

Rīpoata ā-tau 2024/25 Annual Report



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1 He kupu nā te Tumu Whakarae | Message from the Chief Executive

**Welcome to our Annual Report
for the 2024/25 financial year.**



Following a number of years of disruption, we can report a year of relative stability, albeit with challenging economic conditions affecting our businesses and communities, while driving costs within council business. We have also faced a storm of reforms coming through from Central Government that will impact our communities into the future.

Operationally, we have had the time and space to complete much of our 2023 cyclone recovery work, and to focus on getting back to delivering our business as usual. This, at its heart, is about looking after our communities – providing the leadership, infrastructure, facilities and services that help our communities thrive and adapt to changing circumstances.

Our year has focussed on repairing and maintaining roads, upgrading our water services in line with new government requirements, collecting rubbish and recycling, maintaining our well-loved parks and reserves, and building capacity within our communities to withstand future natural disasters or economic shocks.

We ran three major and overlapping consultation processes during the year. Each process came with legal requirements that set out when we had to run it and added time and cost to the process. We work hard to communicate with you in the ways that suit you best and give you easy options for sharing your feedback. We are

grateful to those who engaged and helped inform our decision making on our waste services, our rating system and on our proposal for the future delivery of our three water services. All of these decisions are now made and we are in the implementation phase.

Financially our performance was strong. A focus on cost control and delivering within budgets has seen controllable operating costs come in below budget. Council has maintained a relatively balanced budget, despite the drop in our development-related revenue due to challenging economic conditions. The focus on our project management processes has shown marked improvement in our project delivery from previous years. At year's end we have delivered a higher percentage of projects than previous years and have a number of multi-year projects contracted for delivery.

For the first time we have conducted a community perception survey, and the results are referred to throughout this annual report, forming a good basis for measuring how our community views our performance in the future.

A handwritten signature in blue ink, appearing to read 'Aileen Lawrie'.

Aileen Lawrie,
Chief Executive,
Thames-Coromandel District Council

2 Whakataki | Introduction

Te Pūrongo Ā-tau | This Annual Report

This Annual Report details how we did on delivering the plans we set for the 2024/25 year (that's from 1 July 2024 to 30 June 2025). Our 2024-34 Long Term Plan set out our priorities, plans, budgets and funding for the year. This report looks back against that plan and considers:

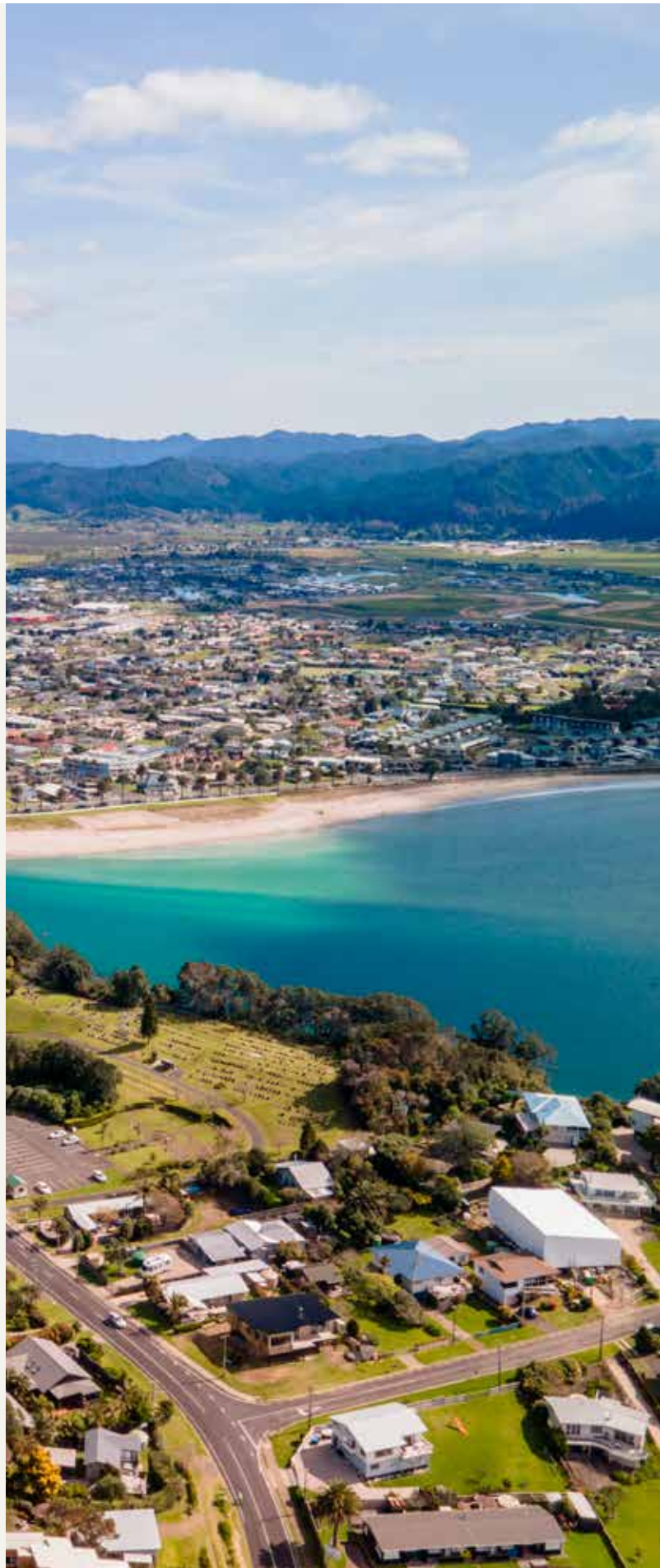
- did we deliver the level of service we said we would?
- did we deliver on the projects we said we would?
- did we deliver to the budgets we set?

This report is intended to provide you, our communities and other organisations, with information on our performance.

Audit

This Annual Report has been audited by the Auditor-General. Our current external auditor, Audit New Zealand, undertakes the audit on the Auditor-General's behalf. The audit helps ensure that we meet our responsibilities to complete an accurate, complete and compliant report (with our legislative obligations under the Local Government Act 2002 and Local Government (Financial Reporting and Prudence) Regulations 2014).

You can read the Auditor-General's opinion at the end of this report.

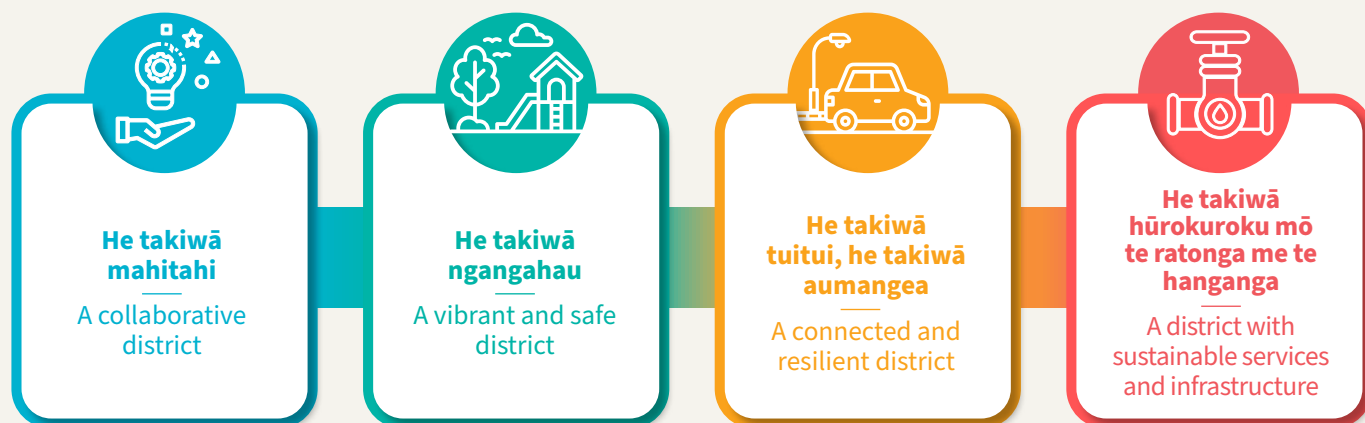


Ngā kaupapa matua ā-kaunihera | Our priorities

Every three years we identify our broad priorities. These are the outcomes we want to achieve for our communities' wellbeing. All the services we provide contribute to the achievement of those priorities. In this section we provide information on how we do this. We also report on whether we delivered the services that we said we would.

In this annual report, we're reporting for the first time on our priorities set in 2023 (you can read more about them in our 2024-34 Long Term Plan).

These are the priorities set by our Council in 2023:



1 Our priorities fulfil the definition of 'Community Outcomes' as described in the Local Government Act 2002.

Ngā mahi whakahira | Our highlights

Completion of Recovery Activity

The North Island weather events of early 2023 are now well behind us. The last 12 months have seen us largely completing the work to fix our damaged roads, and we have been able to access a higher than usual rate of government co-funding to get this work done. During the year we finalised our recovery work programme, captured our learnings and embedded changes in our business as usual to ensure we are more resilient and able to cope better with future events.

Since the severe weather of early 2023, we have made good progress helping our more isolation-prone communities be less cut off when roads and telecommunications fail. We are working with community groups and partners to help our people across the district access services, programmes and opportunities that underpin and contribute to their communities' health, safety and liveliness. As part of this, we are encouraging local business opportunities, events, visitor attractions and services.

Partnership with Iwi and Māori communities

We've also been making progress towards laying stronger foundations to develop meaningful partnerships with Hauraki iwi and Māori communities; we are working towards building strong, enduring relationships founded on trust, respect and partnership. That means working with Hauraki iwi more closely on a wide range of projects, knowing and understanding each other's aspirations and priorities, and looking for more opportunities to collaborate in ways that promote the wellbeing of our shared communities.

Water Services Transition

We have seen the progression of legislation requiring councils to meet sustainability tests with the delivery of water services. Our Council has run a robust process over the last 12 months to identify, model, consult and then decide on its preferred water services delivery model. We received 241 responses to our waters delivery proposal, with views fairly evenly split between an in-house model and an aggregated Water Services Organisation (WSO). The feedback very clearly identified cost as the main motivator for our respondents. We therefore selected to join a WSO with Western Bay of Plenty District Council (WBOPDC) and Tauranga City Council (TCC) as our preferred option, with modeling showing a \$500 savings per connection by 2034. Unfortunately, after year's end WBOPDC voted to join forces with TCC only, leaving us in a stand-alone business unit for the time being. As this Annual Report was being prepared the issue has continued to evolve. No matter

what happens, water will continue to run when taps are turned and toilets will continue to flush.

Investment in Drinking Water

At the same time as reviewing water service delivery, new standards are driving the need for greater investment in the water infrastructure. We invested \$8.3 million implementing necessary upgrades in response to increased drinking water standards, with significant work made on the new treatment plants for Hāhei and Matarangi. In addition, roofs were replaced on reservoirs at Matarangi and Tairua, losses to leakage across our networks were reduced and early groundwork was advanced on the Thames Valley water improvements project. One part of the project included completing the Pūriri Valley Road water main upgrade. Once completed, this project will mean another 500 households will have safe, compliant, drinking water. Of those who are connected to a Council water supply, 77% are satisfied with our service.

Rating Review

During the course of the year, our Council reconsidered the basis for its rating system and consulted on a move to a capital value system, widely considered a more equitable system to apportion rates. The consultation process attracted considerable feedback and the decision was made to move to capital value in time for the 2026-27 rates.

Reform Storm

The year just passed has been notable for its lack of major external shocks compared to most of the last five years, when we had pandemics, extreme weather, road closures and community isolation. The past year has however seen many reforms coming through from central government that will have lasting impact on communities. Many of these processes have been on tight timetables and we have done our best to engage constructively with the government via submissions and various forums. Water reforms, Resource Management Act, Building Act and Local Government Act are all subject to reform, and these are our Council's main guiding legislation, directly affecting what we do and how we do it.

Community Survey

A new feature of this Annual Report is the inclusion of results from our ongoing community satisfaction survey that we started in early 2025. This involves asking residents who live in the district and ratepayers who usually live outside it for their views on our activities, infrastructure and services across the board, and looking at how we can do better based on the feedback. Throughout this report you'll see references to the survey responses.

Waste Reduction

As a district, we made great progress in reducing the amount of waste we send to landfill. The amount of food and green waste we put out in our kerbside rubbish bins has almost halved since 2021, and fewer recyclables are going into our rubbish bins too. Over the last three years, our communities have diverted 44 tonnes of soft plastics from landfill by recycling them instead. We supported waste reduction education in the community and in schools. We've invested in our seven Refuse and Recycling Transfer Stations and started construction on a new transfer station in Whitianga, securing a \$5.9 million grant from the government's Waste Minimisation Fund. Our kerbside rubbish, recycling and food waste collections ran much more smoothly this year than in the previous year, in which a new system using a new contractor was introduced. 56% of our community survey respondents say they are satisfied with our overall waste management.

Community Spaces and Places

Our community spaces are treasured by our residents, bach owners and visitors and we continued to maintain and improve our boat ramps and wharves, public toilets, libraries, community halls, parks and reserves, playing fields, airfields and cemeteries. These assets provide spaces and places where people can come together to play, have fun, compete, connect, celebrate, commemorate and provide recreational opportunities that support our economy.

As a district, we provide many facilities designed to give enjoyment of our natural environment and to care for it by providing convenient facilities (pun intended) for residents and tourists alike. All of these come at a cost to our rates and we know there is a high level of community satisfaction – around 70% - with these facilities, as measured by our surveying. We continue to lobby for government contribution to the running of our facilities that are heavily tourist focused and we supported the increase in the visitor tourism levy for this reason.

Climate Adaptation

Climate change continues to be at the forefront of our Council's long-term planning with \$92.7 million allocated over the next decade for coastal protection works (projects like seawalls and beach replenishment). Most of this work has focused on Thames so far, where we've asked for community input, designed plans and assessed how rivers might behave in future floods. It's become clear that we need to work more closely with the Waikato Regional Council. We've agreed to talk more how we might line up our coastal protection plans with theirs in Thames, so our mahi is co-ordinated and effective.

We had planned to carry out maintenance of seawalls and installation of bollards in Mercury Bay over 2024/25 but instead redirected our budget to building a 30m rock seawall extension along Buffalo Beach Road, Whitianga. Although unscheduled, this work was considered crucial to repair significant coastal erosion following Cyclone Gabrielle.

Our Council has more recently adopted its Climate Change Strategy for directing our organisational response to climate change. As we move forward, it sets out what we will do to adapt and protect our assets and services, and our approach to working with communities.

Financial Performance

Our Council's financial position is generally in line with expectations. Debt is significantly below forecast levels with net external debt at 42% of total revenue. During the past year the council has faced a number of financial challenges with cost escalations in specific areas ahead of what was planned for. These cost escalations have generally been managed through careful delivery of services and deferral of projects where total cost is significantly above budget. We have met most of our financial reporting benchmarks.





Roading recovery mostly complete

Storm recovery works finished at more than 30 sites

- 2100m³ of unstable material removed at **Pumpkin Hill, Tairua**
- Retaining wall constructed on **Kennedy Bay Rd**
- Wall structures constructed on **Port Jackson Rd**
- Stabilised slope on **Colville Road**
- Maintenance of **Morrison Rd Bridge, Tairua**
- Retaining wall construction at **Oamaru Bay**
- Slip repair at **Hot Water Beach**
- Retaining wall construction at **Amodeo Bay**
- Slip stabilised at **Thornton Bay**



From recovery to long-term resilience



Assessment done of **what's needed to grow our workforce**

60 community/not-for-profit groups joined our **fundraising workshops**

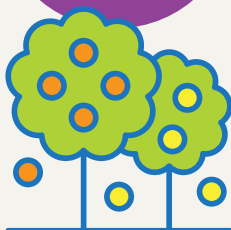


Three tupu kai community garden trials

continue to build local food resilience

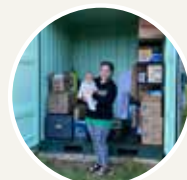


More than **100 fruit trees** planted by volunteers across 23 towns



Delivering value through investing with others

- Opening of the **Coromandel Dog Park**
- **New playground in Coromandel** township
- An **upgraded multi-sports facility in Cooks Beach**
- **New lights and refurbished skate half pipe** at Patukiriki Reserve, Coromandel
- **11 InZone career kiosks** provided in Hauraki and Coromandel
- 31 young people **placed into jobs**
- Council and community secured site for **Whangamatā Community Marae and Wellbeing Hub**
- **Murals with youth** at Hāhei Skatepark and Porritt Park, Thames
- 42 communities delivered **emergency preparedness training and resources**





Other local touch-ups

- Consultation on the **Whitianga Esplanade** redevelopment started
- **Ruamahunga boat ramp** upgrade
- Removal of dangerous trees from **Shortland Cemetery**
- An upgraded **multi-sports facility in Mercury Bay**
- **Maintenance work on toilets** at Coroglen, Whitianga Wharf, Matarangi, Kennedy Park (Pāuanui)
- **Many new rubbish bins**
- **New fencing** at Matarangi Tennis Courts and Rhodes Park, Thames
- **Picnic tables** at Pāuanui (Tangiteroria Lane) and Coromandel (Dog Park, Hauraki House, Sandy Bay)
- Other **dog facilities** in Burke Street Reserve, Thames
- **Matarangi basketball** half court installation
- **Restorative planting** in Opito Bay and Matarangi lakes and reserves
- **Historical signage** in Whangapoua
- **Track and access improvements** at Paku Summit walkway (Tairua) and Long Bay Motor Camp (Coromandel)
- **New barbeque** at Royal Billy Point, Pāuanui
- **Outdoor shower** at Tairua Surf Club refurbished
- **Refurbishment of various playgrounds** across our district



- **New bike rack** in Whangamatā
- Replacement **memorial seat** at Onemana Reserve
- Improvements at **Island View Reserve, Whangamatā**
- **Cricket Wicket resurfacing** at Rhodes Park, Thames
- Replacement of the **1902 Boer War Memorial spire** after vandalism
- Refurbishment of **pedestrian bridges** in Pāuanui



Asking what you thought about our proposals



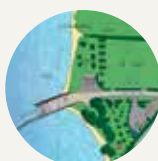
Summer **rubbish and recycling collection** changes

How we allocate some of our **rates bills**



Whether our **waters services** should stay inhouse or be delivered with others

How we develop a **harbourside reserve** in Matarangi



Our regulations around **parking and traffic control**



Progressing important projects

- Construction started on the **new Whitianga refuse transfer station site**
- Over 700k spent on **stormwater improvements in Whangamatā**, helping protect homes from flooding and our harbours
- **Pāuanui wastewater treatment plant** odour issues addressed
- Progressed **Thames South water treatment upgrade**, so that those households have safe drinking water
- **Roofs** of two water reservoirs replaced, keeping drinking water clean and tanks strong
- **30m rock seawall extension built** along Buffalo Beach, Whitianga, to shield from erosion and storms
- 142,268m² of **sealed roads resurfaced** to keep them maintained, despite increased costs



Use of our services

- 50 new Aotearoa New Zealand **citizens welcomed**
- **53,765 phone calls received** during working hours
- **1,620 community centre and hall bookings**
- **303,000 visitors to our libraries** (online and in person)
- 175,223 **books issued at our libraries**



- **‘Lead the Way’ dog campaign:** 700 people engaged in person and 20,000 reached online, to help dog owners better understand responsible pet behaviour and keep public places clean and safe
- 1,085 **LIM applications received**
- Over 487 people attended **10 waste-free living workshop**
- 36 schools/ECEs participated in **waste education programmes**



A helping hand goes a long way

Our community boards made many locally funded contributions to community organisations to help them make things happen:

Thames

- Thames Community Patrol for a dashcam and hi-vis vests (\$1,075)
- Thames Community Centre for their driver's license programme (\$5,175)
- Ngāti Maru for Christmas in the Park (\$6,800)
- Thames Business Association for traffic management for the Thames Santa Parade 2024 (\$5,140)
- CAPS Hauraki for a Children's Day event at Victoria Park, 2 March 2025 (\$7,148)
- Procurement of works on the Porritt Park basketball court and playground from All Garden Works (\$25,847)
- Thames Music and Drama to hire the Civic Centre for the School of Rock production (\$4,974)
- Thames Public Art Trust (across multiple applications) for visitor information signs at the Civic Centre, Porritt Park, and in Grahamstown (\$11,130)
- TCDC procurement using Ventia (across multiple applications) for Information Centre and Queen St signage (\$16,788)
- Steam Punk The Thames for traffic management of the Steam Punk Parade, November 2024 (\$4,907)
- Thames Community Patrol for a marquee during the Safer Plate Service initiative (\$1,311)
- Ngāti Maru for guest speakers, food, and t-shirts for the Rangatahi Summit event (\$11,080)
- Thames Air Training Corps for a gazebo for training events and fundraisers (\$2,755)
- Thames Public Art Trust for an information sign at the Kauri Dam (\$6,130)
- Thames Pickleball Group to hire the Jack McLean Centre (\$1,792)
- Thames Grey Power to register for the Grey Power Federation AGM in Wellington (\$1,667)

Coromandel-Colville

- Coromandel Community Arts Council for tekoteko replacement on Memorial Reserve Kapanga Road (\$2,500)
- Little Bay Ratepayers Association for replacement AED (\$2,484)
- Forest and Bird Upper Coromandel for plant/pest eradication (\$5,000)
- Coromandel Area School for accommodation on Rarotonga/Aitutaki trip (\$5,750)
- Coromandel Community Library for operational costs (\$15,000)
- Spirit of Coromandel Trust to purchase mower (\$21,850)
- Arts Tour Event (\$1,200)
- Friends of St Pauls Harataunga for building repairs for 125-year anniversary celebrations (\$4,000)

Mercury Bay

- Eloise Green for fairies, pirates, and princess picnic event (\$520)
- Mercury Bay Business Association for Santa Parade and Christmas Night Markets (\$6,513)
- Whitianga Bike Club for purchasing roof ventilators and servicing two portaloos (\$1,034)
- Procurement for Mercury Bay Volunteers celebration catering on 18 June (\$259)

Tairua-Pāuanui

- Tairua Community Hall Society for hall leases costs and annex carpet (\$10,000)
- Tairua Information and Community Services for running summer events (\$9,235)
- Tairua Resident and Ratepayers Association for Waikato Regional Council (WRC) resource consent fees and environmental assessment for pontoon resource consent application (\$2,035)
- Tairua Community Menz Shed Inc for groups administration expenses (\$1,620)
- Tairua/Pāuanui Community Promotions for sponsorship and costs of New Year's Eve fireworks (\$11,500)
- Tairua Elim Church for Light Part Event at Pepe Reserve (\$4,600)
- Pāuanui Resident and Ratepayers for rabbit control, (bait and bait stations) and volunteer stall sites at summer events (\$1,760)
- Tairua Heritage Group for theatre production costs (\$3,000)

- Pāuanui Sports and Recreation Club Inc for annual summer events (\$17,250)
- Tairua Business Association for Tairua Spring Fling event (\$1,000)
- Walk Tairua for installation of bund on Pepe walkway (\$5,000)

Whangamatā

- Whangamatā Community Library (across multiple applications) for holiday programmes, an additional part-time librarian, and accounting charges (\$12,359)
- Whangamatā Harbour Care (across multiple applications) for bird signage and administrative costs (\$3,823)
- Whangamatā Indoor Bowls for hall hire and storage fees (\$550)
- Whangamatā Croquet Club for building repairs and maintenance (\$1,725)
- Whangamatā Community Church for annual carols in the park (\$2,273)
- Whangamatā RSA for ANZAC 2025 (\$4,114)
- Whangamatā Ocean Sports Club for fishing tournament and kids fishing events (\$1,150)
- Whangamatā Summer Festival for summer festival markets (\$2,300)
- Arts Collective Whangamatā for accounting costs and a storage container (\$4,460)
- Enterprise Whangamatā for accounting costs (\$863)
- Whangamatā Bridge Club for card dealing machine (\$2,000)
- Whangamatā Community Patrol for new vehicle (\$10,000)
- Whangamatā Real Estate for Christmas Fair at Williamson Park (\$2,300)
- Whangamatā Rugby & Sports Club for hosting Thames Valley Representative (\$2,300)
- Ross Stewart for promotion of the Obsidian Challenge Event (\$500)
- Procurement of Christmas decoration replacement by Marketing Works (\$27,728)
- Whangamatā Surf Life Savings Club for club renovation (\$11,500)
- Whangamatā Resource Recovery Trust for business cards and financial software (\$628)
- Ōpoutere Community Hall for purchasing heating for the Hall (\$3,000)
- Eastern Coromandel Community Services for food bank and comfort kai costs (\$2,300)

He tirohanga whānui ā-pūtea nei | Overview of our finances

Local Government (Financial Reporting and Prudence) Regulations 2014

Our Long Term Plan sets out our financial strategy, which includes a set of self-imposed financial parameters that guide what we deliver and how we make decisions on funding and expenditure. For further detail about the financial strategy, please refer to our 2024-2034 Long Term Plan. The Local Government (Financial Reporting and Prudence) Regulations 2014 came into force on 1 May 2014.

