3,161	Other Library/Museum	97,890	26,406
170,903	Swimming Pool - Fences/Clubroom Rooms / Filtration	6,500	143,923
62,862	Recreation Centre Upgrades	71,990	125,711
0	Town Hall Upgrades	2,860	39,035
0	Concert Chamber Upgrade	14,500	0
10,142	Public Toilets	0	0
1,143,316	Sports-fields – Rangi Delamere Centre	23,590	17,100
49,528	Passive Reserves Improvements	57,040	34,584
3,628	Playground Renewals	3,900	2,861
15,374	Cemetery	0	17,341
1,523,920	**Total Operational**	**355,600**	**485,149**
	FUNDED BY:		
300,000	Grants for capital renewals	0	0
1,223,920	Depreciation Reserve Funding	355,600	485,149
1,523,920		**355,600**	**485,149**

Youth workers around Kawerau at the Mana Taiohi Wānanga and Code of Ethic Training hosted by Mayors' Taskforce for Jobs and Ara Taiohi at Firmin Lodge

COUNCIL CONTROLLED ORGANISATIONS

BAY OF PLENTY LOCAL AUTHORITY SHARED SERVICES

Background

The Council Controlled Organisation was formally established in January 2008. The Company was set up by the eight local authorities in the Bay of Plenty region to foster collaboration between Councils in the delivery of services particularly back office or support services.

As a Council Controlled Organisation, the Bay of Plenty Local Authority Shared Services (BOPLASS) is a separate legal entity from Council and is responsible for delivering in accordance with an agreed Statement of Intent. The Company is governed by a Board of Directors who are the Chief Executives of the constituent local authorities.

FINANCIAL PERFORMANCE FOR THE YEAR ENDED 2025		
	Parent 2024/25 $000s	**Parent 2023/24** $000's
Revenue	1,754	2,461
Expense	(1,763)	(2,462)
Net (Deficit)/Surplus Year	(9)	(1)
Less Tax Expenses	0	0
Net Surplus/(Deficit) after Tax	**(9)**	**(1)**

Statement of Intent and Performance

The company has complied with section 64 of the Local Government Act 2002 (LGA) and had a Statement of Intent for 2024/25 and associated budget formally adopted by the directors at the meeting held 21 June 2024.

The following is a report of performance against targets set in the Statement of Intent for 2024 to 2027.

Performance Targets for 2024/25

Targets	Measure	Progress as at 30 June 2025
Investigate new joint procurement initiatives for goods and services for BOPLASS councils. Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.	A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to participating councils.	**Achieved.** The procurement initiatives which have been investigated during the year are as follows: • Oblique Aerial Imagery • Infrastructure Earthquake Loss Modelling • Risk Management Resourcing • Starlink Management - satellite service • High volume print • Office supplies • Energy services • Infrastructure insurance

<table>
<tr><th>Targets</th><th>Measure</th><th>Progress as at
30 June 2025</th></tr>
<tr><td>Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.</td><td>BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.

Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.</td><td>Achieved.

BOPLASS continues to work closely with MW LASS and Co-Lab engaging regularly and formally meeting on a quarterly basis. Shared services projects offered to BOPLASS councils include:
Debt Management
Archives
Building Consent Services
Wellbeing health and Safety training
BOPLASS is leading or managing, on behalf of other LASS:
Waste Operator Licencing Data System
Staff Wellbeing Portal
Regional Contractor Database
Rate Collections
Inter – Council Secondments
Insurance broker appointment
Workforce management system
Occupation Health Services
NZ Aerial Imagery Consortium
Engagement with other LG collaborative groups</td></tr>
<tr><td>Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils</td><td>Manage and/or renegotiate existing contracts.

Contracts are reviewed annually to test for market competitiveness.

New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.</td><td>Achieved.

Contracts negotiated and/or renewed for:
VertiGIS Studio
Inter-Council Network (ICN)
Zoom Video Conferencing Service
My Everyday Wellbeing
Media Copyright Agency
Cyber Insurance
N3 – Collective Purchasing Group
Standards NZ
NAMS+ subscription
IPWEA membership
NZ Archaeological Association
ESRI Enterprise Licensing Agreement
Insurance Brokerage Services</td></tr>
</table>

Targets	Measure	Progress as at 30 June 2025
Communicate with each shareholding council at appropriate levels. Actively engage in obtaining political support for identified projects.	Information provided to elected members and feedback sought on BOPLASS projects, benefits to local communities and value added to each council.	**Achieved.** BOPLASS continues to regularly engage with our constituent councils, senior management, and shareholders to ensure opportunities continue to be developed to the benefit of stakeholders. In addition, BOPLASS chairs and co-ordinates meetings and activities for specific council advisory groups that manage or lead new collaborative initiatives. These groups generally comprise of managers from each council. The BOPLASS Statement of Intent, Annual and half yearly reports are provided to councils for comment or feedback and the CEO is available to attend council meetings as required.
Further develop and extend the collaboration portal for access to and sharing of, project information and opportunities from other councils and the greater local government community to increase the breadth of BOPLASS collaboration. Increase the use of the Collaboration Portal by providing support and training material for new and existing users. Proactively market the benefits to councils.	Number of active users to increase by 5% per year.	**Achieved.** Collaborative projects continue to be added to the MahiTahi LG Collaboration Portal along with several specific Teams or Channels established for confidential projects being run outside of the main portal. Continued promotion of the MahiTahi LG Collaboration Portal has seen a 5% increase in registered users with numbers increasing with numbers increasing from 507 to 539. Induction and training material has been developed for creating a smooth on-boarding of any new members. The Te URU hub (regional and unitary authorities) has continued to grow and is hosted within the same environment as the MahiTahi Collaboration Portal. There are now over 3,191 users within the wider portal