Part 2 of the regulations requires us to disclose in our Annual Report our financial performance in relation to various benchmarks. This section details our performance against the financial parameters that we have set, which includes our performance against the Local Government (Financial Reporting and Prudence) Regulations 2014 prescribed benchmarks.

Annual Report disclosure statement for the year ended 30 June 2025

What is the purpose of this statement?

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings. The Council 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.

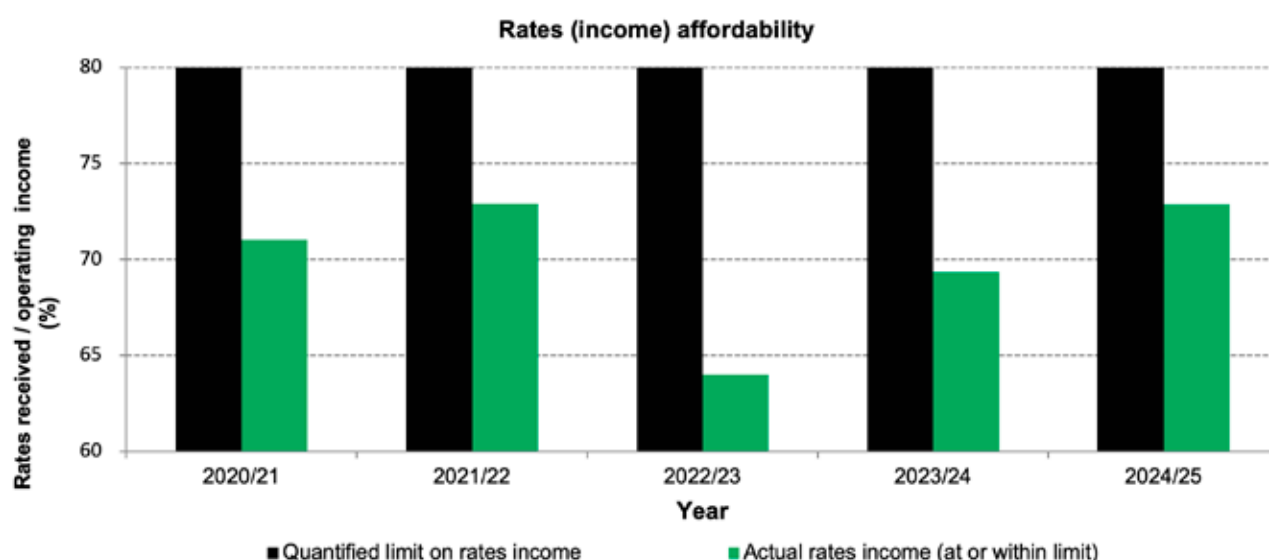
Rates affordability benchmark

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.

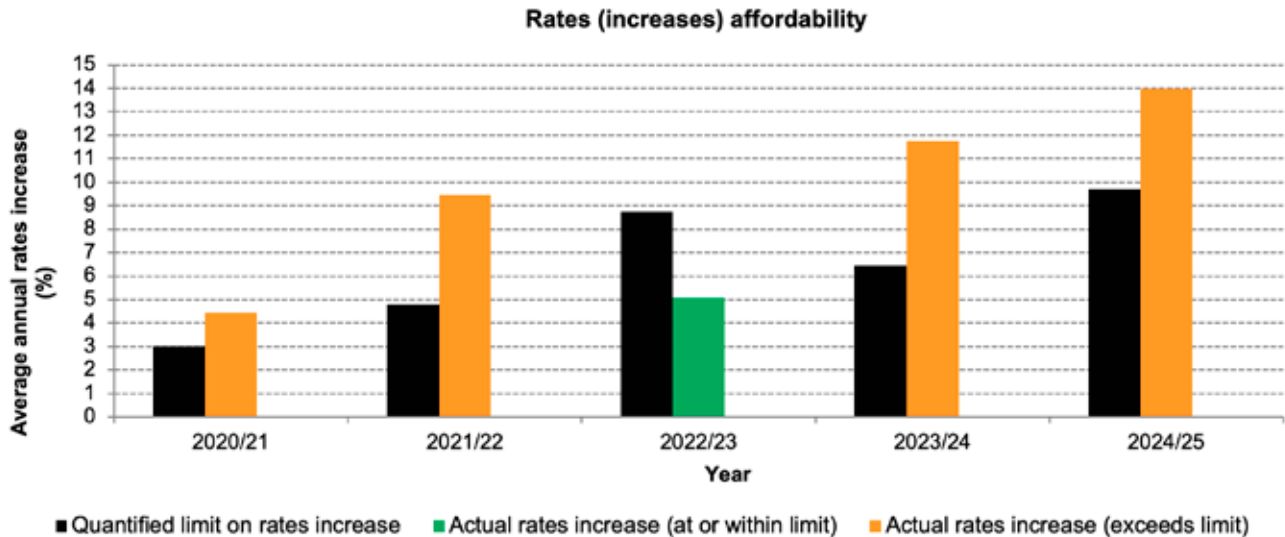
Rates (income) affordability

The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy within the Council's Long Term Plan. The quantified limit is that rates are capped at 80% of total operating revenue. Council's rates are within the quantified limit.



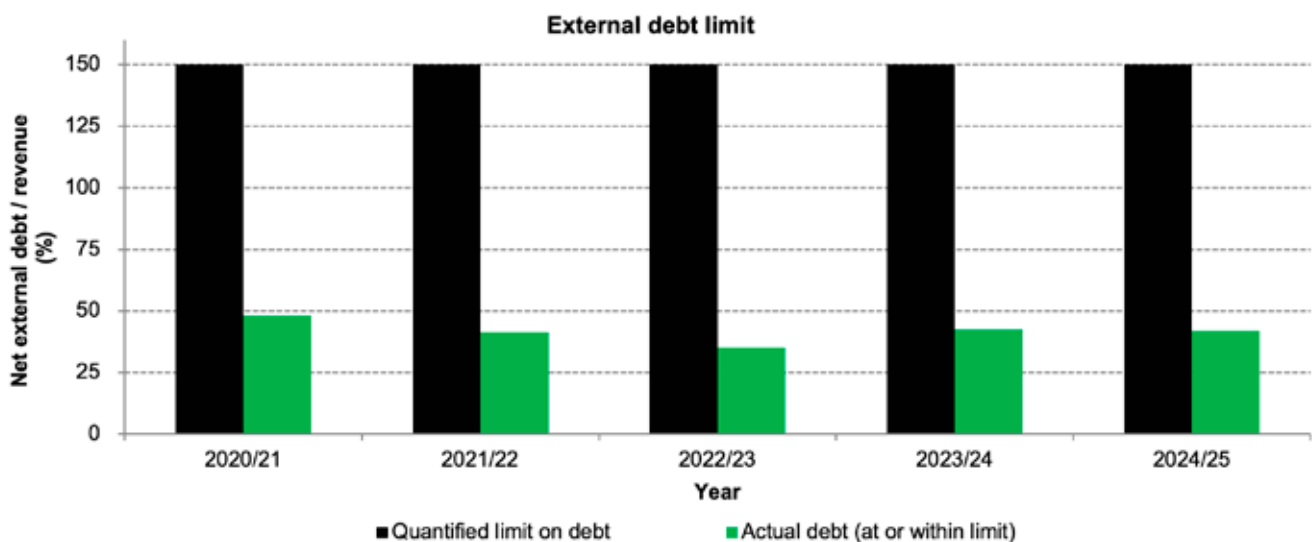
Rates (increases) affordability

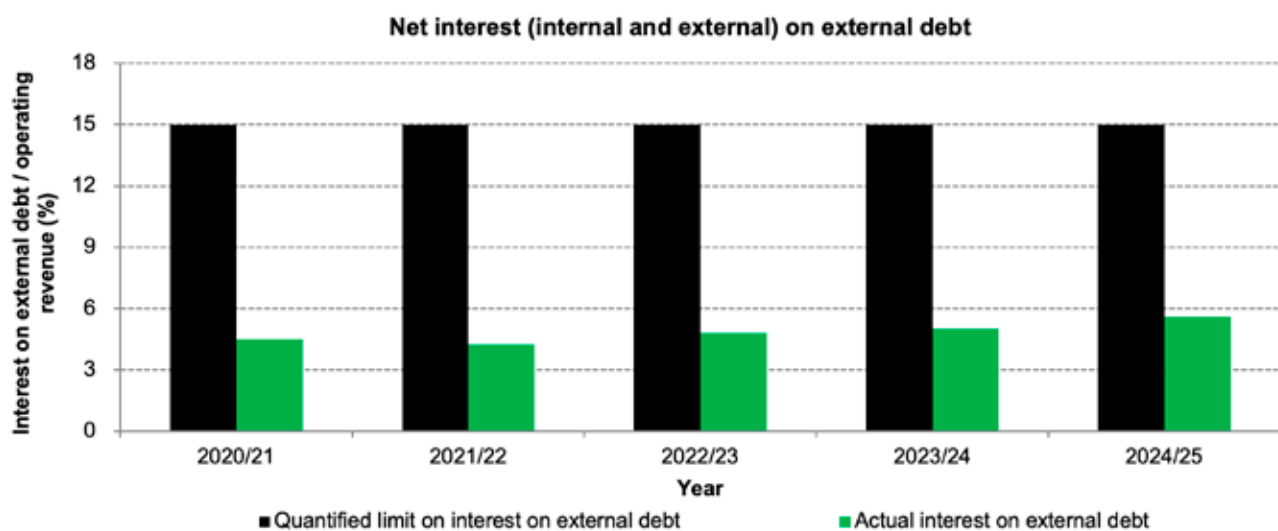
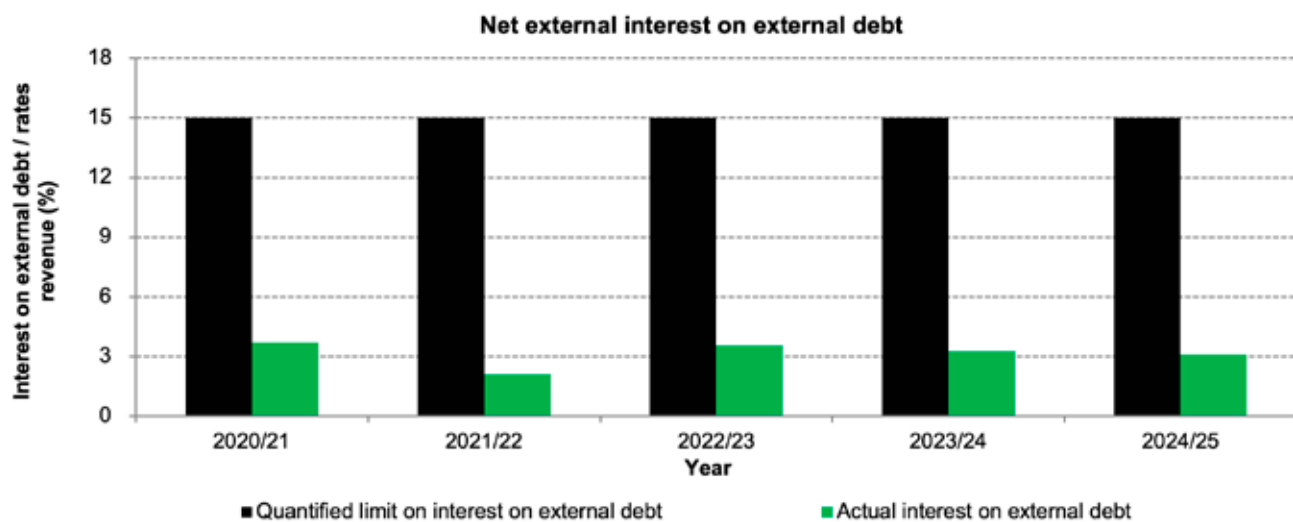
The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's Long Term Plan. The quantified limit is that rates will increase by no more than Local Government Cost Index (LGCI) plus 6.5%. Council's rates are outside the quantified limit in 2024/25 due to escalating costs to service delivery as forecasted in the financial strategy included in the Council's Long Term Plan.



Debt affordability benchmark

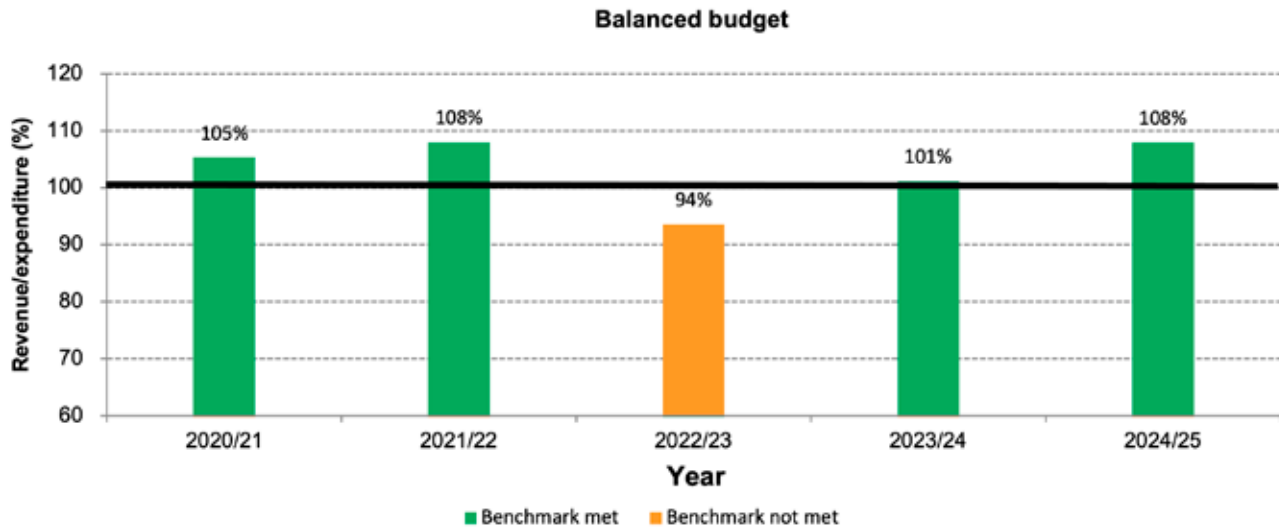
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The following graphs compare the Council's actual borrowing with the quantified limits on borrowing stated in the financial strategy included in the Council's Long Term Plan. The quantified limits are that net external debt will remain within 150% of total revenue, net interest on external debt will not exceed 15% of rates revenue, and net interest (both internal and external) on external debt will not exceed 15% of operating revenue. The Council's borrowing is within these quantified limits.





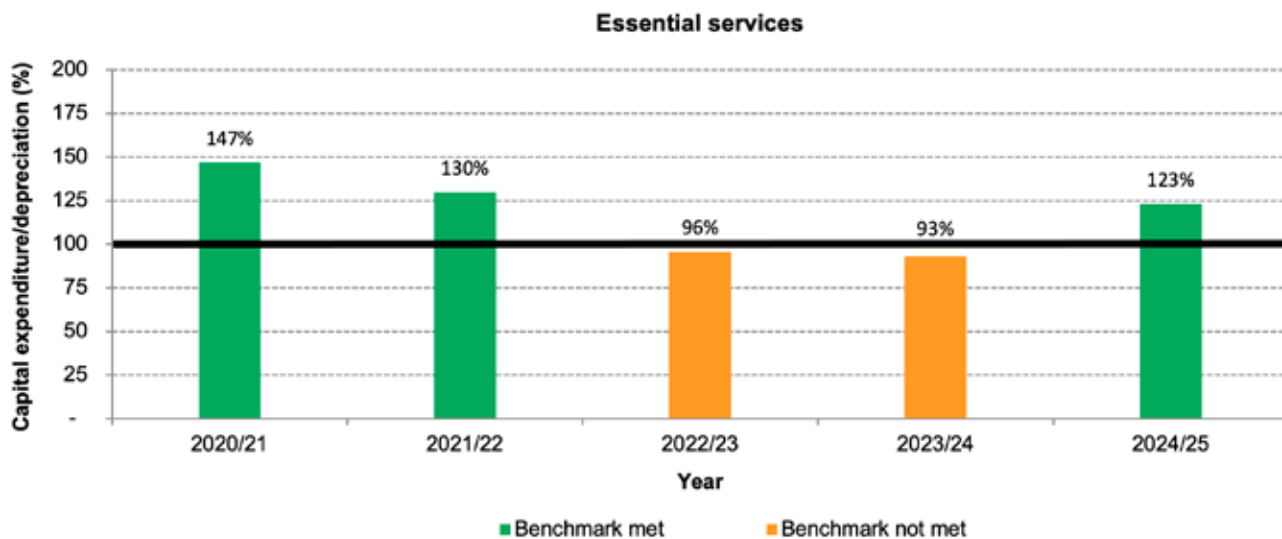
Balanced budget benchmark

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.



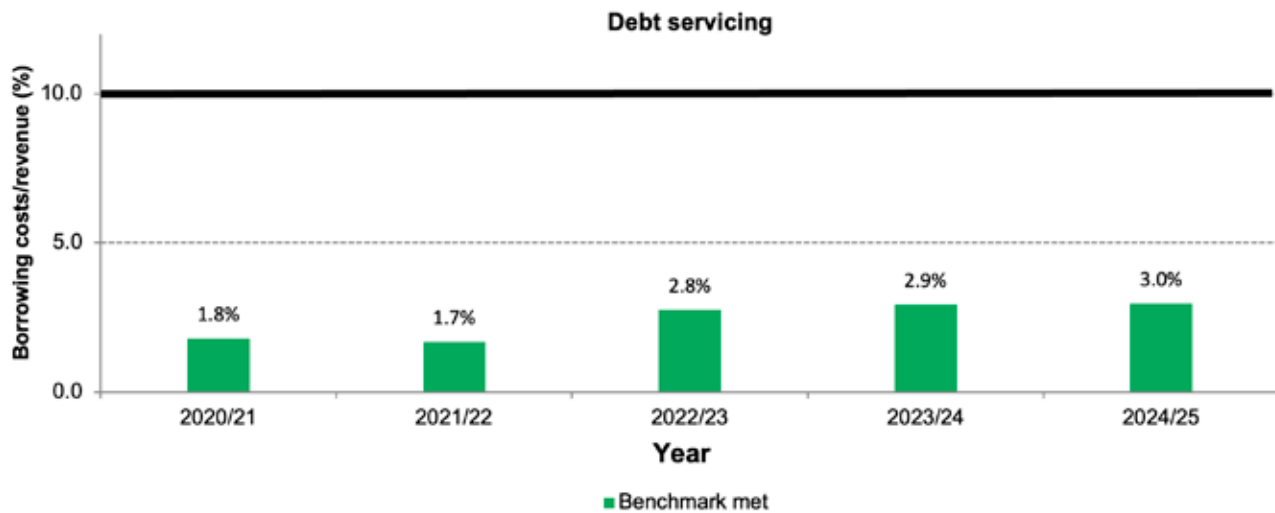
Essential services benchmark

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.



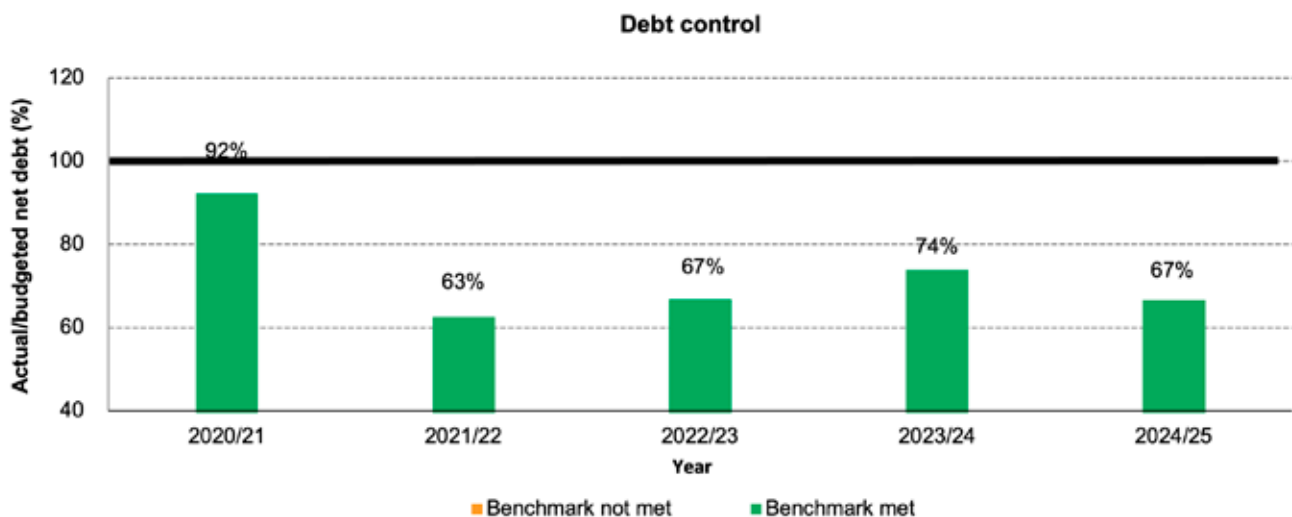
Debt servicing benchmark

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 and 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 equal or are less than 10% of its revenue. The Council's borrowing costs were well within the limit set.



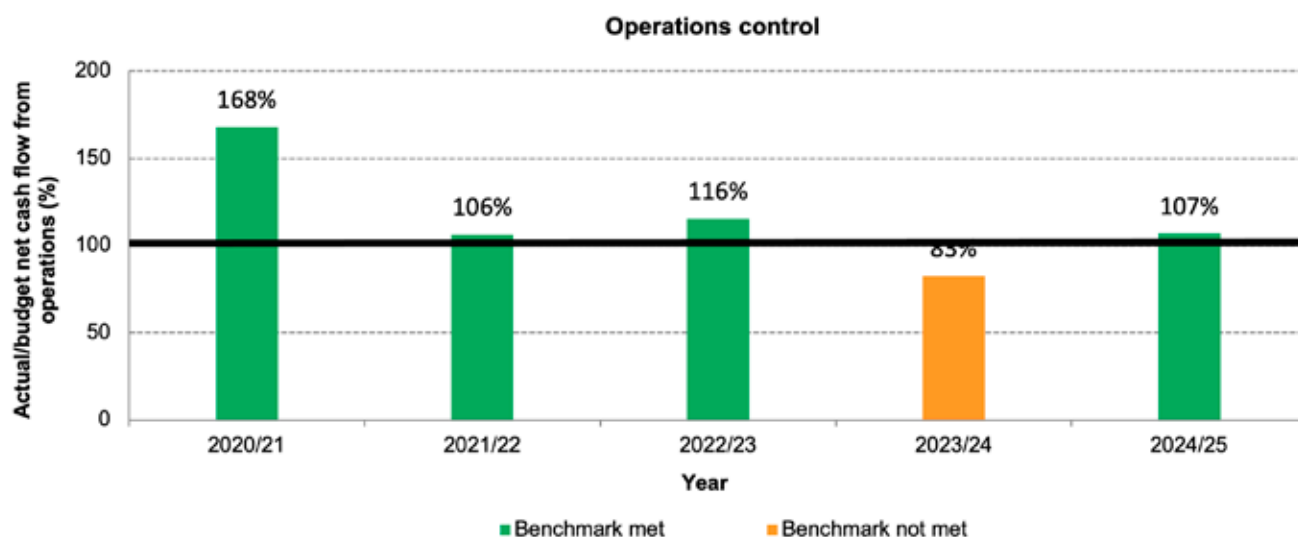
Debt control benchmark

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



Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



3 He puakina whakaarotau | Delivering on our priorities

Our Council has worked towards its priorities by delivering the following activities (another name for the goods and services we provide such as providing facilities or grants).

Our groups of activities		The activities these include
	Leadership and Governance	Governance Corporate
	Community spaces	Community facilities Libraries Parks and open spaces
	Protection of people and the environment	Emergency management Coastal and hazard management Community health and safety
	Planning and regulation	Resource consents Building control District and strategic planning
	Community and economic development	Community development Economic development
	Transport	Roads Footpaths, cycleways & streetlights
	Stormwater	Stormwater and land drainage
	Wastewater	Wastewater
	Water supply	Water supply
	Solid waste	Rubbish and recycling Waste minimisation

A note about this section

For each of our activities we set out whether we delivered the services we said we would and how well we did so.

We decided how to describe and measure the services we'd deliver as part of the development of our 2024-2034 Long Term Plan (LTP), adopted in June 2024. Our LTP tells our communities why we deliver the services we do, and you can find it on our website at www.tcdc.govt.nz. This is our first year reporting on the targets we set for each measure.

How to read our results

We're required to report on a number of aspects of our performance for each group of activities. Here's what they are and how we've presented them.



What we do

This activity group includes the following services:



Governance



Corporate

We break down each group of activities into the specific goods and services that sit within it.



The why

Providing this group of activities helps us achieve a collaborative district by:

- providing representation through our elected bodies
- providing opportunities for our diverse communities to share their voice about what matters on the Coromandel and honouring Te Tiriti o Waitangi principles
- advocating for our communities' needs and aspirations.

We identify the priorities that each of our activity groups mainly contribute to.



He takiwā
mahitahi

A collaborative
district



He takiwā
ngangahau

A vibrant and safe
district



He takiwā
tuitui, he takiwā
aumangea

A connected and
resilient district



He takiwā
hūrokuroku mō
te ratonga me te
hanganga

A district with
sustainable services
and infrastructure



Community satisfaction



Governance

This activity is about ensuring effective, democratic local government, including providing opportunities for our diverse communities to share their voice.

Our year in a nutshell

We continued to play an active leadership role in storm recovery. A fast-moving government has kept us on our toes as we spend time understanding the many proposals for change and their impact on our communities and adjusting our priorities. We stood up for our communities by making multiple submissions to government on proposed legislative changes.

We also successfully completed a 'Representation Review', and reaffirmed our decision to establish a Māori Ward. We welcomed more than 50 individuals from India, South Africa, Fiji, Turkey, France, Malaysia, USA, and Zimbabwe, as new citizens in our district.

We give a brief summary of things that have kept us busy.

Our service targets

KEY: Target achieved | Target not achieved

You can expect:

Our councillors and community board members will demonstrate to ratepayers their commitment to the democratic process+

What that looks like

Attendance rate at Council and community board meetings

Our target

Our result this year

Our result last year

≥ 80%

94%

90%

About our result

During the 2024-25 year, our Council, committees, and community boards held 56 formal meetings. Providing for online attendance has significantly increased participation and accessibility for our members, and allowed for greater flexibility, especially for those unable to attend in person due to scheduling or location.

The connectivity challenges that were previously a barrier to effective remote participation have improved markedly, with upgrades to our digital infrastructure providing a more reliable and smoother online meeting environment.

+ Our targets are set to allow for realistic disruptions to our Governance services, for example, availability of elected members, their ability to access online meeting technology, weather events. The quality of community grant funding applications affects compliance with our fund criteria. As a result, our targets are lower than 100%, and at times, lower than recent performance.

We compare the targets we set with the actual level of service achieved in the last year, and the year before that. This includes whether any changes we intended to the level of service were achieved. We also give the reasons why there were any significant differences between what we intended and what we achieved.

How we decided what to measure

When we set the service performance intentions for our activities in our LTP, we made the following judgements about how to evaluate our performance:

- We considered the aspects of our services that are the most important to our local communities.
- We considered the extent to which a performance measure and target gives a clear indication of what we intend to deliver and how we can demonstrate whether we did.
- We included the mandatory measures we are required to set targets for and report on.

We undertook a review process for all our measures and targets while developing the LTP. As a result, some measures have changed from those used in previous years, and there may not be historical results to compare against. In these cases we've noted the previous year result as 'new'.

'Must have' measures

Under the Local Government Act 2002 we are required to set targets for and report our performance on a large number of measures. These relate to activities like water supply, wastewater treatment and disposal, stormwater and roads and footpaths. All the measures that the Department of Internal Affairs (DIA) require reporting against have been included in our performance framework and performance calculated in accordance with the 'Local Government Mandatory Performance Measures' within the DIA rules and guidance https://www.dia.govt.nz/diawebsite.NSF/wpg_URL/Resource-material-Our-Policy-Advice-Areas-Local-Government-Policy?OpenDocument#performancemeasurerules.

Drinking Water Quality is a mandatory measure, however,

in November 2022 the regulatory body in place over the safety of drinking water has transitioned from the Drinking Water Quality Standards (DWS) to the new Drinking Water Quality Assurance Rules (DWQARs) making the legislative references in the DIA measures obsolete. The new Rules to report on are more comprehensive than those disclosed in our LTP and previous annual reports. An assessment of compliance with the equivalent drinking water quality standards and requirements has been undertaken by an Independent qualified Drinking Water Quality Specialist (3 Waters Consulting).

Other important measurements

There are no mandatory measures for the following activities, but because they are important to our communities we selected our own, so that our readers could understand our performance in these areas:

- **Leadership and governance:** Governance and corporate
- **Community spaces:** Community facilities, libraries, parks and open spaces
- **Protection of people and the environment:** Emergency management, coastal and hazard management, community health and safety
- **Planning and regulation:** Resource consents, building control, district and strategic planning
- **Community and economic development:** Community development, economic development
- **Solid waste:** Rubbish and recycling, waste minimisation.

For some activities with mandatory measures, we also included additional measures to give a fuller picture of the service we intend to deliver.

When choosing measures for these activities, we focused on the aspects of our services that:

- are of high public interest
- are the most important to our communities
- express essential levels of service set by law
- align with our strategic priorities (community outcomes)
- are straightforward and cost-efficient to measure; and
- when combined, give a fuller picture of our service levels.

Measuring community satisfaction

In our LTP we introduced a new way to measure how satisfied our communities are with our services. Our community satisfaction measures don't tell you what level of service we intend to deliver, or whether we delivered it, but they do give insight into how satisfied you are with what we delivered. The information we receive will help us identify whether we're setting our targets at the right level when we next review our LTP.

We began carrying out community satisfaction surveys again in 2024. An independent research company, Key Research, undertakes the survey on our Council's behalf. The survey asks a randomly-selected number of residents who live in the district as well as ratepayers who usually live outside it to rate the services they use and how they feel the Council is performing overall. You'll see some of the results reported under each of our activities.

The survey is designed to be statistically robust, using a representative sample of participants across the district (selected by age, location (ward of property), ownership/ usual residence, gender and ethnicity). The survey is to be carried out four times during each year, and results have a margin of error of +/-4.57%, however last year we only did three rounds, due to timing.

Some satisfaction results in this report are shown as an average across a group of related services. This approach helps us meet our legal reporting obligations and gives a clearer picture of how we're performing across key service areas.

We draw information for the following service performance measures from our community satisfaction survey:

- Councillors and Mayor overall leadership
- The Council's financial management
- The public facilities provided (including council-owned libraries, halls, public conveniences and swimming pools)
- How well the Council maintains its sports fields, parks, reserves, playgrounds, cemeteries and other open spaces
- The role the Council plays in preparing and responding to civil defence emergencies
- Coastal erosion protection and other climate change protection works

- Health and safety regulatory services (animal control, parking enforcement, food and alcohol licensing and noise control)
- What the council is doing with respect to district and spatial planning for future development
- Building and resource consent services (only people who have used them are asked)
- What the Council is doing to grow the local economy and how the Council is working with community groups and partners to facilitate strong connections to other service providers
- The roading infrastructure (includes roads, cycleways and footpaths)
- The overall stormwater system
- The overall wastewater system (only those connected to a town sewerage system are asked)
- Overall water supply system (only those connected to a town water supply are asked)
- Overall waste management (rubbish collection, recycling services, transfer stations, litter bins and waste minimisation) in the district

Results are expressed as a percentage of community members who reported being satisfied. They're measured by calculating the percentage of respondents rating satisfied or very satisfied.

Measuring business satisfaction

We've also started an annual survey to measure how supported our local businesses feel by our Council. This survey was open to all businesses in the district and participation was voluntary. It was promoted through radio, digital and print channels in May 2025. Results reflect the views of those who chose to take part rather than a statistically representative sample of all businesses. A total of 102 responses were received. The result is expressed as the percentage of respondents saying they felt supported.

Administrative records

Counts of activities such as facility visits or response times are drawn from our internal systems or systems managed by our external providers under contract. These systems are periodically reviewed to ensure accuracy and completeness.

How we set our targets

Annual targets of maintaining or increasing on previous year's performance recognise the importance of steady progress towards our goals. As part of setting funding levels, we have considered the impact on services and their related performance measures. Despite funding pressures across our Council, it was determined that 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.

We didn't set targets for the new community satisfaction measures in 2024/25 because we first needed to understand our starting point. The results from this first year will be used to set targets for the future.

The cost of delivering our services

Information on what each activity costs to deliver and how it was funded is included later in section five of this report.

Reporting the results

The performance results in this Annual Report are based on a mix of data sources, surveys, and activity records. For each measure, we use a defined method to record and report performance so that results are consistent and can be verified.

All non-financial service performance results are also reported in a consistent manner, including a quantitative result and accompanying contextual information, which is provided in the 'About our results' column. We've also chosen to provide a summary of other achievements so readers can get a fuller picture of what we've achieved, our progress and our challenges.

Combining results across sites

Where several of our sites or locations contribute to a single measure of visitation, participation or auditing, the results have been added together to show a combined total (aggregated). This applies to the following services:

- Community centres and halls
- Public toilets
- Council-owned airfields
- Harbour facilities
- Libraries (including online visits)
- Parks and open spaces
- Playgrounds
- Cemeteries

Reporting on our infrastructure may also include the aggregation of results across network systems.

Timing and frequency of results

We are required to report on our results annually by the Local Government Act 2002. These results are reported for

the financial year ended 30 June 2025. Where information is only available every second year, we have noted this against the relevant measures.

Statement of Compliance (more legal info)

If you hadn't already noticed, we're reporting on the performance of the Thames-Coromandel District Council. The Council as an entity is described in Note 1 in the Notes to the Financial Statements.

Our service performance information has been prepared in accordance with the Local Government Act 2002, the 'Standard for Service Performance Reporting: Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting PBE FRS-48 (that's a mouthful!)) and generally accepted accounting practice (GAAP). For the avoidance of any doubt, this section in its entirety provides most of the service performance information required by PBE FRS 48. Note 2 in the financial statements and the activity funding impact statements in the funding impact disclosure provide more information on the revenue and expenditure for each group of activities.

Definitions

We use a number of systems and methods to measure a result. Here are some terms that appear in multiple places in this section.

Response time is the time between when a request is received and when the customer receives a response **or** when the service personnel reach the relevant site. A response does not necessarily mean resolution.

Resolution time is the time between when a request is received or issue notified and the time that service personnel confirm resolution of the fault or interruption.

A **working day** means any day except for a weekend day, public holiday, or those days between 19 December and 9 January. If a notification is received over the weekend or on a public holiday, the timeframe starts from the next working day. The processing clock may be stopped at any point should we require further information from the applicant.



Te Hautūtanga me te Mana Urungi | Leadership and Governance



What we do

This activity group includes the following services:



Governance



Corporate



The why

Providing this group of activities helps us achieve **a collaborative district** by:

- providing representation through our elected bodies
- providing opportunities for our diverse communities to share their voice about what matters on the Coromandel and honouring Te Tiriti o Waitangi principles
- advocating for our communities' needs and aspirations.



He takiwā mahitahi

A collaborative district



He takiwā ngangahau

A vibrant and safe district



He takiwā tuitui, he takiwā aumangea

A connected and resilient district



He takiwā hūrokuroku mō te ratonga me te hanganga

A district with sustainable services and infrastructure



Community satisfaction

KEY: Target achieved | Target not achieved

You can expect:

Our governance and corporate activities meet the needs of our communities

What that looks like	Our target	Our result this year	Our result last year
Percentage of community members who are satisfied with:			
• the Councillors and Mayor overall leadership	Establish initial baseline results	34%	New
• the Council's financial management		21%	New

About our result

Survey respondents were asked how they rated councillors and the Mayor for their leadership, when thinking about how committed the Council is to creating a great district, being in touch with the community and setting clear direction. They were also asked to think about how appropriately the Council invests in the district, how wisely it spends and avoids waste, and its transparency around spending. We'll continue to ask you what you think and look at how we can do better.



Governance

This activity is about ensuring effective, democratic local government, including providing opportunities for our diverse communities to share their voice.

Our year in a nutshell

We continued to play an active leadership role in storm recovery. A fast-moving government has kept us on our toes as we spend time understanding the many proposals for change and their impact on our communities and adjusting our priorities. We stood up for our communities by making multiple submissions to government on proposed legislative changes.

We also successfully completed a 'Representation Review', and reaffirmed our decision to establish a Māori Ward. We welcomed more than 50 individuals from India, South Africa, Fiji, Turkey, France, Malaysia, USA, and Zimbabwe, as new citizens in our district.

Our service targets

KEY: Target achieved | Target not achieved

You can expect:

Our councillors and community board members will demonstrate to ratepayers their commitment to the democratic process+

What that looks like	Our target	Our result this year	Our result last year
Attendance rate at Council and community board meetings	≥ 80%	94%	90%

About our result

During the 2024-25 year, our Council, committees, and community boards held 56 formal meetings. Providing for online attendance has significantly increased participation and accessibility for our members, and allowed for greater flexibility, especially for those unable to attend in person due to scheduling or location.

The connectivity challenges that were previously a barrier to effective remote participation have improved markedly, with upgrades to our digital infrastructure providing a more reliable and smoother online meeting environment.

+ Our targets are set to allow for realistic disruptions to our Governance services, for example, availability of elected members, their ability to access online meeting technology, weather events. The quality of community grant funding applications affects compliance with our fund criteria. As a result, our targets are lower than 100%, and at times, lower than recent performance.

KEY: Target achieved | Target not achieved

You can expect:

We'll share Council agendas publicly to assist in transparent decision-making+

What that looks like	Our target	Our result this year	Our result last year
Percentage of Council agendas publicly available two working days or more before the meeting	90%	100%	100%

About our result

The Council achieved full compliance with its agenda publication target, with 100% of meeting agendas made publicly available at least two working days prior to each meeting. This outcome demonstrates commitment to transparency, supports informed public participation, and aligns with the legislative requirements.

+ Our targets are set to allow for realistic disruptions to our Governance services, for example, availability of elected members, their ability to access online meeting technology, weather events. The quality of community grant funding applications affects compliance with our fund criteria. As a result, our targets are lower than 100%, and at times, lower than recent performance.

KEY: Target achieved | Target not achieved

You can expect:

We'll promote a successful community through supporting community-driven initiatives +

What that looks like	Our target	Our result this year	Our result last year
Percentage of community grant funds distributed that comply with the Council's fund criteria	90%	Not measured	Not measured

About our result

To keep costs down, our Council has removed the funding available for contestable community grants from our budgets and combined them with a different type of fund - our Discretionary Funds. The Discretionary Fund doesn't include funding criteria but instead is subject to general Council decision-making. The reports informing these decisions are publicly available. A new set of grants policies is being developed and will be in place by July 2027.

+ Our targets are set to allow for realistic disruptions to our Governance services, for example, availability of elected members, their ability to access online meeting technology, weather events. The quality of community grant funding applications affects compliance with our fund criteria. As a result, our targets are lower than 100%, and at times, lower than recent performance.



Corporate

This activity ensures our organisation operates effectively and that information on our services and decision-making is accessible.

Our year in a nutshell

Behind the scenes, we worked to keep our organisation running smoothly and able to respond to an ever-changing environment. We met our new customer response time targets, continued our transition to electric

vehicles (EVs) to reduce our fleet's carbon emissions and completed a number of property renewal projects that ranged from installing CCTV to maintaining septic and wastewater systems.

Our service targets

KEY: Target achieved | Target not achieved

You can expect:

We'll respond to customer enquiries promptly

What that looks like	Our target	Our result this year	Our result last year
Percentage of phone calls to the Council customer services number answered within 40 seconds*	≥80%	90%	New
About our result			
Of the 53,765 calls we received, 90% were answered within 40 seconds.			

* Measures calls answered by our internal Customer services team and excludes calls transferred to our after-hours/back up call centre service.

KEY: Target achieved | Target not achieved

You can expect:

We'll respond promptly to customer requests for official information held by the Council under the Local Government Official Information and Meetings Act (LGOIMA)

What that looks like	Our target	Our result this year	Our result last year
Percentage of decisions about information release made within 20 working days*	80%	98%	New
About our result			
Of the 316 LGOIMA requests received, decisions on 98% were made within 20 working days. Each individual LGOIMA request is reported to the Council through the Chief Executive's reports, ensuring visibility and accountability across the organisation.			

* While we'll always work to meet the legal timeframes, we've set realistic targets to be clear we won't always meet them.



He Takiwā Ā-hapori | Community Spaces



What we do

This activity group includes the following services:



Community facilities



Libraries



Parks and open spaces



The why

Providing this group of activities helps us achieve **a vibrant and safe district** by:

- providing many indoor and outdoor spaces where our people can come together to play, have fun, compete, connect, celebrate and commemorate
- provide recreational opportunities for people that support our local economies.



He takiwā mahitahi

A collaborative district



He takiwā ngangahau

A vibrant and safe district



He takiwā tuitui, he takiwā aumangea

A connected and resilient district



He takiwā hūrokuroku mō te ratonga me te hanganga

A district with sustainable services and infrastructure



Delivering on our long term plan

Community satisfaction

KEY: Target achieved | Target not achieved

You can expect:

Our community spaces activities meet the needs of our communities

What that looks like	Our target	Our result this year	Our result last year
Percentage of community members who are satisfied with:			
• the public facilities provided (including council-owned libraries, halls, public conveniences and swimming pools)	Establish initial baseline results	73%	New
• how well the Council maintains its sports fields, parks, reserves, playgrounds, cemeteries and other open spaces		69%	New

About our result

Our community satisfaction survey was completed for the first time this year. We'll continue to ask you what you think and look at how we can do better.



Community facilities

Our community facilities include spaces for people to gather, recreate and use to travel by water and air.

Our year in a nutshell

We've continued to improve and maintain our halls, pools, public conveniences, airfields and harbour facilities for everyone. Many of these projects may seem low-key, but they're vital for keeping our facilities safe, functional and fit for community use into the future.

- **Harbour facilities** – We upgraded boat ramps at Ruamahunga and Waiomu, added new ladders, CCTV and lighting at key wharves, and made safety improvements at Whitianga Wharf. A milestone this year was receiving the first ever commercial applications to use Coromandel Wharf.
- **Cemeteries** – Our cemeteries were kept safe and welcoming with new seating, fencing, path reseals and tree removals. We also secured additional cyclone recovery funding to continue work at Tararu Cemetery.
- **Halls** – Community halls were refreshed with practical upgrades including CCTV and new furniture at Thames Civic Centre, new curtains and tables in Whitianga, a projector screen for Coromandel Citizens Hall, safety barriers at Whangamatā Hall, and new power points and safety matting at hall entrances. Both basketball hoops at the Jack McLean Community Recreation Centre were fully renovated to improve the playing experience.
- **Swimming pools** – We completed the business case and feasibility study for a new sub-regional aquatic facility in Thames, setting the foundation for future decisions on this important community project.
- **Airfields** – We relocated the windsock at Pāuanui as part of coastal restoration, improved visibility at Thames Airfield with white tyres around windsocks and replaced manual landing recordings with an automated data collection system.

This year we achieved all our service targets, providing safety and maintenance works to our crucial facilities while ensuring their availability for our communities.

Note: Previously we reported some of our performance by individual community board area so the results for the last year are reported as a percentage range.

Our service targets

KEY: Target achieved | Target not achieved

You can expect:

Our community centres and halls are available and utilised for community activities

What that looks like	Our target	Our result this year	Our result last year
Percentage of hours Council-operated community centres and halls are used compared to total available time	≥40%	45%	59% (55-65% across all community board areas)

About our result

We provide community hall/centre facilities in Thames (the War Memorial Civic Centre and Jack McLean Community Recreation Centre), Whangamatā, Whitianga and Coromandel. Community hall usage varies across the district due to the community differences in both population size and hall facilities.

This is the first year that the Coromandel Citizens Hall has been included in the annual results as a Council-owned and operated community centre or hall. This hall services the Coromandel/Colville ward which has a low population base and as a result its usage is low (9% of available time) compared to the other facilities measured. As a result, the overall percentage of use has gone down since last year.