Targets	Measure	Progress as at 30 June 2025
Ensure current funding model is appropriate.	Review BOPLASS expenditure and revenue and review council contributions and other sources of funding. Performance against budgets reviewed quarterly. Company remains financially viable.	**Achieved.** The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board. • Council contributions were levied with annual council contributions now CPI adjusted. • Contributions were received from activities producing savings. • An annual contribution from Co-Lab, MW LASS, Regional Software Holdings (RSHL) and BOPLASS councils is received for membership of the MahiTahi Local Government Collaboration Portal *. • Monthly and quarterly performance reviewed. • Financial statements and budget variances reported and reviewed at Board meetings. • Financial position year end 30 June 2025: $9,243 deficit.

* The MahiTahi Collaboration Portal is an initiative to assist in accelerating growth of shared service strategies and projects throughout Local Government in New Zealand by increasing visibility of councils' opportunities to collaborate.

Putauaki Trust Industrial Zone

Toi-EDA (Economic Development Agency)

Toi-EDA is the Eastern Bay of Plenty Regional Economic Development Agency. It was set up by the three territorial authorities (Kawerau, Opotiki and Whakatane), the regional council (Bay of Plenty Regional Council) and Te Rūnanga o Ngāti Awa on behalf of Mataatua Iwi Forum.

In August 2024 Council resolved to cease making financial contributions to Toi-EDA. The status of Toi-EDA is that it is in an operational hiatus.

The roundabout on State Highway 34 developed for entry into the Putauaki Trust Industrial Zone.

MONITORING OF PROGRESS TOWARDS ACHIEVING COMMUNITY OUTCOMES

One of the approaches Council uses to determine how well it is performing is by obtaining community feedback by conducting a structured survey with the community. For the 2022/23 survey this was conducted for the first time by SIL with a new methodology (see detailed explanation of the changes under the Statement of Service Performance). The results for the January 2020 survey were collected by the National Research Bureau's 'Communitrak' survey. The overall satisfaction below is based on user satisfaction, which is more consistent with the NBR results for 2020. To further assess Council's performance comparisons against the national benchmarks are included below.

Measure (Community satisfaction with)	Very/ Fairly Satisfied 2020 %	Very/ Fairly Satisfied 2023 %	Very/ Fairly Satisfied National Benchmark 2023 %
Performance of the Mayor and Councillors in the last year	83	69	53
The way rates are spent on services and facilities provided by Council	89	62	39
Consultation and Community Involvement - The way Council involves the public	65	64	51
Dog Control Service	81	34	63
Public Library	87	83	N/A
Refuse disposal (Refuse Transfer Station)	78	78	66
Rubbish collection	97	90	73
Recycling services	91	81	N/A
Community attractiveness and beautification	98	84	N/A
Museum	58	77	N/A
Quality of life in Kawerau	91	67	N/A
Kawerau is definitely or mostly a safe place to live	88	84	58
Kawerau as a place to live is the same or better than it was three years ago	92 (agree)	67 (agree)	N/A
Emergency management – Percentage of households which have an emergency management kit	49	50	N/A
Water supply	73	40	73
Parks and reserves	93	82	82
Swimming pool	90	72	69
Roads	95	57	43
Footpaths	81	60	60
Wastewater (sewage disposal)	95	82	74
Cemetery	76	91	79
Public toilets	80	79	67
Community spirit	86	75	N/A
Public halls	80	83	N/A

Council also undertook monthly surveys of users of its services throughout the 2022/23 year. There continued to be a high level of user satisfaction with all Council services. The Summary of these survey results is as follows:

ALL SERVICES

2023/24	Customer Service Satisfaction Survey (CSSS)	2024/25
485	CSSS forms posted out	620
125	CSSS forms returned	141
25.8%	Response rate	23%
	Feedback received from Customers	
75	Predominantly Excellent	93
31	Predominantly Good	26
7	Predominantly Only Fair	3
8	Predominantly Poor	7
3	Not applicable	7
2	No boxes ticked	5
	Conclusion	
84.8%	% customers satisfied (Excellent/Good)*	84%
12.0%	% customers unsatisfied (Fair/Poor)*	16%

*The not applicable boxes and no boxes ticked categories have not been included in the percentage figures

Mayors' Taskforce for Jobs supports youth into sustainable work within the Kawerau Rohe. Kajavala Forestry Limited (KFL) is one of the local industries to support this initiative.

KAWERAU DISTRICT COUNCIL
Te Kaunihera ā rohe o Kawerau

Kawerau District Council, Ranfurly Court, Kawerau

Waea Phone 07 306 9009

Pae Tukutuku Website kaweraudc.govt.nz

Īmēra Email kaweraudc@kaweraudc.govt.nz

Pukamata Facebook KawerauDistrictCouncil