KEY: Target achieved | Target not achieved

You can expect:

Our public toilets are clean and safe

What that looks like	Our target	Our result this year	Our result last year
Percentage of our public toilets that pass audit requirements ⁺	≥85%	97%	98% (97-100% across all community board areas)

About our result

We carry out audits of our building maintenance and general servicing throughout the year. This year there were 833 audits. The target was achieved in all five community board areas: Coromandel-Colville at 98%, Tairua-Pāuanui at 100%, Thames at 99%, Whangamatā at 98%, and Mercury Bay at 96%.

⁺ These services can be affected by severe weather and other disruptions. For example, we aren't always able to complete our audit of public toilets, open our airfields safely or carry out park maintenance.

KEY: Target achieved | Target not achieved

You can expect:

We'll provide a safe year-round swimming pool

What that looks like	Our target	Our result this year	Our result last year
The Thames public swimming pool meets Pool Safe accreditation standards	Achieved	Achieved	Achieved

About our result

Our Thames Centennial Pool was audited by Pool Safe on 17 February 2025 and has been accredited through to February 2026.

KEY: Target achieved | Target not achieved

You can expect:

Our Pāuanui and Thames airfields are safe for small aircraft

What that looks like	Our target	Our result this year	Our result last year
Percentage of the year that airfields are open for safe use ⁺	≥85%	97%	98% (95-100% across all community board areas)

About our result

Our Pāuanui airfield is considered to be open if the runway is operational for at least six hours per day, between 6:30am and 5:30pm. The airfield was closed for 18 hours over a two-day period in late December 2024, and for eight hours on 27 March, as part of the Beach Hop event. While the runway was closed 12 times for mowing this year, for a period of five hours each day, it could still remain open for six hours. In total it was open for 3,929 hours out of a possible 4,015 (this is 98%).

Our Thames airfield is considered to be open if one runway is operational for at least six hours per day, between 6:30am and 5:30pm. The airfield was closed for 11 days in September 2024 due to soft ground conditions. We also limited our airfield to local pilots only for 23 days, due to soft ground conditions. In total it was open for 3,894 hours out of a possible 4,015 (94%).

The Coromandel-Colville, Whangamatā, and Mercury Bay wards do not have Council-owned or Council-funded airfields.

⁺ These services can be affected by severe weather and other disruptions. For example, we aren't always able to complete our audit of public toilets, open our airfields safely or carry out park maintenance

KEY: Target achieved | Target not achieved

You can expect:

Our harbour facilities are safe to use

What that looks like	Our target	Our result this year	Our result last year
All wharf facilities meet desired standards*	Achieved	Achieved	Achieved or not measured across all community board areas

About our result

We check the standard of our wharf facilities every three years and last checked them in May 2023. The wharves were rated as in good condition or having minor defects only. Where maintenance was identified, remedial works have been undertaken as identified in the structural and maintenance inspection reports.

The newly opened Kōpū Wharf facility is in very good condition and will be inspected for the first time in 2026.

* Meeting required standards for wharves/jetties are those achieving a condition assessment rating of 1, 2 or 3 (very good to fair) (International Infrastructure Management Manual).



Libraries

Our libraries offer access to books, knowledge and technology, creating opportunities for learning and discovery. They are community spaces that connect people, foster creativity and support lifelong learning.

Our year in a nutshell

Our libraries continue to be well used, with more than 303,000 visits (online and physical) this year, surpassing our target. Regular events like the holiday escape rooms brought in new audiences, while our digital collections

and services remained strong. We kept our library collections fresh with new books and resources, and upgraded spaces with new shelving, tables and fittings to provide a welcoming and professional environment.

Our service targets

KEY: Target achieved | Target not achieved

You can expect:

Our library spaces and our staff facilitate opportunities for people to connect with ideas, knowledge, stories and other people

What that looks like	Our target	Our result this year	Our result last year
The total number of visitors (in person and online) is increased	1% increase on baseline data 300,000 + 1% = 303,000	Achieved	New 300,000 baseline

About our result

Our libraries had 329,442 physical and online visitors. We also issued 175,223 items to borrowers, and had over 16,800 attend our library programmes.



Parks and open spaces

Our open spaces range from conservation areas through to active recreation facilities to keep our residents active, happy and occupied.

Our year in a nutshell

Despite the weather, our open spaces remained well-maintained and accessible.

This year saw the installation of murals co-designed by youth at Hāhei Skate Park and Porritt Park (Thames), upgrades to skate parks, playground access improvements, refurbished courts and facilities, fresh planting projects, safer walkways and stair renewals, restored memorials, new bins, picnic tables, carpark reseals and new dog parks – small but meaningful wins, achieved through partnerships and collaboration.

We upgraded a number of public facilities this year – from painting the Matarangi toilets and refurbishing the Tairua Surf Club shower, to rewiring Kennedy Park toilets and securing a new water supply for Cooks Beach ahead of a new facility in 2025/26. A new dump station was also

installed at Lindsay Road, Whangamatā (funded by the Ministry of Business, Innovation and Employment's Tourism Infrastructure Fund (TIF), in partnership with the New Zealand Motor Caravan Association, replacing the old Martyn Road site.

Like our community facilities, many of our parks projects focused on the basics – like renewals, safety upgrades and planting – but they're essential to keeping our shared spaces accessible and enjoyable for everyone.

Across all five wards, we met our contract targets for maintenance, cemetery upkeep, and play equipment safety.

Note: Our performance was previously measured by community board area so the results for last year are reported as a percentage range instead of being one figure.

Our service targets

KEY: Target achieved | Target not achieved

You can expect:

We'll provide parks and open spaces that are well-maintained

What that looks like	Our target	Our result this year	Our result last year
Percentage of parks and open spaces maintained to contract requirements ⁺	≥85%	93%	96% (94-97% across all community board areas)

About our result

We check on things like mowing, garden care, tree maintenance and vegetation control, litter control and the condition of seats, fences and other fixtures throughout the year. In every ward, the results were better than our contract requires. This means that most of our parks and reserves are being kept to the standard we set.

⁺ These services can be affected by severe weather and other disruptions. For example, we aren't always able to complete our audit of public toilets, open our airfields safely or carry out park maintenance.

KEY: Target achieved | Target not achieved

You can expect:

We'll provide playgrounds that are innovative, fit for purpose and safe

What that looks like	Our target	Our result this year	Our result last year
Percentage of our play equipment that is well-designed, built and maintained as measured by NZS 5828* or relevant standard	≥85%	98%	97% (91-100% across all community board areas)

About our result

We check the safety of our playgrounds throughout the year. Of the 436 safety checks during the year, seven found issues that did not meet safety standards.

At Island View Playground in Whangamatā, a problem was identified in December 2024 and fixed by February 2025.

In Pāuanui, the flying fox at Gallagher Park playground closed in March 2025 after being assessed as unsafe. It remained closed at the end of June 2025.

* The NZS 5828 standard is intended to promote and encourage the provision and use of playgrounds that are well designed, well-constructed, well-maintained, innovative and challenging.

KEY: Target achieved | Target not achieved

You can expect:

We'll provide cemeteries that are tidy and well-maintained spaces

What that looks like	Our target	Our result this year	Our result last year
Percentage of cemeteries maintained to contract requirements ⁺	≥85%	90%	98% (92-100% across community board areas)

About our result

Like our parks and open spaces activity, we check on things like mowing, garden care, tree maintenance and vegetation control, litter control and the condition of seats, fences and other fixtures throughout the year. In every ward, the results were better than our contract requires. This means that most of our cemeteries are being kept to the standard we set.

⁺ These services can be affected by severe weather and other disruptions. For example, we aren't always able to complete our audit of public toilets, open our airfields safely or carry out park maintenance.



He Whakamaru Tāngata, Taiao Hoki | Protection of our People and the Environment



What we do

This activity group includes the following services:



**Emergency
management**



**Coastal and hazard
management**



**Community health
and safety**



The why

Providing this group of activities helps us achieve **a vibrant and safe district** by:

- protecting our people from risks to their health and wellbeing including weather events and the hazards they pose
- promoting compliance with public health and safety regulations
- being ready to step into action with our communities when civil defence emergencies occur.



**He takiwā
mahitahi**

A collaborative
district



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ngangahau**

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A connected and
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hūrokuroku mō
te ratonga me te
hanganga**

A district with
sustainable services
and infrastructure



Delivering on our long term plan

Community satisfaction

KEY: Target achieved | Target not achieved

You can expect:

Our protection of people and the environment activities meet the needs of our communities

What that looks like	Our target	Our result this year	Our result last year
Percentage of community members who are satisfied with:			
• the role the Council plays in preparing and responding to civil defence emergencies		50%	New
• coastal erosion protection and other climate change protection works	Establish initial baseline results	30%	New
• health and safety regulatory services (animal control, parking enforcement, food and alcohol licensing and noise control)*		42%	New

About our result

Our community satisfaction survey was completed for the first time this year. We'll continue to ask you what you think and look at how we can do better.

* This result is an average of a number of health and safety regulatory services delivered.



Emergency management

We have a core role in helping people in our district to manage, respond and recover from civil defence emergencies.

Our year in a nutshell

Storm recovery has remained a big focus, but this year we also made strong progress in strengthening community readiness for future events.

We rolled out new radio hardware and training for our Emergency Operations Centre (EOC), giving us secure and resilient communications with all area offices and across the Waikato region. This investment was a direct response to the communication failures experienced during Cyclone Gabrielle.

Using government funding, we delivered a resilience project that supported 42 communities with training and resources to boost their emergency preparedness.

We also provided resilience kits containing essential items, ran seven emergency preparedness workshops for older residents in partnership with Age Concern Hauraki Coromandel, and supported a 'Real Life Superheroes' Day in March, in partnership with Blue Light and neighbouring councils to celebrate our everyday first responders.

We took part in the first district-wide Community Response Group exercise in June, involving 22 community groups. The exercise tested real-world response activities such as self-activation, communications and reporting back to the EOC. The debrief highlighted successes and useful improvements.

Our service targets

KEY: Target achieved | Target not achieved

You can expect:

We'll support our communities in enabling them to respond to and recover from emergencies

What that looks like	Our target	Our result this year	Our result last year
Number of community response plans reviewed per annum	10	20	19

About our result

This year we worked closely with local groups to keep our communities prepared. Community response plans were reviewed and updated for Colville, Coromandel, Kuaotunu, Ōpito, Otama, Tairua, Whangamatā, Whitianga, Hāhei, Hot Water Beach, Ōpoutere, Te Puru, Tapu, Te Mata, Kereta, Waikawau, Tuatēawa and Onemana. We also partnered with local community response groups to develop two new plans for Kauaeranga Valley and Thames. This level of engagement supports our long-term resilience strategy.

KEY: Target achieved | Target not achieved

You can expect:

We'll be prepared for and able to respond to emergencies

What that looks like	Our target	Our result this year	Our result last year
The evaluation of Emergency Management annual exercise* as a measure of effectiveness of training.	>60%	71%	Not measured

About our result

Our annual exercise scored 71%. The assessment did not include recovery function activation, which is still being developed. The result identified areas where we perform excellently, and clear goals for improvement. Because we were still in recovery mode after the severe weather events, our Emergency Management Unit did not have the capacity to run a full annual exercise the year prior.

As noted above, our first district-wide Community Response Group exercise was successfully held.

**Annual exercise is evaluated on the Waikato Emergency Group Capability Development Scale as Advancing or above (i.e. greater than 60%)*



Coastal and hazard management

We identify and respond to natural hazards, particularly in coastal communities.

Our year in a nutshell

As part of our long term planning in 2024, we allocated \$92.7 million over the next decade for coastal protection works (projects like seawalls and beach replenishment). While we initially planned to carry out maintenance of seawalls and installation of bollards in Mercury Bay this year, our budget was redirected to the construction of a 30m rock seawall extension along Buffalo Beach

Road, Whitianga which experienced coastal erosion after Gabrielle. Although unscheduled, this was considered crucial safety work.

In September 2024 volunteers joined us in planting more than 500 plants to help stabilise the sand dunes at Little Bay, in our Coromandel-Colville rohe.

Our service targets

KEY: Target achieved | Target not achieved

You can expect:

We'll undertake works to manage the effects of coastal hazards

What that looks like	Our target	Our result this year	Our result last year
Capital expenditure projects are delivered within timeframe	Achieved	Not achieved	50%

About our result

Our budget for the two originally planned projects was redirected to help manage costs for consenting and constructing urgent coastal protection works following Cyclone Gabrielle. As the projects originally planned for this year were deferred, the result is recorded as not achieved. The 'Mercury Bay Dune Protection' project will instead be delivered in 2025/2026, with the 'Mercury Bay Coastal Protection asset renewal' project being removed following confirmation of Whitianga Marina Limited asset ownership.



Community health and safety

We do our part to minimise public nuisances and offensive behaviour to help ensure communities are clean, safe, and healthy.

Our year in a nutshell

We're continuing to focus on education and partnerships when it comes to keeping our communities safe and enjoyable.

Our annual responsible dog campaign 'Lead the Way' exceeded its target of 500 interactions, achieving almost 700 in-person interactions and reaching over 20,000 people on social media. We also partnered with New Zealand Police | Ngā Pirihimana o Aotearoa on an alcohol

ban awareness campaign in Whangamatā during the New Year and Beach Hop events, distributing 4,000 QR-coded stickers to help our communities access clear information.

We were acknowledged by the Ministry for Primary Industries for our high-quality reporting and verification work under the Food Act 2014.

Our service targets

KEY: Target achieved | Target not achieved

You can expect:

We'll ensure food businesses are producing safe food

What that looks like	Our target	Our result this year	Our result last year
Percentage of registered food businesses audited within their verification schedule ⁺	≥90%	97%	94%

About our result

We completed audits for 225 of the 233 premises scheduled this year, with the remaining audits to be scheduled.

⁺ Our targets are set to allow for realistic disruptions to our services, for example, road closures and storm events affecting our team's ability to travel around areas of the district. As a result, our targets are lower than 100%, and at times, lower than recent performance.

KEY: Target achieved | Target not achieved

You can expect:

We'll keep our communities safe from dog attacks and stock on roads

What that looks like	Our target	Our result this year	Our result last year
Percentage of urgent animal control issues responded to ≤2 hours ⁺	≥90%	96%	99%

About our result

We responded to 129 of 135 urgent animal control issues within two hours. The number of service requests was similar to last year and included 22 reports of wandering stock on roads, 79 dog attacks on animals and 34 dog attacks on people.

⁺ Our targets are set to allow for realistic disruptions to our services, for example, road closures and storm events affecting our team's ability to travel around areas of the district. As a result, our targets are lower than 100%, and at times, lower than recent performance.

KEY: Target achieved | Target not achieved

You can expect:

We'll assess and make timely decisions on alcohol licence applications

What that looks like	Our target	Our result this year	Our result last year
Percentage of unopposed alcohol licence applications assessed and prepared for the District Licensing Committee to make decisions within 60 calendar days ⁺	≥85%	93%	94%

About our result

We sent 459 of 491 unopposed alcohol licence applications to the District Licensing Committee within 60 calendar days, maintaining similar performance despite an 11% increase in applications compared with last year.

⁺ Our targets are set to allow for realistic disruptions to our services, for example, road closures and storm events affecting our team's ability to travel around areas of the district. As a result, our targets are lower than 100%, and at times, lower than recent performance.



Te Whakamahere me te Waiture | Planning and Regulation



What we do

This activity group includes the following services:



Resource consents



Building control



District and strategic planning



The why

Providing this group of activities helps us achieve **a vibrant and safe district** by taking a balanced approach to the management of our natural and physical resources that provides for development without compromising on the Coromandel's natural and built environments, heritage and quality of life.



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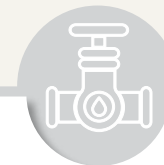
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and infrastructure



Delivering on our long term plan

Community satisfaction

KEY: Target achieved | Target not achieved

You can expect:

Our planning and regulation activities meet the needs of our communities

What that looks like	Our target	Our result this year	Our result last year
Percentage of community members who are satisfied with:			
• what the Council is doing in the area of district and spatial planning for future development	Establish initial baseline results	28%	New
• building and resource consent services (of those who have used them)*		25%	New

About our result

Our community satisfaction survey was completed for the first time. We'll be continuing to ask you what you think and looking at how we can do better.

* This result is an average of the building and resource consent responses.



Resource consents

We process applications for land-use and subdivision consents in accordance with our district plan and national legislation. We also ensure our customers can access accurate advice and information to help them through the regulatory processes.

Our year in a nutshell

We kept resource consent processing on track, meeting our target.

Our service targets

KEY: Target achieved | Target not achieved

You can expect:

We'll process applications for resource consent within statutory timeframes

What that looks like	Our target	Our result this year	Our result last year
Percentage of accepted land use and subdivision applications for resource consent processed within statutory timeframe*+	≥90%	95%	92%

About our result

We processed 245 of 259 accepted resource consent applications within the statutory timeframe.

*For the purposes of this measure, all applications processed by the Council under the Resource Management Act 1991 that have a statutory timeframe are included. This includes Resource Consents, Certificates of Compliance, Existing Use Certificates and Deemed Permitted Boundary Activities. The relevant statutory timeframe for each application type is applied when measuring performance for this measure.

+ While we'll always work to meet the legal timeframes, we've set realistic targets to be clear that we won't always meet them.



Building control

We issue building consents and inspect and audit buildings to ensure they are constructed safely, are healthy, and are durable. We also provide LIMs (land information memoranda) services so people can find out the history of a particular property or piece of land.

Our year in a nutshell

We've continued to develop our internal capability, with another of our cadets gaining their Diploma in Building Control Surveying and continued focus on efficiency of processes. This is reflected across our results.

We've sped up the turnaround time for LIM report requests with all but one out of 1,085 provided within 10 working days.

Our service targets

KEY: Target achieved | Target not achieved

You can expect:

We'll process, inspect and certify applications for building work within statutory timeframes

What that looks like	Our target	Our result this year	Our result last year
Percentage of accepted building consent applications processed within 20 working days ⁺	≥90%	98%	96%
Percentage of issued Code of Compliance Certificates processed within 20 working days ⁺	≥90%	99.7%	99%

About our result

We processed 1,080 of 1,101 accepted building consent applications within 20 working days.

We processed 855 of 858 issued code compliance certificates within 20 working days.

⁺ While we'll always work to meet the legal timeframes, we've set realistic targets to be clear that we won't always meet them.

KEY: Target achieved | Target not achieved

You can expect:

We'll inspect pool barriers according to regulations to help keep young children safe from drowning

What that looks like	Our target	Our result this year	Our result last year
Percentage of registered pools inspected for safety barriers each year according to a 3 yearly inspection cycle	≥90%	100%	100%

About our result

We inspected all 253 pools due for inspection this year. We have a total of 643 pools on our register.

KEY: Target achieved | Target not achieved

You can expect:

Customers will be able to purchase a land information memorandum (LIM) in a timely manner

What that looks like	Our target	Our result this year	Our result last year
Percentage of LIMs processed within 10 working days*	≥90%	99.9%	88%

About our result

We processed 1,084 of 1,085 LIM applications within 10 working days. The capability factor that contributed to last year's below-normal result has been addressed, with additional staff now trained to handle LIM applications when there are unforeseen absences and high volumes of applications.

* While we'll always work to meet the legal timeframes, we've set realistic targets to be clear that we won't always meet them.



District and strategic planning

Our planning services enable us to manage our district's resources proactively and strategically.

Our year in a nutshell

We initiated work on a district-wide spatial plan which will set a strategic, joined up and long-term (30 plus years) direction for our District.

We kept our District Plan up to date and one long-standing appeal on our Proposed District Plan remaining unresolved, we are close to having a fully operational District Plan.

Our service targets

KEY: Target achieved | Target not achieved

You can expect:

We'll make up-to-date District Plan provisions available in a timely manner

What that looks like	Our target	Our result this year	Our result last year
Percentage of time the Eplan is updated within 40 working days of changes to the District Plan being made	≥90%	100%	100%

About our result

This year there were no changes to the District Plan that were ready for inclusion in the EPlan.



Te Whakawhanake Ā-hapori, Ā-oaoha | Community and Economic Development



What we do

This activity group includes the following services:



Community development



Economic development



The why

Providing this group of activities helps us achieve **a connected and resilient district** by:

- encouraging and promoting local business opportunities, events and visitor attractions and services
- working with others to help our people access services, programmes and opportunities that underpin and contribute to their communities' health, safety and liveliness.



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hanganga**

A district with
sustainable services
and infrastructure



Delivering on our long term plan

Community satisfaction

KEY: Target achieved | Target not achieved

You can expect:

Our community development and economic development activities meet the needs of our communities

What that looks like	Our target	Our result this year	Our result last year
Percentage of community members who are satisfied with what the Council is doing to grow the local economy and how the Council is working with community groups and partners to facilitate strong connections to service providers*	Establish initial baseline results	32%	New

About our result

Our community satisfaction survey was completed for the first time. We'll be continuing to ask you what you think and looking at how we can do better.

* This result is an average of two economic and community development survey questions.



Community development

We connect people with the right agencies and services so they can access the housing, education, jobs and healthcare they need to thrive.

Our year in a nutshell

An important part of our response to the weather events of 2023 was to connect agencies together better to deliver joined up, wrap around support to our people who needed it. It showed us how working in partnership can unlock huge results for our people. We decided to continue this service of working alongside our people so that they have what they need to be able to adapt and respond to future challenges.

In partnership with Funding HQ, we hosted recovery-funded workshops district-wide and helped over 60 community

groups and not-for-profits boost their fundraising capacity. We also provided a series of free, customer service-focused training days across the district with support from the Ministry of Social Development and local business associations, providing upskilling and networking opportunities for our local businesses and workforce. We assisted 31 young jobseekers into employment through the externally funded Mayor's Taskforce for Jobs programme.

Our service targets

You can expect:

We'll facilitate and support strong connections between community groups and partners

What that looks like	Our target	Our result this year	Our result last year
Number of interagency collaboration meetings in the social, education, health, youth and aged care sectors facilitated by our Council.	4 meetings organised quarterly	100%	New

About our result

This year we brought people together through 16 interagency meetings with groups working in areas like rangatahi/ youth, older persons, social services, and education. Our community boards also hosted regular networking meetings every six weeks, and staff met quarterly with iwi, partner agencies, and community groups to keep connections strong.



Economic development

We support the economy to be more productive, resilient and sustainable. We do this through our relationships with local businesses, industry, iwi and other parts of government.

Our year in a nutshell

In 2024-25 we continued work supporting potential investors and business ventures, local R&D trials, major events, tracks and trails networks, and key sectors – from strengthening the governance of our Regional Tourism Operator to activating the Kōpū Wharf and supporting the Waikato Regional Aquaculture Strategy. We supported local businesses through ‘Buy Local’ campaigns, free

customer service workshops, and collaboration with our local business associations. Highlights also included co-hosting the 2024 Richardsons Hauraki Coromandel Business Awards, supporting the re-opening of Cathedral Cove and the return of the Coromandel Ferry, and working with regional partners on the Regional Economic Development Group.

Our service targets

KEY: Target achieved | Target not achieved

You can expect:

We'll support businesses to upskill and thrive

What that looks like	Our target	Our result this year	Our result last year
Percentage of businesses that feel supported by our Council (as measured through a survey of local businesses)	50%	26%	New

About our result

We ran a local business survey in May 2025, promoted through radio, digital, and print channels. A total of 102 businesses responded to the question, 'Does your business feel supported by our Council?' with 26% of respondents saying they felt supported, 47% neutral, and 28% unsupported.

Respondents who felt less supported highlighted opportunities for our Council to simplify processes and strengthen relationships with local businesses. Some noted challenges with regulatory and planning requirements, infrastructure investment, value for money and communication.

These insights will help guide improvements in how we engage with and support our business community. We'll be looking across our organisation for ways to do better.

KEY: Target achieved | Target not achieved

You can expect:

We'll support an events programme through our District Events Fund

What that looks like	Our target	Our result this year	Our result last year
Percentage of District Events Fund allocated to community and district events	≥90%	88%	New

About our result

We allocated \$58,500 from the District Events Fund in 2024/25, supporting seven events across two funding rounds (\$35,000 was allocated to two events from the first funding round, and \$23,500 was allocated to five events in the second (and final) funding round. Some applicants did not meet the funding criteria which meant the full budget was not allocated. The narrow window for receiving applications could also have limited the total number of the events that applied.

To improve this, we'll make administrative changes so the fund is more flexible and responsive to major event opportunities in the future and able to support more events across the District.



Ngā Momo Waka | Transport



What we do

This activity group includes the following services:



Roads



Footpaths, cycleways & streetlights



The why

Providing this group of activities helps us achieve **a connected and resilient district** by:

- ensuring safe, efficient and comfortable movement of people and freight within the district
- providing access for pedestrians, cyclists, and vehicles for lifestyle, leisure and recreational opportunities



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He takiwā ngangahau

A vibrant and safe district



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He takiwā hūrokuroku mō te ratonga me te hanganga

A district with sustainable services and infrastructure



Delivering on our long term plan

Community satisfaction

KEY: Target achieved | Target not achieved

You can expect: <i>Our roading and footpaths, cycleways and streetlights activities meet the needs of our communities</i>			
What that looks like	Our target	Our result this year	Our result last year
Percentage of community members who are satisfied with the overall roading infrastructure (roads, cycleways and footpaths) in the district.	Establish initial baseline results	48%	New
About our result			
This is the first year we've undertaken our community satisfaction survey. We'll continue to ask you what you think and look at how we can do better.			



Roading

We maintain the 704km of non-state highway roads between our communities so that they connect people, products and places for a thriving Coromandel.

Our year in a nutshell

Storm recovery remained a focus, with repairs and maintenance progressing at more than 30 sites damaged in the 2023 storms, including Port Jackson Road, Port Charles Road, and Kennedy Bay Road. We expect some recovery work will continue into the 2025/26 year.

We delivered a wide programme of road renewals and resurfacing across the district, including major pavement treatments at Ferry Road and Matatoki Road, unsealed road strengthening and metalling, drainage renewals,

chip seals, asphalt surfacing, and bridge component replacements. Bridge inspections were also completed on 235 structures to help us plan when they will need upgrading.

Some planned safety and preventative programmes were not delivered. Higher costs and reduced funding from Waka Kotahi | New Zealand Transport Agency meant we were unable to meet all of our renewal and maintenance targets.

Our service targets

KEY: Target achieved | Target not achieved

You can expect:

The design, maintenance and management of our roads ensures they are in good condition and safe

What that looks like	Our target	Our result this year	Our result last year
Percentage of the sealed local network that is resurfaced*	171,559 m2 (5%)	142,268m2 (4.38%)	171,559m2 (5%)
The average quality of ride on a sealed local road network, measured by smooth travel exposure	≥85%	87%	89%
Percentage of unsealed road complying with quality requirements	≥90%	86.50%	90%
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	No change or decrease	+5	-4 (-4 crashes that involved fatalities and serious injuries)

About our result

The costs of resurfacing sealed roads were higher than forecast, which meant we were unable to meet our 5% target while remaining within budget. Similar cost pressures are expected to continue into the 2025/26 year, and we will continue to manage these challenges in an effort to achieve the target.

Smooth Travel Exposure (STE) measures ride quality, with a higher percentage indicating that more roads provide a smooth surface. It represents the proportion of vehicle kilometres travelled on sealed roads where roughness remains below a defined threshold, which varies by traffic volume and whether the road is urban or rural. The STE result is generated automatically from the RAMM system using NZTA's standard scripts. For 2024/25, our result was 87%, according to the report generated from RAMM as at 11 July 2025.

The New Zealand Police issue incident reports which specify the causes of the fatalities and serious injury crashes on the local road network. No aspects of road condition have been identified as contributing to the incidents.

**Our 2024-34 Long Term Plan states that the target for this measure is "To be confirmed annually by the Asset Management Plan". However, this target is not included in the Asset Management Plan (AMP) for the 2024/25 year, due to differences in the timing of AMP preparation compared to resurfacing programme finalisation. The AMP is finalised once the Long Term Plan or Annual Plan is adopted (usually June each year) for the forthcoming financial year. The actual resurfacing programme is not confirmed until approximately November each year due to the relative timing of the final NZTA funding cycle and programme tendering process. This process will always remain the same due to differences of financial year timing between our Council and NZTA. The target stated for the 2024/25 year was finalised in November 2024 by the Council and is 5% (170,385.4m2) of the total network (3,407,708m2).*



Footpaths, cycleways and streetlights

We provide, maintain and upgrade footpaths, cycleways, service lanes, street lighting and street furniture that enables pedestrians and cyc tolists to easily and safely access and move around our towns.

Our year in a nutshell

We delivered our renewal and maintenance programme across all of our community board areas, covering all footpaths and streetlights except the Pollen Street lighting upgrade, which has moved into design. We also improved our response rate to customer requests on roads and footpaths from 78% to 92% within 20 working days.

Our service targets

KEY: Target achieved | Target not achieved

You can expect:

We'll ensure our footpaths are safe

What that looks like	Our target	Our result this year	Our result last year
Percentage of footpaths that fall within the service standard for the condition of footpaths that is set out in the Council's long term plan*	Not measured	Not measured	98%

About our result

This target is measured every two years. Since it was measured last year, it was not scheduled for measurement this year.

*Condition rating 1 to 3

KEY: Target achieved | Target not achieved

You can expect:

We'll provide formal responses to customer service requests

What that looks like	Our target	Our result this year	Our result last year
Percentage of customer service requests relating to roads and footpaths to which the Council responds within 20 working days	≥85%	89%	78%

About our result

The increase in performance compared to 2023/24 reflects a change in the definition of this measure under the 2024–2034 Long Term Plan. In 2023/24, response timeframes varied depending on the type of footpath and road defects. From 2024/25, the measure was standardised to a single timeframe of 20 working days for all roading and footpath requests, providing greater consistency in reporting.



Wai Ua | Stormwater



What we do

This activity group includes the following services:



Stormwater and
land drainage



The why

Providing this group of activities helps us achieve **sustainable services and infrastructure** by managing runoff and protecting properties from surface water flooding or ponding, keeping people safe and waterways clean.



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Delivering on our long term plan

Our year in a nutshell

This year, we completed major stormwater renewal projects and improvement works across the district, remained fully compliant with all stormwater discharge consents and had no habitable floor flooding. Planning for the future is underway with flood modelling and stormwater improvement projects in Matarangi, Whitianga and Cooks Beach, design for the Tōtara

Valley Road stormwater extension, and work on the Whangamatā Stormwater improvement project.

While delivering 'business as usual,' we also developed and consulted on future options for water services delivery, with our Council endorsing an inhouse water services delivery unit for stormwater.

Community satisfaction

KEY: Target achieved | Target not achieved

You can expect:

Our stormwater and land drainage activities meet the needs of our communities

What that looks like	Our target	Our result this year	Our result last year
Percentage of community members who are satisfied with the overall stormwater system.	Establish initial baseline results	47%	New

About our result

Our community satisfaction survey was completed for the first time this year. We'll be continuing to ask you what you think and looking at how we can do better.

Our service targets

KEY: Target achieved | Target not achieved

You can expect:

Our stormwater services protect habitable areas from flooding

What that looks like	Our target	Our result this year	Our result last year
Number of flooding events	≤1	0	0
For each flooding event the number of habitable floors affected, per 1,000 connected properties	≤1	0	0

About our result

While the Coromandel Peninsula is no stranger to heavy rain and river flooding, there were no flooding events that affected habitable floors reported.

+ A flooding event means an overflow of stormwater from a Council's stormwater system that enters a habitable floor (a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages. (In reference to the DIA Non-Financial Performance Measures Rules 2024)

KEY: Target achieved | Target not achieved

You can expect:

We'll provide a responsive stormwater request service

What that looks like	Our target	Our result this year	Our result last year
The median response time to attend a flooding event, measured from the time our Council receives notification to the time that service personnel reach the site	≤20 minutes	Not applicable	0
Number of complaints received about the performance of the stormwater system, per 1,000 connected properties	≤5	4.66	2.84

About our result

A flooding event is identified as a flooding overflow of stormwater from our stormwater system that enters a habitable floor. No habitable floors were flooded this year, so the Council did not need to respond to any flooding events. We did however receive 119 complaints about stormwater performance which is higher than our target. Since Cyclone Gabrielle, stormwater has become a high-profile issue in our district, and more residents are reporting concerns for staff to investigate.

KEY: Target achieved | Target not achieved

You can expect:

We'll minimize the environmental impact of protecting habitable areas from flooding

What that looks like	Our target	Our result this year	Our result last year
Compliance with the Council's resource consents for discharge from its stormwater system, measured by the number of:			
a) abatement notices	0	0	0
b) infringement notices	0	0	0
c) enforcement orders	0	0	0
d) successful prosecutions	0	0	0
received by the Council in relation to those resource consents			

About our result

No enforcement actions were received from the Waikato Regional Council in 2024/25.

We continue to work under a historic abatement notice issued in November 2019. The notice required an updated Stormwater Management Plan, which we submitted to the Waikato Regional Council on 30 June 2025. Waikato Regional Council is required to review and approve the plan.



Waipara | Wastewater



What we do

The wastewater activity involves collection, treatment, and disposal of wastewater from properties and businesses.



The why

Providing this group of activities helps us achieve **sustainable services and infrastructure** by protecting people's health and our waterways.



He takiwā mahitahi

A collaborative district



He takiwā ngangahau

A vibrant and safe district



He takiwā tuitui, he takiwā aumangea

A connected and resilient district



He takiwā hūrokuroku mō te ratonga me te hanganga

A district with sustainable services and infrastructure



Delivering on our long term plan

Our year in a nutshell

We completed a major upgrade of the Pāuanui Wastewater Treatment Plant to improve odour control and delivered a \$1.3 million renewals programme to maintain the safety of our essential infrastructure. Odour and pipe blockage complaints have reduced, and further improvements, including a flushing upgrade from January 2026, will continue to strengthen system performance.

While delivering ‘business as usual,’ we also developed and consulted on future options for water services delivery, ultimately endorsing an inhouse water services delivery unit in August 2025, while continuing to explore a potential joint Water Services Organisation (WSO) with Tauranga and Western Bay of Plenty Councils for water supply and wastewater.

Community satisfaction

KEY: Target achieved | Target not achieved

You can expect:

Our wastewater activity meets the needs of our communities

What that looks like	Our target	Our result this year	Our result last year
Of those connected to a town sewage system, the percentage of community members who are satisfied with the overall wastewater system.	Establish initial baseline results	79%	New
About our result			
Our community satisfaction survey was completed for the first time. We’ll be continuing to ask you what you think and looking at how we can do better.			

Our service targets

KEY: Target achieved | Target not achieved

You can expect:

We’ll provide adequate wastewater services for household and business use in currently serviced urban communities

What that looks like	Our target	Our result this year	Our result last year
Number of dry weather sewerage overflows from the Council’s sewerage system, per 1000 connections to that sewerage system	≤1	1.29	1.16
About our result			
There were 30 dry-weather overflows in 2024/25. Reported overflows appear higher than previously as we are now including small overflows that have flowed onto the local ground area. We reviewed all events and identified key locations to include in our CCTV inspection programme for 2025/26. Immediate action includes upgrading our flushing programme for critical areas, with a review of high-overflow locations by October 2025, and targeted flushing to begin from January 2026.			

KEY: Target achieved | Target not achieved

You can expect:

We'll respond as required to faults and complaints received from customers

What that looks like	Our target	Our result this year	Our result last year
The total number of complaints about sewerage, per 1,000 connected properties:			
• sewerage odour	≤1	1.4	1.20
• sewerage system faults	≤3	4.68	4.21
• sewerage system blockages	≤3	1.66	2.23
• our Council's response to issues with the sewerage system	≤2	0	0.09
Median response time for attendance to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system, from the time that our Council receives notification to the time that service personnel reach the site	≤30 minutes	23 minutes	26 minutes
Median response time for resolution of sewerage overflows resulting from a blockage or other fault in the Council's sewerage system, from the time that our Council receives notification to the time that service personnel confirm resolution of the blockage or other fault	≤2:40 hours	3 hours and 14 minutes	3 hours 30 minutes

About our result

We received 33 odour complaints this year. Only two related to the Pāuanui treatment plant before its odour control system was fully commissioned, while the rest came from manhole and pump station faults. A flushing upgrade scheduled to start in January 2026 will help reduce these issues. We also received 110 system fault complaints and 39 pipe blockage complaints, with blockages below target and an improvement on last year. We're working with our contractor to improve reporting and reduce delays.

KEY: Target achieved | Target not achieved

You can expect:

Our wastewater services will not negatively impact on public health or the natural environment in line with legislative requirements

What that looks like	Our target	Our result this year	Our result last year
Compliance with the Council's resource consents for discharge from its sewerage system, measured by the number of:			
a) abatement notices	0	0	0
b) infringement notices	0	0	0
c) enforcement orders	0	0	0
d) convictions	0	0	0
received by the Council in relation to those resource consents			

About our result

No new enforcement actions were received from the Waikato Regional Council in 2024/25.

Two historic abatement notices remain in place. One, issued in July 2022, is being actively addressed through a range of improvement works, including upgrades to aerators, pH and caustic dosing systems, desludging of ponds, installation of an emergency bypass, addition of air blowers, and investigation into ammonia control. pH levels are now compliant, and ammonia levels are largely within limits, although occasional peaks still occur. Work to optimise plant performance and further reduce these peaks is ongoing.

The second notice was issued in January 2014 for the unlawful discharge of treated wastewater to land from the Pāuanui-Tairua Wastewater Treatment Plant. Although the non-compliance was addressed to the Waikato Regional Council's satisfaction in April 2014, a formal request to lift the abatement notice was not submitted at the time, and it therefore remains technically in effect. We will engage with the Waikato Regional Council to have this historic notice reviewed and lifted.



Wai Inu | Water Supply



What we do

We provide safe drinking water for our communities by sourcing water from groundwater bores and rivers, then treating and distributing it through our supply network. All our supplies must meet the national Drinking Water Quality Assurance Rules.



The why

Providing this group of activities helps us achieve **sustainable services and infrastructure** by providing reliable, high-quality and safe treated water supply for current and future properties.



He takiwā mahitahi

A collaborative district



He takiwā ngangahau

A vibrant and safe district



He takiwā tuitui, he takiwā aumangea

A connected and resilient district



He takiwā hūrokuroku mō te ratonga me te hanganga

A district with sustainable services and infrastructure



Delivering on our long term plan

Our year in a nutshell

There has been a lot of legislative changes to public water supply compliance requirements, and we've adapted as efficiently as we can to meet these new requirements. While delivering 'business as usual,' we developed and consulted on future options for water services delivery, ultimately endorsing an inhouse water services delivery unit, while continuing to explore a potential joint Water Services Organisation (WSO) with Tauranga and Western Bay of Plenty Councils for water supply and wastewater.

We made strong progress with renewals, including replacing the roofs of the Matarangi and Tairua water reservoirs and progressing work at Whitianga. Compared

to the previous financial year, there has been an overall reduction in volume of water supplied as well as system losses. The latter demonstrating the benefits from Council's water leak detection programme and the introduction of metering in the Whitianga area. While some compliance challenges remain, the new Hāhei and Matarangi treatment plants are now scheduled for commissioning in September and November 2025, Thames South Pūriri upgrades are moving through design and land acquisition stages, and the Pūriri Valley Road water main upgrade is complete. We also responded to over 400 supply interruptions, with urgent call-outs meeting targets.

Community satisfaction

KEY: Target achieved | Target not achieved

You can expect:
Our Water Supply activity meets the needs of our communities

What that looks like	Our target	Our result this year	Our result last year
Of those who are connected to a town water supply, the percentage of community members who are satisfied with the overall water supply system.	Establish initial baseline results	77%	New

About our result

Our community satisfaction survey was completed for the first time. We'll be continuing to ask you what you think and looking at how we can do better.

Safety of drinking water

This section reports on water supply compliance as required by the Non-Financial Performance Measures Rules, 2024. The Department of Internal Affairs updated this measure after our Long-Term Plan (which sets what we report on) was published. While the focus remains on bacterial and protozoal compliance, reporting is now directly referenced to the Drinking Water Quality Assurance Rules 2022 (DWQAR). Compliance is assessed using the DWQAR aggregate methodology, with results expressed as: *All met* (100%), *Almost met* (95–99%), *Partially met* (1–94%), or *None met* (0%). Where results are less than *All met*, we provide a short explanation. Rule references are based on supply size as defined by Taumata Arowai and supply registrations in Hinekōrako.

KEY: Target achieved | Target not achieved

Thames

Population served: 7280

Hinekōrako supply name: THA001

Bacteriological compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(h) T3 Bacterial rules	Compliant	Partially met (85.7%)	Compliant	Technical non-compliance due to insufficient UV disinfection resulting from operating at a lower power level, which has since been resolved.
(j) D3.29 Microbiological Monitoring rule	Compliant	All met (100%)	Not assessed	No comment.

Protozoal compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(i) T3 Protozoal rules	Compliant	Almost met (97.3%)	Compliant	Technical non-compliance due to ad-hoc exceedances of filtered water turbidity level due to bad weather.

Coromandel

Population served: 1782

Hinekōrako supply name: COR001

Bacteriological compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(h) T3 Bacterial rules	Compliant	All met (100%)	Compliant	No comment.
(j) D3.29 Microbiological Monitoring rule	Compliant	All met (100%)	Not assessed	No comment.

Protozoal compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(i) T3 Protozoal rules	Compliant	Almost met (98.4%)	Compliant	Technical non-compliance due to exceedances of filtered water turbidity level that occurred during membrane servicing.

Matarangi

Population served: 651

Hinekōrako supply name: MAT010

Bacteriological compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(h) T3 Bacterial rules	Compliant	Partially met (5.9%)	Not compliant	Technical non-compliance due to malfunctioning of aged equipment. New Matarangi water treatment is scheduled to be commissioned in November 2025.
(j) D3.29 Microbiological Monitoring rule	Compliant	Partially met (35.6%)	Not assessed	Technical non-compliance due to delay in implementing new sampling requirement for population over 500, and this has since been resolved.

Protozoal compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(i) T3 Protozoal rules	Compliant	Partially met (91%)	Not compliant	Technical non-compliance due to malfunctioning of aged equipment. New Matarangi water treatment is scheduled to be commissioned in November 2025.

Whitianga

Population served: 6140

Hinekōrako supply name: WHI001

Bacteriological compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(h) T3 Bacterial rules	Compliant	All met (100%)	Compliant	No comment.
(j) D3.29 Microbiological Monitoring rule	Compliant	All met (100%)	Not assessed	No comment.

Protozoal compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(i) T3 Protozoal rules	Compliant	Almost met (98.6%)	Compliant	The Whitianga Treatment Plant (TP00230) achieved a T3 Protozoal Measure compliance rate of 98.6% – Almost Met for the period 1 July 2024 to 30 June 2025. The main causes of non-compliance were in December 2024, when no log credit was achieved due to recycled water exceeding 10% of inflow, filtrate turbidity above 1 NTU, and sensor checks not completed. There were also a few other months with minor issues relating to membrane integrity testing or recycled water limits.

Hāhehi

Population served: 300

Hinekōrako supply name: HAH001

Bacteriological compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(c) T2 Treatment Monitoring Rules	Compliant	All met (100%)	Compliant	No comment.
(f) T2 Chlorine Rules	Compliant	All met (100%)	Not compliant	No comment.
(g) D2.1 Distribution System Rule	Compliant	All met (100%)	Not assessed	No comment.

Protozoal compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
((c) T2 Treatment Monitoring Rules	Compliant	All met (100%)	Compliant	No comment.
(d) T2 Filtration Rules	Compliant	All met (100%)	Compliant	No comment.
(e) T2 UV Rules	Compliant	All met (100%)	Compliant	No comment.

Tairua

Population served: 1653

Hinekōrako supply name: TAI002

Bacteriological compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(h) T3 Bacterial rules	Compliant	All met (100%)	Compliant	No comment.
(j) D3.29 Microbiological Monitoring rule	Compliant	All met (100%)	Not assessed	No comment.

Protozoal compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(i) T3 Protozoal rules	Compliant	Almost met (96.5%)	Not compliant	Technical non-compliance due to exceedances of filtered water turbidity level that occurred during membrane servicing.

Pāuanui

Population served: 1068

Hinekōrako supply name: PAU001

Bacteriological compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(h) T3 Bacterial rules	Compliant	All met (100%)	Compliant	No comment.
(j) D3.29 Microbiological Monitoring rule	Compliant	All met (100%)	Not assessed	No comment.

Protozoal compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(i) T3 Protozoal rules	Compliant	Almost met (99.8%)	Not compliant	Technical non-compliance due to insufficient membrane integrity test, and this has since been resolved.

Onemana

Population served: 192

Hinekōrako supply name: ONE002

Bacteriological compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(c) T2 Treatment Monitoring Rules	Compliant	All met (100%)	Compliant	No comment.
(f) T2 Chlorine Rules	Compliant	All met (100%)	Not compliant	No comment.
(g) D2.1 Distribution System Rule	Compliant	All met (100%)	Not assessed	No comment.

Protozoal compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(c) T2 Treatment Monitoring Rules	Compliant	All met (100%)	Compliant	No comment.
(d) T2 Filtration Rules	Compliant	All met (100%)	Compliant	No comment.
(e) T2 UV Rules	Compliant	All met (100%)	Compliant	No comment.

Whangamatā

Population served: 4830

Hinekōrako supply name: WHA003

Bacteriological compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(h) T3 Bacterial rules	Compliant	Almost met (99.5%)	Not compliant	<p>Continuous monitoring of chlorine contact time and free available chlorine (FAC) was done at Wentworth, Beverley and Moana Point in December.</p> <p>Technical non-compliance at Wentworth, due to UV equipment failure and this has since been resolved.</p> <p>Technical non-compliance at Beverley, due to ad-hoc exceedances in FAC and turbidity limits, and this has since been resolved.</p> <p>Technical non-compliance at Moana Point, due to insufficient UV disinfection resulting from operating at a lower power level, which has since been resolved.</p>
(j) D3.29 Microbiological Monitoring rule	Compliant	All met (100%)	Not assessed	No comment.

Protozoal compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(i) T3 Protozoal rules	Compliant	Almost met (92.6%)	Not compliant	<p>Technical non-compliance at Wentworth, due to UV equipment failure, and this has since been resolved.</p> <p>Technical non-compliance at Beverley, due to incorrect UV disinfection programming, and this has since been resolved.</p> <p>Technical non-compliance at Moana Point, due to insufficient UV disinfection resulting from operating at a lower power level, which has since been resolved.</p>

Thames South

Omahu/Thames Valley

Population served: 369*

Hinekōrako supply name: THA002

Bacteriological compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(c) T2 Treatment Monitoring Rules	Not compliant	Partially met (19.5%)	Not compliant	Non-compliant water treatment system and therefore a permanent boil water notice is in place. New treatment plant underway and due to be commissioned by June 2028.
(f) T2 Chlorine Rules	Not compliant	None met (0%)	Not compliant	Non-compliant water treatment system, and therefore a permanent boil water notice is in place. The Omahu (Thames Valley) Distribution Zone did not meet Rules D2.1-ecoli and D2.1-coli for the year, as the zone is not currently monitored due to the lack of adequate treatment for bacterial and protozoa protection. A new treatment plant is underway and is expected to be commissioned by June 2028.
(g) D2.1 Distribution System Rule	Not compliant	None met (0%)	Not assessed	As above, this is a non-compliant water treatment system, and therefore a permanent boil water notice is in place. The Omahu (Thames Valley) Distribution Zone did not meet Rules D2.1-ecoli and D2.1-coli for the year, as the zone is not currently monitored due to the lack of adequate treatment for bacterial and protozoa protection. A new treatment plant is underway and is expected to be commissioned by June 2028.

Protozoal compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(c) T2 Treatment Monitoring Rules	Not compliant	Partially met (19.5%)	Not compliant	Non-compliant water treatment system and therefore a permanent boil water notice is in place. New treatment plant underway and due to be commissioned by June 2028.
(d) T2 Filtration Rules	Not compliant	None met (0%)	Not compliant	Non-compliant water treatment system and therefore a permanent boil water notice is in place. New treatment plant underway and due to be commissioned
(e) T2 UV Rules	Not compliant	None met (0%)	Not compliant	Non-compliant water treatment system and therefore a permanent boil water notice is in place. New treatment plant underway and due to be commissioned by June 2028.

Thames South

Matatoki

Population served: 276*

Hinekōrako supply name: MAT009

Bacteriological compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(c) T2 Treatment Monitoring Rules	Not compliant	Partially met (78.1%)	Not compliant	Non-compliant water treatment system and therefore a permanent boil water notice is in place. New treatment plant underway and due to be commissioned by June 2028.
(f) T2 Chlorine Rules	Not compliant	Partially met (33.6%)	Not compliant	Non-compliant water treatment system, and therefore a permanent boil water notice is in place. The Matatoki Distribution Zone did not meet Rules D2.1-ecoli and D2.1-coli for the year, as the zone is not currently monitored due to the lack of adequate treatment for bacterial and protozoa protection. A new treatment plant is underway and is expected to be commissioned by June 2028.
(g) D2.1 Distribution System Rule	Not compliant	None met (0%)	Not assessed	As above, this is a non-compliant water treatment system, and therefore a permanent boil water notice is in place. The Matatoki Distribution Zone did not meet Rules D2.1-ecoli and D2.1-coli for the year, as the zone is not currently monitored due to the lack of adequate treatment for bacterial and protozoa protection. A new treatment plant is underway and is expected to be commissioned by June 2028.

Protozoal compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(c) T2 Treatment Monitoring Rules	Not compliant	Partially met (78.1%)	Not compliant	Non-compliant water treatment system and therefore a permanent boil water notice is in place. New treatment plant underway and due to be commissioned by June 2028.
(d) T2 Filtration Rules	Not compliant	None met (0%)	Not compliant	Non-compliant water treatment system and therefore a permanent boil water notice is in place. New treatment plant underway and due to be commissioned by June 2028.
(e) T2 UV Rules	Not compliant	None met (0%)	Not compliant	Non-compliant water treatment system and therefore a permanent boil water notice is in place. New treatment plant underway and due to be commissioned by June 2028.

Thames South

Pūriri

Population served: 531*

Hinekōrako supply name: PUR003

Bacteriological compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(h) T3 Bacterial Rules	Not compliant	None met (0%)	Not compliant	Non-compliant water treatment system and therefore a permanent boil water notice is in place. New treatment plant underway and due to be commissioned by June 2028.
(j) D3.29 Microbiological Monitoring Rule	Not compliant	None met (0%)	Not assessed	Non-compliant water treatment system and therefore a permanent boil water notice is in place. New treatment plant underway and due to be commissioned by June 2028.

Protozoal compliance

Rule(s) applied based on supply size	Target (LTP)	Result (this year)	Result (last year)	Commentary (if < all met)
(i) T3 Protozoal Rules	Not compliant	None met (0%)	Not compliant	Non-compliant water treatment system and therefore a permanent boil water notice is in place. New treatment plant underway and due to be commissioned by June 2028.

*The Matatoki-Pūriri area, which includes Matatoki, had a population of 1,176 in the 2023 New Zealand census. Population for Ōmahu, Matatoki and Pūriri are estimated using ratio of population by number of connections at each area.

Our service targets

KEY: Target achieved | Target not achieved

You can expect:

We'll promote the efficient and sustainable use of water

What that looks like	Our target	Our result this year	Our result last year
Percentage of real water loss from our Council's networked reticulation system			
<i>The following schemes have universal metering and will use an Annual Water Balance methodology. *</i>			
Thames	≤39%	40%	35%
Coromandel	≤37%	40%	55%
Pāuanui	≤13%	32%	24%
<i>The following schemes do not have meters and will use appropriate alternative methodologies to measure losses. *</i>			
Thames South	≤40%	45%	43%
Matarangi	≤45%	24%	20%
Whitianga	≤25%	20%	20%
Hāhei	≤50%	12%	17%
Tairua	≤40%	36%	27%
Onemana	≤60%	12%	22%
Whangamatā	≤40%	33%	36%
The average consumption of drinking water per day per resident (currently based on normally resident population)	≤575 litres	428 litres per resident per day	484 litres per resident per day

About our result

We made strong progress tackling water leaks this year with noticeable reductions in Coromandel, Onemana and Whangamatā. Repair and renewals work has also been carried out at Pāuanui, Tairua, Thames and Thames South to identify causes of leakage, with the benefits of this work expected to show in the 2025/26 year results.

**Where scheme areas have universal metering installed, we use what is called the 'annual water balance methodology' (to calculate the difference between the actual volume of treated water supplied to the network and the actual metered water consumption). Where scheme areas do not have metering installed, we estimate water loss using the winter water use analysis method (also referred to as the base consumption method). Both methodologies give confidence that the values are accurate to within 95% confidence limits.*

KEY: Target achieved | Target not achieved

You can expect:

We'll provide a responsive call-out service to attend to customers' issues with their water supply

What that looks like	Our target	Our result this year	Our result last year
Median response time for attendance for urgent call-outs, from the time that our Council receives notification to the time that service personnel reach the site	≤30 minutes	28 minutes	34 minutes
Median response time for resolution of urgent call-outs, from the time that our Council receives notification to the time that service personnel confirm resolution of the fault or interruption	≤1:40 hours	1 hour 23 minutes	1 hour 20 minutes
Median response time for attendance for non-urgent call-outs, from the time that our Council receives notification to the time that service personnel reach the site	≤40 minutes	1 hour	34 minutes
Median response time for resolution of non-urgent call-outs, from the time that our Council receives notification to the time that service personnel confirm resolution of the fault or interruption	≤2:30 hours	17 hours 56 minutes	2 hours 42 minutes
<i>The total number of complaints received, per 1,000 connections:</i>			
Clarity	≤2	0.49	0.59
Taste	≤2	0.05	0
Odour	≤2	0.1	0.2
Pressure or flow	≤5	3.5	1.77
Continuity of supply	≤5	20.44	9.98
Response to any of the issues above	≤3	0.53	0.3

About our result

Our median response times for urgent call-outs met targets, but non-urgent call-outs were slower than planned. The non-urgent call-outs were largely a mix of faulty water meters, incorrect water meter reading and water leaks.

The median response time for resolution of non-urgent call-outs is significantly higher than the target due to the delay in service personnel closing out the job in the system and is not a reflection of the response time taken by these service personnel to physically address faults on site. Customer needs were responded to within specified time frames and as such they were not affected by these faults. Our Council will discuss the service provider's requirement to close out requests for service (RFSs) within contractual timeframes with them.

We received 421 complaints about water supply interruptions, mostly in Thames and Thames South area where pipe repairs required temporary water shutdowns. The increase in the number of complaints is due to larger geographic areas (and consequently more consumers) being affected due to isolated pipe failures at any particular location. This occurs because several consumers contact the Council to complain about the same water supply interruption, and each complaint is recorded separately. The new Thames South water treatment plant project is in progress and due for completion in June 2028.



Para Totoka | Solid Waste



What we do

This activity group includes the following services:



Rubbish and recycling



Waste minimisation



The why

Providing this group of activities helps us achieve **sustainable services and infrastructure** by providing options to safely dispose of and minimise waste.



He takiwā
mahitahi

A collaborative
district



He takiwā
ngangahau

A vibrant and safe
district



He takiwā
tuitui, he takiwā
aumangea

A connected and
resilient district



He takiwā
hūrokuroku mō
te ratonga me te
hanganga

A district with
sustainable services
and infrastructure



Delivering on our long term plan

Community satisfaction

KEY: Target achieved | Target not achieved

You can expect:

Our rubbish and recycling and waste minimisation activities meet the needs of our communities

What that looks like	Our target	Our result this year	Our result last year
Percentage of community members who are satisfied with the overall waste management (rubbish collection, recycling services, transfer stations, litter bins and waste minimisation) in the district.	Establish initial baseline results	56%	New

About our result

Our community satisfaction survey was completed for the first time this year. We'll continue to ask you what you think and look at how we can do better.



Rubbish and recycling

We provide options to safely dispose of and minimise our waste.

Our year in a nutshell

We've seen great progress in reducing waste to landfill. A kerbside rubbish audit in April 2025 showed food and green waste in rubbish bins has almost halved since 2021, and fewer recyclables are going into our rubbish bins. Over the last three years, our communities have diverted 44 tonnes of soft plastics from landfill by recycling them instead.

We have continued to improve our seven refuse transfer stations with safety and security upgrades, equipment replacement or refurbishment, and made them more convenient by adding PayWave payment to mobile rubbish compactors at Matarangi, Whangamatā, and Pāuanui. The Pāuanui transfer station now accepts soft

plastics for recycling.

One of our biggest achievements this year was progressing the \$11.5 million Whitianga Refuse and Recycling Transfer Station project which will be part funded by the Ministry for the Environment's Te Pūtea Whakamauru Para | Waste Minimisation Fund (up to 50%). We completed the design, secured consents, finished procurement, and started construction. The new facility will replace the current South Highway site and include weighbridges, internal roading, a site office, all hours recycling and rubbish drop-off, and a refuse shed. Works are due to be completed by mid-2026.

Our service targets

KEY: Target achieved | Target not achieved

You can expect:

We'll provide kerbside pickup services to eligible properties within the solid waste collection area, so long as it is safe to do so

What that looks like	Our target	Our result this year	Our result last year
Number of justified* complaints that collection is not completed on the scheduled day, measured by the Council's request for service (RFS) system	≤3 valid complaints per year per 1,000 eligible solid waste rating units	1.52	7.9

About our result

The first full year of our new solid waste collection contract has seen big improvements, with collections running more smoothly and far fewer justified complaints about missed kerbside pickups compared to the early transition period.

*where there is a reasonable case for the complaint

KEY: Target achieved | Target not achieved

You can expect:

We'll maintain closed landfill sites

What that looks like	Our target	Our result this year	Our result last year
Number of formal warnings issued by the Waikato Regional Council for non-compliance with resource consent(s)	0	0	0

About our result

No formal warnings issued.



Waste minimisation

We promote initiatives across the district that encourage waste minimisation, including educational programmes.

Our year in a nutshell

We ran 10 waste-free living workshops with over 487 people (including 350 students) on topics including waste free parenting, reducing food waste ('Food Lovers Masterclass') and waste free period programme. We increased our support for schools and early childhood centres in our waste minimisation education programmes.

Our service targets

KEY: Target achieved | Target not achieved

You can expect:

We'll implement waste minimisation education programmes

What that looks like	Our target	Our result this year	Our result last year
Number of schools/early childhood education centres (ECEs) participating in waste education programmes	≥8 schools / (ECEs) participating in waste education programmes	36	New

About our result

36 schools and early childhood education centres are participating across the Enviroschools, Paper4Trees, and Zero Waste Education programmes – well above our target of eight. Participation has increased across all three programmes, reflecting ongoing efforts to grow engagement in waste education.

4 Ngā tuākī pūtea | Financial Statements

Guide to Financial Statements

Introduction

The Local Government Act 2002 requires the Council to report its actual performance compared to targets published in the Annual Plan. We report against both financial and non-financial measures. The main purpose of providing financial statements is to enable stakeholders (residents and ratepayers, other local authorities, business community groups, Government regulatory bodies etc.) to assess our performance and make decisions regarding the Council and how it conducts its business.

This information includes the statement of comprehensive revenue and expense, the statement of financial position, the statement of changes in equity, the statement of cash flows, and the accompanying statement of significant accounting policies and notes to the financial statements. This information must be prepared according to generally accepted accounting practice and recognised accounting standards.

Statement of Accounting Policies

These explain the basis upon which the financial statements are prepared. They explain the methods adopted by the Council used to measure the transactions incorporated into the financial statements above.

Statement of Comprehensive Revenue and Expense

The statement of revenue and expense shows all of the Council's revenue earned and expenses incurred for the 12 months up to 30 June 2025. Revenue includes income received from rates and other income such as investment income, rent and fees while expenses paid includes costs such as operating costs, interest payments and depreciation.

This statement shows how total comprehensive revenue and expense is derived. Total comprehensive revenue and expense is then added or subtracted from Council's equity as shown in the statement of changes in equity.

Statement of Changes in Equity

This statement provides information about the nature of changes in Council's equity during the year.

Statement of Financial Position

The statement of financial position shows the assets and liabilities of the Council as at 30 June 2025.

Assets include cash, accounts receivable (money owed to the Council but not yet received), investments, land, buildings, operational and infrastructural assets. Current assets are amounts owed to the Council that are expected to be received within the next 12 months while current liabilities are the Council's debts that are due to be paid within the next 12 months.

Investments are the Council funds held in income earning securities while property, plant and equipment are of a permanent nature and are held for the benefit of the community.

Non-current liabilities represent money owed by the Council that does not have to be paid within the next 12 months.

Statement of Cash Flows

This statement covers all the inflows and outflows of cash during the year covered by the statement of comprehensive revenue and expense. The statement of cash flows identifies the sources and application of cash in respect of the Council's operating, investing and financing activities.

Funding Impact Statement

The funding impact statements ("FIS") have been prepared in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014, which came into effect 17 March 2014. This is a reporting requirement unique to Local Government. The disclosures contained within and the presentation of these statements is not prepared in accordance with generally accepted accounting practices ("GAAP").

The purpose of these statements is to report the net cost of services for significant groups of activities ("GOA") of the Council, and are represented by the revenue that can be attributed to these activities less the costs of providing the service. They contain all the funding sources for these activities and all the applications of this funding by these activities. The GOA FIS include internal transactions between activities such as internal overheads and charges applied and or recovered and internal borrowings.

The FIS is also prepared at the whole of Council level summarising the transactions contained within the GOA FIS, eliminating internal transactions, and adding in other transactions not reporting in the GOA statements.

These statements are based on cash transactions prepared on an accrual basis and as such do not include non cash/accounting transactions that are included with the statement of comprehensive revenue and expense as required under GAAP. These items include but are not limited to the Council's depreciation, gain and/or losses on revaluation and vested assets.

They also depart from GAAP as funding sources are disclosed within the FIS as being either for operational or capital purposes. Income such as subsidies received for capital projects, development contributions and proceeds from the sale of assets are recorded as capital funding sources. Under GAAP these are treated as income in the statement of comprehensive revenue and expense.

Notes to the Financial Statements

These notes to the accounts provide further details of what the summarised amounts reported on in the above financial statements are comprised of. The reference to the note is included in the financial statements 'Notes' column, beside the dollar values for the current financial year.

Statement of Compliance

Compliance

The Thames-Coromandel District Council hereby confirms that all statutory requirements in relation to the annual report, as outlined in the Local Government Act 2002, have been complied with.

Responsibility

The Council and management of Thames-Coromandel District Council accept:

- Responsibility for the preparation of the annual financial statements and the judgements used in them.
- Responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of Thames-Coromandel District Council, the financial statements for the period ended 30 June 2025 fairly reflect the financial position and operations of the Thames-Coromandel District Council.



Mayor
31 October 2025



Chief Executive
31 October 2025

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2025

		2025 Budget \$000's	2025 Actual \$000's	2024 Actual \$000's
	Notes			
Revenue				
Rates revenue	3	108,854	108,023	94,354
Fees and charges	3	16,058	15,350	14,769
Development and financial contributions		2,993	1,869	1,200
Subsidies and grants	3	22,099	22,808	25,092
Interest revenue	3	283	1,059	1,001
Other revenue	3	8,720	3,981	6,462
Total revenue		159,006	153,089	142,878
Expenses				
Personnel costs	4	27,946	26,429	24,460
Depreciation and amortisation expense	18	35,044	37,636	35,646
Finance costs	5	4,914	4,452	3,978
Other expenses	6	77,504	75,230	72,801
Total expenses		145,408	143,747	136,885
Surplus/(deficit) before tax		13,597	9,342	5,993
Income tax credit / (expense)	7	0	32	(26)
Surplus/(deficit) after tax		13,597	9,374	5,967
Other comprehensive revenue and expense				
Gain/(loss) on property, plant and equipment revaluations	26	68,405	2,279	2,926
Deferred tax credit on revaluation	7	0	(32)	26
Total other comprehensive revenue and expense		68,405	2,247	2,952
Total comprehensive revenue and expense		82,003	11,621	8,919

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in note 30.

Statement of Financial Position

As at 30 June 2025

	Notes	2025 Budget \$000's	2025 Actual \$000's	2024 Actual \$000's
Assets				
Current assets				
Cash and cash equivalents	8	58	15,278	12,149
Receivables	9	7,728	15,151	9,917
Prepayments		0	1,174	1,329
Derivative financial instruments	12	572	108	877
Other financial assets	13	0	10,050	10,048
Inventory	10	141	140	141
Total current assets		8,500	41,901	34,462
Non-current assets				
Postponed rates	9	668	617	511
Investments in joint ventures	15	5,900	1,117	540
Derivative financial instruments	12	937	812	1,367
Other financial assets:				
Investments in CCOs and similar entities	13	1,640	2,874	2,106
Investments in other entities	13	43	44	44
Total other financial assets		1,683	2,918	2,150
Intangible assets	17	8,264	6,310	5,932
Forestry assets	19	2,794	3,404	2,841
Property, plant and equipment	16	2,364,131	2,213,058	2,203,609
Total non-current assets		2,384,377	2,228,236	2,216,950
Total assets		2,392,877	2,270,138	2,251,411
Liabilities				
Current liabilities				
Payables and deferred revenue	20	24,503	21,437	21,808
Derivative financial instruments	12	0	235	0
Employee entitlements	22	2,894	2,904	2,856
Provisions	23	308	209	278
Borrowings	21	3,000	21,000	10,000
Total current liabilities		30,705	45,785	34,942
Non-current liabilities				
Payables and deferred revenue	20	0	663	1,501
Derivative financial instruments	12	0	313	0
Employee entitlements	22	305	314	172
Provisions	23	6,867	4,394	4,747
Borrowings	21	98,792	70,000	73,000
Total non-current liabilities		105,964	75,683	79,421
Total liabilities		136,669	121,468	114,362
Net assets (assets minus liabilities)		2,256,208	2,148,670	2,137,049
Equity				
Accumulated funds	26	436,652	425,582	435,293
Reserves	26	1,819,557	1,723,089	1,701,756
Total equity		2,256,208	2,148,670	2,137,049

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in note 30.

Statement of Changes in Equity

For the year ended 30 June 2025

	Notes	2025 Budget \$000's	2025 Actual \$000's	2024 Actual \$000's
Balance at 1 July		2,174,205	2,137,049	2,128,126
Total comprehensive revenue and expense for the year		82,003	11,621	8,919
Balance at 30 June	26	2,256,208	2,148,670	2,137,049

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in note 30.

Statement of Cash Flows

For the year ended 30 June 2025

	2025 Budget \$000's	2025 Actual \$000's	2024 Actual \$000's
Cash flows from operating activities			
Receipts from rates revenue	107,954	104,963	89,733
Receipts from other revenue	41,969	40,012	40,649
Interest received	283	1,059	1,001
Dividends received	0	7	6
GST (net)	0	(3,259)	5,042
Payments to suppliers and employees	(105,426)	(95,716)	(96,173)
Interest paid	(4,914)	(4,452)	(3,978)
Net cash flow from operating activities	39,866	42,613	36,280
Cash flows from investing activities			
Advance payments received	0	160	212
Receipts from sale of property, plant and equipment	0	100	32
Advance payments made	(5,900)	(1,479)	(10,687)
Purchase of property, plant and equipment	(47,963)	(45,425)	(40,022)
Purchase of intangible assets	(1,767)	(841)	(820)
Net cash flow from investing activities	(55,631)	(47,484)	(51,285)
Cash flows from financing activities			
Proceeds from borrowings	18,731	18,000	34,922
Repayment of borrowings	(3,163)	(10,000)	(18,922)
Net cash flow from financing activities	15,568	8,000	16,000
Net increase/(decrease) in cash and cash equivalents	(197)	3,129	996
Cash and cash equivalents at the start of the year	255	12,149	11,153
Cash and cash equivalents at the end of the year	58	15,278	12,149

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in note 30.

Statement of cash flows (continued)

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

	2025	2024
	Actual	Actual
	\$000's	\$000's
Surplus/(deficit) after tax	9,374	5,967
Add/(less) non-cash items		
Vested assets	(2,058)	(5,393)
Amortisation	463	468
Depreciation	37,173	35,178
(Gains)/losses in fair value of forestry assets	(563)	(218)
(Gains)/losses in fair value of investments	(29)	(4)
Net (gains)/losses on interest rate swaps	1,871	648
Impairment of spare parts	1,112	0
Total non-cash items	37,969	30,678
Add/(less) movements in working capital items		
Increase/(decrease) in payables	(2,456)	(2,492)
Increase/(decrease) in provisions	(423)	187
Increase/(decrease) in employee entitlements	189	(93)
(Increase)/decrease in receivables	(5,339)	(1,436)
(Increase)/decrease in prepayments	155	621
Net movement in working capital items	(7,873)	(3,212)
Add/(less) items classified as investing activities		
(Gains)/losses on sale of property, plant and equipment	3,144	2,847
Increase/(decrease) in provisions	0	0
Net movement in working capital items	3,144	2,847
Net cash inflow/(outflow) from operating activities	42,613	36,280

Notes to the Financial Statements

Note 1 - Statement of Accounting Policies

Reporting entity

Thames-Coromandel District Council (Council) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

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

The Council has designated itself as a Public Benefit Entity (PBE) for the purposes of complying with generally accepted accounting practice (GAAP).

The financial statements of the Council are for the year ended 30 June 2025. The financial statements were authorised for issue by Council on 31 October 2025.

Basis of preparation

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

Statement of compliance

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

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), other than the remuneration and the severance payment disclosures in note 4. The remuneration and severance payment disclosures are rounded to the nearest dollar.

New or amended standards adopted

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

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

Other changes in accounting policies

There have been no other changes in accounting policies.

Standards issued that are not yet effective and not early adopted

Omnibus Amendments to PBE Standards (amendments to PBE IPSAS 1)

This amendment clarifies the principles for classifying a liability as current or noncurrent, particularly in relation to loan covenants. The amendment is effective for the year ended 30 June 2027.

The Council has not yet assessed in detail the impact of these amendments.

PBE IFRS 17 Insurance Contracts

PBE IFRS 17 establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts and will replace PBE IFRS 4. This standard is effective for the year ended 30 June 2027.

The Council has not yet assessed in detail the impact of this standard.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into NZ\$ (the functional currency) using the spot exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Goods and services tax

Items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the 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 Council in its 2024 - 2034 Long Term Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of these financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, Council has made estimates and assumptions concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or 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 with the next financial year are:

- Estimating the fair value of land, buildings, and infrastructural assets - see Note 16
- Estimating the retirement and long service leave obligations - see Note 22
- Estimating the landfill aftercare provision - see Note 23
- Estimating leaky home settlement costs - see Note 23

Critical judgements in applying accounting policies

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

- Donated or vested land and buildings with use or return conditions – see Note 3
- Classification of property – see Note 16.

Note 2 - Summary Revenue and Expenditure for Group of Activities

Accounting Policy

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

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

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

Breakdown of summary revenue and expenditure for group of activities

	2025 Budget \$000s	2025 Actual \$000's	2024 Actual \$000's
Revenue			
Leadership and governance	19,579	22,906	17,035
Planning and regulation	11,496	10,037	7,985
Protection of people and the environment	4,503	4,462	5,901
Transport	33,126	31,642	27,155
Community and economic development	2,478	2,451	7,720
Community spaces	18,875	20,081	17,925
Water	15,053	14,902	14,468
Wastewater	22,346	22,008	19,044
Stormwater	4,632	4,683	3,593
Solid waste	19,515	17,441	16,981
Activity revenue	151,603	150,614	137,808
Revenue not directly attributable to an activity			
Revenue from vested assets	7,820	2,058	5,393
Gain on revaluation of financial instruments	0	29	4
Gain on revaluation of forestry	0	563	218
Other revenue	445	835	353
<i>Less internal revenue</i>	<i>(921)</i>	<i>(1,010)</i>	<i>(899)</i>
Total revenue	158,947	153,089	142,878
Expenditure			
Leadership and governance	24,612	20,111	19,668
Planning and regulation	11,577	9,768	8,015
Protection of people and the environment	4,904	4,559	6,112
Transport	25,689	24,230	25,566
Community and economic development	2,352	2,325	2,189
Community spaces	17,815	17,204	16,595
Water	14,154	16,078	15,801
Wastewater	23,120	23,797	22,251
Stormwater	4,590	4,737	4,276
Solid waste	17,068	15,398	14,443
Activity expenditure	145,881	138,205	134,915
Expenditure not directly attributable to an activity			
Loss on revaluation of financial instruments	0	1,871	648
Impairment of inventory	0	1,112	0
Loss on disposal of assets	0	3,144	1,767
Other expenditure	359	425	454
<i>Less internal expenditure</i>	<i>(921)</i>	<i>(1,010)</i>	<i>(899)</i>
Total expenditure	145,319	143,747	136,885

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

Note 3 - Revenue

Accounting Policy

Revenue is measured at fair value.

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

Rates revenue

The following policies for rates have been applied:

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

Development and financial contributions

Development and financial contributions from subdivision consents are recognised as income upon the granting of the resource consent and prior to the completion certificate being issued pursuant to Section 224c of the Resource Management Act 1991. Contributions from land use consents are recognised as income upon the granting of the resource consent.

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

Waka Kotahi (New Zealand Transport Agency) roading subsidies

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

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if the conditions of the

grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grants are satisfied.

Building and resource consent revenue

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

Entrance fees

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

Landfill fees

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

Provision of commercially based services

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

Sale of goods

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

Infringement fees and fines

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2-year period.

Vested or donated physical assets

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

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on the unit rate for each specific component vested. These unit rates are calculated by Council and peer reviewed on an annual basis by a

suitably qualified external valuer on an annual basis. Should no unit rate exist for a specific type of asset at the time Council obtains control of the asset, then the value is determined by using the construction price information provided by the property developer.

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

Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return

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

Interest and dividends

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Dividends are recognised when the right to receive payment has been established. Dividends are recognised in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment.

Critical judgements in applying accounting policies

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

The Council has received land and buildings from non-exchange transactions that contain use or return conditions. If revenue is not recognised immediately for

such assets when received, there is the possibility that a liability would be recognised in perpetuity and no revenue would ever be recognised for the asset received. The Council considers that an acceptable and more appropriate accounting treatment under PBE IPSAS 23 is to recognise the revenue immediately for such transfers and a liability is not recognised until such time as it is expected that the condition will be breached.

(i) Breakdown of rates and further information

	2025 Actual \$000's	2024 Actual \$000's
General rates	16,969	14,261
Uniform annual general charge	19,358	15,686
Targeted rates attributable to activities:		
- Targeted rates for metered water supply	2,621	1,836
- Other targeted rates	69,678	63,029
Rates penalties	759	703
Rates remissions	(1,362)	(1,160)
Total rates	108,023	94,354

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

As at 30 June	2024
Number of rating units	28,650
Total capital values of rating units	33,772,780,050
Total land value of rating units	21,993,489,100

Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates income of Council for the year ended 30 June 2024 for the purposes of the LGFA Guarantee and Indemnity Deed is shown below.

	2025 Actual \$000's	2024 Actual \$000's
Rates	109,384	95,514
Total gross annual rates income	109,384	95,514

(ii) Breakdown of subsidies and grants

	2025 Actual \$000's	2024 Actual \$000's
Waka Kotahi roading subsidies	17,679	15,191
New Zealand Defence Force cemetery subsidies	0	6
Other subsidies	3,780	10
Other grants	649	7,909
Storm recovery grants	699	1,975
Total subsidies and grants	22,808	25,092

(iii) Breakdown of fees and charges

	2025 Actual \$000's	2024 Actual \$000's
Building and resource consent charges	5,741	5,427
Solid waste revenue	5,430	5,257
Land information memoranda sales	327	231
Other fees and charges	3,852	3,853
Total fees and charges	15,350	14,769

(iv) Breakdown of interest revenue

	2025 Actual \$000's	2024 Actual \$000's
Interest earned from financial assets measured at amortised cost		
- term deposits	571	129
- related party loans	446	747
- community loans	42	39
- discount unwind on provisions	0	85
Total interest revenue	1,059	1,001

(v) Breakdown of other revenue

	2025 Actual \$000's	2024 Actual \$000's
Petrol tax	431	417
Infringement fees	191	203
Court fees and fines	92	90
Insurance recoveries	23	34
Vested land and infrastructure from property development	2,058	5,393
Forestry asset revaluation gains	563	218
Gain on changes in fair value of financial instruments	29	4
Revenue in relation to joint operations	500	0
Dividend revenue	7	6
Other	88	97
Total other revenue	3,981	6,462

Operating leases as a lessor

The Council leases some properties held for future strategic purposes under operating leases. Lease terms range from month to month periodic tenancies to 33 years (with lease review every 3 years). The future aggregate minimum lease payments is to be collected under non-cancellable operating leases are as follows:

	2025 Actual \$000's	2024 Actual \$000's
Operating leases as lessor		
Not later than one year	575	641
Later than one year and not later than five years	1,602	1,667
Later than five years	602	695
Total non-cancellable operating leases	2,780	3,003

No contingent rents have been recognised during the year.

Note 4 - Personnel Costs

Accounting Policy

Salaries and wages

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

Superannuation schemes

Defined contribution schemes

Employer contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Defined benefit schemes

The Council makes employer contributions to the Defined

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

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

Breakdown of personnel costs and further information

	2025 Actual \$000's	2024 Actual \$000's
Salaries and wages	25,710	23,658
Employer contributions to defined contribution plans	688	645
Increase/(decrease) in employee entitlements	31	158
Total personnel costs	26,429	24,460

Further information

Defined benefit scheme

The funding arrangements for the scheme are governed by section 44 of the National Provident Fund Restructuring Act 1990 and by a Trust Deed. This Act requires that any increase or decrease to the employer contribution rate should result in contributions being at a level that, on reasonable assumption, is likely to achieve neither a surplus nor a deficit in the trust fund of the DBP scheme at the time the last contributor to the scheme ceases to contribute. The Trust Deed specifies that immediately before the scheme is wound up, the assets and the interests of all contributors in the scheme will be transferred to the DBP Annuitants Scheme. Employers have no right to withdraw from the scheme.

Each year the Board's Actuary carries out a review of the Scheme to determine an employer contribution rate sufficient to meet the accrued and future liabilities of the Scheme.

The employer contributor rate applicable from 1 April 2023 of four times contributors' contributions as been maintained. The rate will be reviewed again at 31 March 2026 and any change would be implemented from 1 April 2026.

At 31 March 2025, the scheme had a past service deficit of \$0.5 million or 4.4% of the liabilities exclusive of Employer Superannuation Contribution Tax (2024: past service deficit of \$0.2 million or 1.0% of the liabilities). This deficit was calculated using a discount rate equal to the expected return on assets, but otherwise the assumptions and methodology were consistent with the requirements of PBE IPSAS 39 Employee Benefits.

The scheme had 17 members at 31 March 2025 (2024: 29 members). One of these are employees of the Council. If other participating employers cease to participate in the scheme, the Council could be responsible for an increased share of any deficit.

Chief Executive remuneration

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was \$381,891 (2024: \$371,722).

Council employee remuneration by band

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

	2025 Actual \$000's	2024 Actual \$000's
Total annual remuneration by band for employees as at 30 June 2025		
< \$60,000	33	47
\$60,000-\$79,999	83	98
\$80,000-\$99,999	59	54
\$100,000-\$119,999	44	40
\$120,000-\$139,999	27	19
\$140,000-\$159,999	10	11
\$160,000-\$199,999	10	6
\$200,000-\$389,999	5	6
Total employees	271	281

At balance date, Council employed 213 (2024: 220) full-time employees, with the balance of staff representing 35 (2024: 35) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

Elected representatives remuneration

Elected representatives received the following remuneration:

	2025 Actual \$000's	2024 Actual \$000's
Elected representatives received the following remuneration:		
Mayor Len Salt	147	145
Councillor Terry Walker	86	91
Councillor Robyn Sinclair	57	59
Councillor Martin Rodley	56	59
Councillor Gary Gotlieb	65	66
Councillor John Morrissey	62	67
Councillor Peter Revell	56	59
Councillor Rekha Giri-Percival	63	65
Councillor Deli Connell	66	66
Councillor John Grant	59	59
Total elected representatives remuneration	716	736

Severance payments

For the year ended 30 June 2025, the Council did not make any severance payments to employees (2024: nil).

Note 5 - Finance Costs

Accounting Policy

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

Breakdown of finance costs

	2025 Actual \$000's	2024 Actual \$000's
Interest expense		
Interest on borrowings	4,412	3,978
Discount unwind on provisions	40	0
Total finance costs	4,452	3,978

Note 6 - Other Expenses

Accounting Policy

Grant expenditure

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

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

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant

application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant.

Operating leases

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

Breakdown of other expenses and further information

	2025 Actual \$000's	2024 Actual \$000's
Fees incurred for services provided by our audit firm		
The council's financial statements and service performance information for the year ended 30 June 2025 (the "financial report") are audited by Audit New Zealand on behalf of the Auditor-General.		
During the year, the following fees were incurred for services provided by our audit firm:		
- Audit of the financial report	273	255
The audit fee disclosed for the financial report represents the fee for the annual statutory audit engagement carried out under the Auditor-General's auditing standards, as described in the auditor's report on pages 150. This fee also includes the audit of the summary annual report, also a statutory requirement, which is completed in conjunction with this engagement and not billed separately.		
- Additional audit fees in respect of 2024	24	
Audit or review related services		
- Assurance engagement in relation to the Debenture Trust Deed	8	6
- Audit of the 2024-34 Long Term Plan	0	200
Other assurance services and other agreed-upon procedures engagements		
- Assurance over the procurement of a professional services contract	21	0
Total fees incurred for services provided by the audit firm	326	461
General grants	102	106
Storm recovery grants	0	717
Contractors	34,984	34,176
Consultants and legal fees	3,654	4,263
Operating lease expense	8	7
Impairment of receivables	385	251
Impairment of plant and equipment	1,112	0
Property, plant and equipment and intangible assets losses on disposal	3,144	1,767
Loss on changes in fair value of financial instruments	1,871	648
Expenses in relation to joint operations	28	101
Other operating expenses	29,617	30,306
Total other expenses	75,230	72,801

Operating leases as lessee

The Council leases property, plant and equipment in the normal course of business. The lease has a non-cancellable term of 12 months. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

Operating leases as lessee

	2025 Actual \$000's	2024 Actual \$000's
Not later than one year	18	6
Later than one year and not later than five years	47	1
Later than five years	61	0
Total non-cancellable operating leases	126	8

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2024: \$nil). The Council cannot assign or sublet the property without prior written consent of the lessor.

The lease can be renewed at the Council's option, with rents set by reference to current market rates for items of equivalent age and condition. The Council does not have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on the Council by any of the leasing arrangements.

Note 7 - Tax

Accounting Policy

Income tax expense includes components relating to both current and deferred tax. The Council is exempt from income tax with the exception of income derived from wharf operations. Historically, the deductible operating expenditure has offset any operating revenue that is subject to income tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of the assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that

have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

Breakdown of taxes and further information

	2025 Actual \$000's	2024 Actual \$000's
Components of tax expense		
Current tax expense	0	0
Deferred tax expense	(32)	26
Tax expense	(32)	26
Relationship between tax expense and accounting surplus		
Net surplus /(deficit) before tax	9,342	5,993
Tax at 28%	2,616	1,678
Plus /(less) tax effect of:		
Non-taxable revenue	(2,602)	(1,668)
Tax losses not recognised	14	10
Deferred tax adjustment	(60)	5
Tax expense / (credit)	(32)	26

	PPE \$000's	Employee entitlements \$000's	Other provisions \$000's	Tax losses \$000's	Total \$000's
Deferred tax asset (liability)					
Balance at 30 June 2023	(105)	0	0	105	0
Charged to surplus or deficit	19	0	0	(45)	(26)
Charged to other comprehensive revenue and expense	26	0	0	0	26
Balance at 30 June 2024	(61)	0	0	61	0
Charged to surplus or deficit	(18)	0	0	50	32
Charged to other comprehensive revenue and expense	(32)	0	0	0	(32)
Balance at 30 June 2025	(110)	0	0	110	0

Other tax-related disclosures

A deferred tax asset has not been recognised in relation to tax losses of \$5,545,295 (2024: \$5,647,247). Based on the extent to which it is probable that taxable profits will be available against which to deduct tax losses.

Note 8 - Cash and Cash Equivalents

Accounting Policy

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

Breakdown of cash and cash equivalents and further information

	2025 Actual \$000's	2024 Actual \$000's
Cash at bank and on hand	15,222	12,104
Domain committee current accounts	56	45
Total cash and cash equivalents	15,278	12,149

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

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

Of the \$15,222,432 cash at bank and on hand, \$109,019 (2024: \$208,862) relates to Council's share in Ariki Tahi Sugarloaf Wharf Limited. For more details refer to Note 15 - Investment in Joint Operations.

Note 9 - Receivables

Accounting Policy

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

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

Rates are "written-off":

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

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

Breakdown of receivables and further information

	2025 Actual \$000's	2024 Actual \$000's
Current portion		
Receivables from non-exchange transactions		
Rates receivables	4,370	4,434
Related party receivables	6	2
Other receivables from non-exchange transactions	8,162	5,236
Other tax receivable (e.g. GST and FBT)	1,728	0
Total receivables from non-exchange transactions	14,266	9,672
Receivables from exchange transactions		
Other receivables from exchange transactions	1,160	295
Total receivables from exchange transactions	1,160	295
Less: allowance for credit losses	(276)	(50)
Total current	15,151	9,917
Non-current portion		
Postponed rates	617	511
Total non-current portion	617	511
Total receivables	15,768	10,429

Rates receivable

Council does provide for ECLs on rates receivable on Maori freehold land. Council has various powers under the Local Government (Rating) Act 2002 (LG(R)A 2002) to recover any outstanding debts. These powers allow Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

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

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

- Section 90A: \$173,675.48 (2024: \$540,336)
- Section 90B: Nil (2024: Nil)

Related party receivables

The related party receivables of \$5,863 (2024: \$2,015) relate to Council's share in Ariki Tahi Sugarloaf Wharf Limited. For more details refer to Note 15 - Investment in Joint Operations.

Other receivables

The other receivables at 30 June 2025 are based on the payment profile of revenue on credit over prior years at the measurement date and the corresponding historical credit losses experienced for the period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

There have been no changes since 1 July 2021 in the estimation techniques or significant assumptions in measuring the loss allowance.

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

Council - 30 June 2025	Other Receivables' days past due				Total
	Not past due	Past due 1-30 days	Past due 31-60 days	Past due >61 days	
Expected credit loss rate	0%	0%	0%	3%	
Gross receivable amount (\$000)	10,300	163	84	503	11,051
Lifetime ECL (\$000)	0	0	0	17	17

Council - 30 June 2024	Other Receivables' days past due				Total
	Not past due	Past due 1-30 days	Past due 31-60 days	Past due >61 days	
Expected credit loss rate	0%	0%	0%	4%	
Gross receivable amount (\$000)	5,930	217	48	665	6,860
Lifetime ECL (\$000)	0	0	0	25	25

In addition to the above expected credit loss of \$16,701 (2024: \$24,792) there has been an additional amount provided for long outstanding debts of \$25,354 (2024: \$25,354).

Movements in the allowance for credit losses as follows:

	2025 Actual \$000's	2024 Actual \$000's
Opening balance for credit losses at 1 July	50	321
Additional provisions made during the year	393	243
Provision reversed during the year	(8)	0
Receivables written off during the year	(160)	(514)
Balance at 30 June	276	50

Note 10 - Inventory

Accounting Policy

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

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

Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first. Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition. Any write-down from cost to net realisable value or for the loss of service potential is recognised in surplus or deficit in the year of the write-

down. The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition. Any write-down from cost to net realisable value or for the loss of service potential is recognised in the surplus or deficit in the year of the write-down.

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

Breakdown of receivables and further information

	2025 Actual \$000's	2024 Actual \$000's
Non-commercial inventory		
Water and sewerage reticulation spare parts	140	141
Total inventory	140	141

Inventory held for distribution or consumption relates specifically to assets held for the replacement of key parts in the event of other part failures at any of the wastewater plants around the district. Replaced parts are repaired, where appropriate, and held for future use.

The addition to (write-down of) inventory during the year was \$(1,104) (2024: nil). There have been no reversals of previous write-downs (2024: Nil).

No inventory is pledged as security for liabilities (2024: Nil). Council does not have any commercial inventory.

Note 11 - Non-Current Assets Held for Sale

Accounting Policy

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

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

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

At balance date Council held no assets held for sale (2024: Nil).

Note 12 - Derivative Financial Instruments

Accounting Policy

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

Derivative's are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The associated gains or losses arising from changes in fair value are recognised in the surplus or deficit.

The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

The portion of the fair value of an interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion classified as non-current.

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

Breakdown of derivative financial instruments and further information

	2025 Actual \$000's	2024 Actual \$000's
Assets		
Current asset portion		
Interest rate swaps	108	877
Total current asset portion	108	877
Non-current asset portion		
Interest rate swaps	812	1,367
Total non-current asset portion	812	1,367
Total derivative financial instrument assets	920	2,244

	2025 Actual \$000's	2024 Actual \$000's
Liabilities		
Current liability portion		
Interest rate swaps	235	0
Total current liability portion	235	0
Non-current liability portion		
Interest rate swaps	313	0
Total non-current liabilities portion	313	0
Total derivative financial instrument liabilities	548	0

Fair value of interest rate swaps

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

Information about interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$69.5 million (2024: \$61.5 million). \$12 million of these interest rate swaps have start dates after year-end and are in line with forecasted borrowing requirements. At 30 June 2025, the fixed interest rates of the outstanding interest rate swaps varied from 1.84% to 3.99% (2024: 1.84% to 4.05%).

Note 13 - Other Financial Assets

Accounting Policy

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

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

Transaction costs are included in the value of the financial asset at initial recognition unless it has been designated at FVTSD, in which case it is recognised in the surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and Council's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are solely payments of principal and interest (SPPI) on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

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

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the

effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates. Council's only financial assets in this category are term deposits.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. Council designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term. Council's financial assets in this category are unlisted shares.

Subsequent measurement of financial assets at FVTSD

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

Expected credit loss allowance (ECL)

Council does not have any financial asset debt instruments, therefore there are no expected credit losses.

Breakdown of other financial assets and further information

	2025 Actual \$000's	2024 Actual \$000's
Current portion		
Short-term deposits with maturities of 4-12 months	10,050	10,048
Total current portion	10,050	10,048
Non-current portion		
Investment in CCOs and similar entities:		
Local Government Funding Agency - Borrower Notes	2,644	1,876
Local Government Funding Agency - Investor Capital	100	100
Local Authority Shared Services Limited	131	131
Total investment in CCOs and similar entities	2,874	2,106
Investment in other entities:		
Civic Financial Services Ltd	26	25
Cooks Beach Wall Limited	18	18
Total investment in other entities	44	44
Total non-current portion	2,918	2,150
Total other financial assets	12,969	12,198

Fair value disclosures

Term deposits

The carrying amount of term deposits approximates their fair value.

Unlisted shares

The fair value of Local Authority Shared Services Limited has not been disclosed because its fair value cannot be reliably measured, as there is no active market for this type of equity instrument. Therefore, this investment is held at cost.

The fair value of the Council's investment in NZ Local Government Insurance Corporation (trading as Civic Financial Services) is \$25,702 (2024: \$25,252). This is based on the Council's share, currently 0.24% (2024: 0.24%), of the assets less liabilities of the company.

The fair value of Council's investment in the LGFA is \$2,743,770 (2024: \$1,975,674).

Impairment

There are no impairment provisions for other financial assets. At balance date, none of these financial assets are either past due or impaired.

Credit risk, including ECLs

Term deposits

Council considers there has not been a significant increase

in credit risk for investment in term deposits because the banks continue to have low credit risk at balance date.

Term deposits are held with banks that have a long-term AA- investment grade rating, which indicates the bank has a very strong capacity to meet its financial commitments.

No ECL has been recognised for term deposits as the loss allowance is trivial.

Other financial assets

Expected credit losses measured for other financial assets are trivial. They are low-risk and Council has not identified any indications that credit risk associated with those instruments has significantly increased since initial recognition.

Council does not have any loan assets.

Equity investments (other than shares in subsidiaries)

The Council has designated all of its equity investments at FVTOCRE, other than shares in subsidiaries. This measurement basis is considered more appropriate than through surplus or deficit because the investments have been made for long-term strategic purposes rather than to generate a financial return through trading:

Equity instruments designated at FVTOCRE comprise of:

	2025 Actual \$000's	2024 Actual \$000's
Unlisted shares in Local Government Funding Agency	2,644	1,976
Unlisted shares in Local Authority Shared Services Limited	131	131
Unlisted shares in Civic Financial Services Ltd	26	25
Unlisted shares in Cooks Beach Wall Limited	18	18
Total other financial assets	2,818	2,150

Note 14 - Investment in Associate

Accounting Policy

An associate is an entity, over which Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are recognised under the equity method of accounting as prescribed in PBE IPSAS 7 Investments in Associates whereby the investment in the associate is recognised at cost with the carrying amount adjusted to reflect the ownership interest in the associate.

Council has elected to recognise its interests in both the Hauraki Rail Charitable Trust and Destination

Coromandel Trust as associates of Council. However, given that Council does not have an ownership interest in either trust and that no share of the profit or loss is made to Council, it is impractical for Council to recognise its relationship with both trusts through this method of accounting. Nevertheless, the relationship is recognised as a related party with the appropriate disclosures made in accordance with PBE IPSAS 20 Related Party Disclosures.

Note 15 - Investment in Joint Operations

Accounting Policy

A joint arrangement is a binding arrangement that confers enforceable rights and obligations on the parties to the arrangement that is subject to joint control. Joint control is the agreed sharing of control where decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as a joint operation or a joint venture. The classification depends on the rights and obligations of each party under the joint arrangement. Council reviews the legal form, terms of the binding agreement, and other facts and circumstances

relevant to its interest in determining the classification of the joint arrangement.

For joint operations, Council recognises its direct rights to the assets, liabilities, revenues and expense of joint operations and its share of any jointly held or incurred assets, liabilities, revenue and expenses. Assets, liabilities, revenues and expenses relating to Council's interest in a joint operation are accounted for in line with Council's accounting policies and included in the relevant line items of Council's financial statements.

Further information about the joint operation

Council has a joint arrangement with the Coromandel Marine Farmers Association Incorporated (CMFA) and the Crown for the joint operation of Ariki Tahi Sugarloaf Wharf Limited (the Company). The Company was incorporated on 1 June 2020 as a partnership between Council, CMFA and the Crown to redevelop and own the Sugarloaf Wharf in the Coromandel Harbour. Redevelopment is expected to commence in the near future and will include an

upgrade of the recreational section and an extension of the commercial footprint. The new wharf will be owned by the Company and operations of the wharf will be managed by Council. Funding of the development is by the Provincial Growth Fund. The shareholders are Council, CMFA and the Crown each holding 33.3% shares in the Company with the Crown holding 100% non-voting Perpetual Preference Shares.

	2025 Actual \$000's	2024 Actual \$000's
Current assets	115	209
Non-current assets	1,117	540
Current liabilities	(16)	(5)
Non-current liabilities	0	0
Net assets	1,216	744
Revenue	500	0
Expenses	28	101
Share of surplus/(deficit)	472	(101)

Note 16 - Property, Plant and Equipment

Accounting Policy

Property, plant and equipment consist of:

Operational assets - These include land, buildings and improvements, library books, furniture and fittings, plant and equipment, swimming pools, refuse processing and disposal, computer hardware, and motor vehicles.

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

Infrastructural assets - Infrastructure assets are the fixed utility systems owned by Council including roads, footpaths, bridges and culverts, water, wastewater, storm water, reserve improvements and harbour facilities. Each asset class includes that are required for the network to function.

Land (operation and restricted) is measured at fair value, and buildings, refuse processing and disposal and all 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.

Unformed or paper roads

An unformed or paper road is a term for a road that is legally established and recorded in survey plans, but has not been formed, and that ownership of the land associated with the paper road resides with the Council.

The Council does not recognise land under unformed paper roads in the financial statements because there is little or no service potential from the majority of these paper roads. Valuing these assets is also difficult. It is difficult to measure the service benefit to the public from having access to these routes. There is also limited market data detailing recent sales of such small individual areas arguably due to the high cost of disposal.

Revaluations

Land (excluding land under roads) is revalued bi-annually, buildings and infrastructural assets are revalued annually to ensure that their carrying amount does not differ materially from fair value. Land under roads was revalued in July 2011 by Jordan Valuers. Subsequently land values reported have used the 2011 Jordan Valuers' valuation as a base and have had the NZ Transport Agency's (NZTA) land valuation index values applied. From 1 July 2018, the Council elected to use the fair value of land under roads as the deemed cost. Land under roads is no longer revalued.

The carrying value of land is assessed annually between the revaluation cycles to ensure that it does not differ

materially from the assets' fair values. If there is a material difference, then the asset class is revalued.

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

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

Additions

In most instances, an item of property, plant and equipment is initially recognised at cost. An asset is recognised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

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

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

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

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

Disposals

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

Depreciation

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

Operational assets

Buildings	2-60 years	1.7%-50.0%
Computer hardware	2-10 years	10.0%-50.0%
Furniture and fittings	2-25 years	4.0%-50.0%
Library collections	10 years	10.0%
Plant and machinery	3-25 years	4.0%-33.3%
Solid waste	5-80 years	1.3%-20.0%
Swimming pool	5-50 years	2.0%-20.0%

Infrastructural assets

Reserve improvements	2-100 years	1.0%-50.0%
Bridges	60-100 years	1.0%-1.7%
Footpaths	20-50 years	2.0%-5.0%
Harbour facilities	2-100 years	1.0%-50.0%
Water	3-100 years	1.0%-20.0%
Wastewater	2-100 years	1.0%-50.0%
Stormwater	5-100 years	1.0%-20.0%
Roads	2-99 years	1.0%-10.0%

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

Impairment of property, plant and equipment

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

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

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

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

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

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and the availability of information.

Assets under construction

Assets under construction are not depreciated. The total cost of a completed project is transferred to the relevant asset class at balance date.

Critical accounting estimates and assumptions

Estimating the fair value of land, buildings, and infrastructure

Land (operational, restricted, and infrastructural)

The most recent valuation of land was performed by an independent registered valuer, QV Valuations, Hamilton. The valuation is effective as at 30 June 2024.

Land is valued as vacant and incorporates the influence of size, contour, quality, location, zoning, designation and current potential usage. Council has assumed an open market "willing buyer willing seller" scenario. This

is effectively the price an informed purchaser would pay to acquire a similar property. Where there is a designation held against the land, adjustments have been made to reflect that designation. Such land is valued based on rural land value plus a location adjustment to reflect different zoning, which are based on the valuer's judgement.

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

Buildings (operational and restricted)

The most recent valuation of buildings was performed by valuation staff at Quotable Value Limited. The majority of assets were kerbside inspected with a selection internally inspected and measured. QV has relied on information provided by the Council in making their fair value assessments. The valuation is effective as at 30 June 2025.

Specialised buildings are valued at fair value using the Optimised Depreciated Replacement Cost approach. This approach is adopted where no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions used in the 30 June 2025 valuation include:

- The replacement costs where appropriate are optimised due to over-design or surplus capacity. The Council has determined there is no optimisation adjustments required for the most recent valuations.
- Estimating the replacement cost of the asset. The replacement costs are derived from recent construction contracts of similar assets and publications such as QV Cost Builder.
- The remaining useful life of each asset is estimated after considering factors such as the condition of the asset and future maintenance or replacement plans.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Council identified 3 Council-owned and occupied buildings as earthquake-prone buildings. The seismic assessments concluded that the buildings have NBS ratings at less than 34%. Based on the earthquake-prone building notice, Council has 10 years to remediate these buildings. The Council has not yet completed the assessment of the building strengthening required to bring these buildings to the required earthquake-strengthening standard. Pending the outcome of assessments, the Council has not made any decisions that may impact the carrying value of the buildings in coming years. The Council is confident that this issue does not affect the current operation of the affected buildings. Once the outcome of this process is known, the Council will decide what, if any, remediation is required.

Infrastructural asset classes

Pinnacles Civil of Waihi performed the most recent valuation for all roading assets (including footpaths and bridges), as at 30 June 2025.

For wastewater, water, stormwater, parks and solid waste, Council performed the valuation as at 30 June 2025.

WSP performed a peer review of the methodology and supporting data used to prepare the valuations which are in accordance with the accounting standard PBE IPSAS

17 Property, Plant and Equipment, NZ local authority asset management practice (NZ Infrastructure Asset Management Manual and Valuation and Depreciation Guidelines), international valuation standards and Australia New Zealand Guidelines.

For Roading Assets, Council used installation date less period used to determine depreciated replacement cost. Assumptions on the remaining useful life over which the asset will be depreciated are based on the age, condition information held on these assets and the asset's future service potential. For roading assets these assumptions can be affected by local conditions such as ground type, weather patterns and road usage.

Wastewater, water, stormwater, harbours, solid waste, parks, roads, footpaths and bridges are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. Significant assumptions used in the 30 June 2025 valuation include:

- The replacement costs where appropriate reflect optimisation due to over-design or surplus capacity. The Council has determined that there is no significant optimisation adjustment required.
- Estimating the replacement cost of the asset. The replacement cost of an asset is based on recent unit rate review using construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth, and location and have been adjusted to the rates determined in the Unit rate review performed by WSP.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the 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 the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

All other asset classes are measured at depreciated historical cost.

Movements in carrying value for each class of property, plant, and equipment are as follows:

	Cost/ valuation opening balance	Accumulated depreciation and impairment	Total opening balance	Current year additions	Current year disposals	Current year disposals depreciation	Current year depreciation charge	Revaluation surplus	Impaired Assets	Total closing balance	At cost/ valuation closing balance	Accumulated depreciation and impairment	Carrying amount
Actual	1,7,24	1,7,24	1,7,24	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
2025													
Operational assets													
Land	115,589	0	115,589	345	0	0	0	0	0	115,934	115,934	0	115,934
Buildings	63,382	0	63,382	217	0	0	(2,431)	(224)		60,943	60,952	(9)	60,943
Computer Hardware	2,051	(1,388)	663	301	(158)	157	(292)	0	0	670	2,194	(1,523)	670
Furniture and Fittings	2,141	(1,505)	636	164	(34)	33	(94)	0	0	705	2,271	(1,567)	705
Library collections	1,258	(587)	671	155	(416)	349	(116)	0	0	643	997	(354)	643
Plant and machinery	3,576	(1,966)	1,610	827	(307)	283	(378)	0	0	2,035	4,096	(2,061)	2,035
Solid waste	8,518	(191)	8,327	816	(346)	28	(629)	303		8,499	8,545	(46)	8,499
Total operational assets	196,514	(5,638)	190,877	2,824	(1,261)	849	(3,940)	79	0	189,429	194,988	(5,560)	189,429
Infrastructural assets													
Bridges	33,001	0	33,001	0	0	0	(583)	(380)		32,039	32,039	0	32,039
Footpaths	28,902	0	28,902	198	(21)	2	(1,422)	365		28,025	28,025	0	28,025
Harbour facilities	22,435	(31)	22,404	540	(214)	6	(660)	3,085		25,160	25,169	(8)	25,160
Reserve improvements	47,933	(33)	47,900	2,700	(275)	44	(2,761)	(2,686)		44,922	44,969	(47)	44,922
Roads	918,113	0	918,113	20,521	(227)	66	(9,201)	(10,020)		919,251	919,251	0	919,251
Stormwater	136,938	(12)	136,926	3,527	(70)	0	(2,233)	2,847		140,997	141,003	(5)	140,997
Wastewater	277,787	(68)	277,719	4,034	(878)	93	(10,273)	6,034		276,729	276,814	(85)	276,729
Water	167,349	(171)	167,178	3,149	(1,266)	167	(6,101)	2,956	(1,111)	164,971	166,224	(1,253)	164,971
Reserves land	365,874	0	365,874	0	0	0	0	0		365,874	365,874	0	365,874
Total infrastructural assets	1,998,331	(314)	1,998,017	34,668	(2,951)	378	(33,233)	2,200	(1,111)	1,997,968	1,999,366	(1,398)	1,997,968
Work in progress													
Tangible	14,716	0	14,716	11,081	(137)	0	0	0	0	25,661	25,661	0	25,661
Total work in progress	14,716	0	14,716	11,081	(137)	0	0	0	0	25,661	25,661	0	25,661
Total	2,209,562	(5,952)	2,203,609	48,574	(4,349)	1,228	(37,173)	2,279	(1,111)	2,213,058	2,220,015	(6,958)	2,213,058

	Cost / valuation opening balance	Accumulated depreciation and impairment	Total opening balance	Current year additions	Current year disposals	Current year disposals depreciation	Current year depreciation charge	Revaluation surplus	Total closing balance	At cost / valuation closing balance	Accumulated depreciation and impairment	Carrying amount
Actual	1.7.23	1.7.23	1.7.23	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
2024												
Operational assets												
Land	123,587	0	123,587	982	0	0	0	(8,981)	115,588	115,589	0	115,589
Buildings	60,955	(8)	60,947	674	0	0	(2,266)	4,027	63,381	63,381	0	63,381
Computer Hardware	4,083	(3,578)	505	408	(2,440)	2,436	(246)	0	663	2,051	(1,388)	663
Furniture and Fittings	2,078	(1,420)	658	70	(7)	7	(92)	0	636	2,141	(1,505)	636
Library collections	1,116	(486)	631	150	(9)	8	(110)	0	671	1,258	(587)	671
Plant and machinery	3,097	(1,698)	1,399	552	(73)	73	(342)	0	1,610	3,576	(1,966)	1,610
Solid waste	6,650	(48)	6,603	2,400	(45)	2	(529)	(104)	8,327	8,518	(191)	8,327
<i>Total operational assets</i>	201,567	(7,237)	194,329	5,236	(2,573)	2,526	(3,585)	(5,058)	190,876	196,514	(5,638)	190,876
Infrastructural assets												
Bridges	31,836	0	31,836	167	(54)	1,264	(592)	1,643	33,001	33,001	0	33,001
Footpaths	28,542	0	28,542	493	(16)	1	(1,399)	1,281	28,902	28,902	0	28,902
Harbour facilities	11,203	(4)	11,199	10,983	0	0	(342)	564	22,404	22,435	(31)	22,404
Reserve improvements	41,986	0	41,986	6,315	(92)	20	(2,553)	2,225	47,900	47,933	(33)	47,900
Roads	903,800	(0)	903,799	19,231	(604)	68	(9,063)	4,681	918,113	918,113	0	918,113
Stormwater	129,011	(54)	128,957	3,533	(68)	0	(2,098)	6,601	136,926	136,938	(12)	136,926
Wastewater	272,262	(49)	272,213	3,980	(304)	49	(9,832)	11,614	277,719	277,787	(68)	277,719
Water	159,553	(78)	159,475	6,700	(122)	11	(5,714)	6,828	167,178	167,349	(171)	167,178
Reserves land	393,102	0	393,102	335	(111)	0	0	(27,453)	365,874	365,874	0	365,874
<i>Total infrastructural assets</i>	1,971,294	(185)	1,971,109	51,737	(1,371)	150	(31,593)	7,984	1,998,017	1,998,331	(314)	1,998,017
Work in progress												
Tangible	25,923	0	25,923	42,410	(53,617)	0	0	0	14,716	14,716	0	14,716
<i>Total work in progress</i>	25,923	0	25,923	42,410	(53,617)	0	0	0	14,716	14,716	0	14,716
Total	2,198,784	(7,422)	2,191,362	99,383	(57,561)	2,677	(35,178)	2,926	2,203,609	2,209,562	(5,952)	2,203,609

During the financial year, TCDC identified that the change in valuation date for infrastructure assets had not been accurately reflected in the closing accumulated depreciation balances. Consequently, the prior year accumulated depreciation figures have been adjusted to rectify this discrepancy. This adjustment does not impact the carrying value of the assets.

Core infrastructure asset disclosure

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

	Closing book value	Additions: constructed by Council	Additions: transferred to Council	Most recent replacement cost estimate for revalued assets
	\$000's	\$000's	\$000's	\$000's
2025				
Water				
treatment plants and facilities	52,234	2,446	0	89,389
other assets (such as reticulation system)	112,737	392	311	204,399
Wastewater				
treatment plants and facilities	130,891	3,517	0	232,481
other assets (such as reticulation system)	145,837	113	404	284,533
Stormwater				
treatment plants and facilities	4,670	1,698	0	5,934
other assets (such as reticulation system)	136,328	1,375	454	211,863
Roads and footpaths				
Roads and footpath assets	979,314	20,129	590	1,238,269
2024				
Water				
treatment plants and facilities	51,456	5,176	286	82,237
other assets (such as reticulation system)	115,721	1,238	0	201,577
Wastewater				
treatment plants and facilities	129,974	1,585	564	224,943
other assets (such as reticulation system)	147,745	1,831	0	280,718
Stormwater				
treatment plants and facilities	2,822	(674)	1,079	4,909
other assets (such as reticulation system)	134,104	3,121	7	205,205
Roads and footpaths				
Roads and footpath assets	980,016	17,021	2,870	1,233,590

Work in progress

Property, plant, and equipment in the course of construction by class of asset is detailed below:

	2025 Actual \$000's	2024 Actual \$000's
Cemeteries	0	39
Harbours	78	25
Parks & Reserves	203	404
Public Conveniences	2,174	176
Property	0	47
Roads	1,850	2,137
Swimming Pool	33	0
Solid Waste	4,651	3,277
Stormwater	601	1,326
Wastewater	164	243
Water	15,907	7,043
Total work in progress	25,661	14,716

Disposals

The carrying book value of the amount disposed was \$4.9 million (2024: \$3.2 million).

Disposal of work in progress for the year was \$0.136 million (2024: \$53.6 million)

Impairment

There have been impairment losses of \$1.111 million recognised for plant and equipment (2024: nil). A total of 110 water infrastructure assets were assessed. The financial impact is summarised below:

- Net Book Value before impairment: \$1.328 million
- Impairment Loss recognised: \$1.111 million
- Net Book Value after impairment: \$0.217 million
- Reduction in Asset Revaluation Reserve: \$1.111 million

Security

No property, plant or equipment has been pledged as security for any liability.

Restrictions

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

Capital commitments

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

	2025 Actual \$000's	2024 Actual \$000's
Capital commitments		
Public Conveniences	964	0
Roads and footpaths	76	784
Solid Waste	5,516	0
Stormwater	0	192
Water	2,446	8,406
Total capital commitments	9,002	9,382

Insurance of Council assets

The following information relates to the insurance of Council assets as at 30 June 2025.

In the event of a natural disaster, central government may contribute up to 60% towards the restoration of water, drainage and sewerage assets, and provide a subsidy towards the restoration of roads.

	2025 Actual \$000's	2024 Actual \$000's
The total value of all Council assets covered by insurance contracts	1,166,062	1,045,677
The maximum amount to which insured assets are insured	307,533	346,820
The total value of all Council assets covered by financial risk sharing arrangements	1,163,859	1,043,857
Maximum amount available to the Council under financial risk sharing arrangements	305,330	220,000
Total value of assets that are self-assured	0	0
The value of funds maintained for self-insurance	0	0

The asset values insured as at 30 June 2025 includes the following additional Group Coverage: Enablement costs of \$27 million, Extra expenses of \$27 million, Additional increased cost of working \$20 million, Claims Preparation Costs \$1.5 million, and Unspecified expenses of \$7.2 million which are added to the overall cover by the insurer. In the accounts for the year ended 30 June 2024, Enablement costs, Extra Expense costs and Unspecified Expenses were TCDC only limits.

Note 17 - Intangible Assets

Accounting Policy

Software acquisition and development

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

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

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

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

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

Easements

Easements are not cash generating in nature, instead they give Council the right to access private property where infrastructural assets are located.

The Council has not valued and recognised easements as an intangible asset under PBE IPSAS 31 Intangibles. The work required identifying and developing a central register to record easements and paper roads would be considerable and difficult to ensure that it was comprehensive and complete. The Council is also concerned that the cost to establish the register would be substantial with minimal benefits being achieved. Registered valuers would have difficulty determining a fair value for the easements due to their unique nature, and having no active market for this particular asset type.

There is also no recognised valuation methodology. For these reasons, the Council has opted not to recognise easements as an intangible asset because they cannot be quantified and the value of the easements cannot be measured reliably.

Resource consents

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

Amortisation

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

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

Computer software	1-10 years	10% to 100%
Resource consents	5-35 years	3% to 20%
Aerial photography	5 years	20%

Impairment of intangible assets

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment. For further details, refer to the policy for impairment of property, plant, and equipment in Note 16. The same approach applies to the impairment of intangible assets.

Breakdown of intangible assets and further information

	Cost / valuation opening balance	Accumulated depreciation and impairment	Total opening balance	Current year additions	Current year disposals	Current year disposals amortisation	Current year amortisation charge	Total - closing balance	Cost - closing balance	Accumulated amortisation and impairment	Carrying amount
Actual	1.7.24	1.7.24	1.7.24	\$000's	\$000's	\$000's	\$000's	\$000's	\$0.6.25	30.6.25	30.6.25
2025	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Computer software	3,988	(3,483)	505	0	(376)	364	(138)	356	3,612	(3,256)	356
Aerial photography	443	(443)	0	0	0	0	0	0	443	(443)	0
Resource consents	7,252	(3,411)	3,841	135	(43)	47	(325)	3,656	7,345	(3,689)	3,656
<i>Total intangible assets</i>	11,682	(7,337)	4,346	135	(418)	412	(463)	4,012	11,400	(7,388)	4,012
Work in progress											
Intangible	1,586	0	1,586	829	(117)	0	0	2,299	2,299	0	2,299
<i>Total work in progress</i>	1,586	0	1,586	829	(117)	0	0	2,299	2,299	0	2,299
Total	13,269	(7,337)	5,932	964	(535)	412	(463)	6,310	13,698	(7,388)	6,310

	Cost / valuation opening balance	Accumulated depreciation and impairment	Total opening balance	Current year additions	Current year disposals	Current year disposals amortisation	Current year amortisation charge	Total closing balance	Cost closing balance	Accumulated amortisation and impairment	Carrying amount
Actual	1.7.23	1.7.23	1.7.23	\$000's	\$000's	\$000's	\$000's	\$000's	29.6.24	29.6.24	29.6.24
2024	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Computer software	3,972	(3,333)	639	15	0	0	(150)	505	3,988	(3,483)	505
Aerial photography	443	(443)	0	0	0	0	0	0	443	(443)	0
Resource consents	7,018	(3,093)	3,926	233	0	0	(318)	3,841	7,252	(3,411)	3,841
<i>Total intangible assets</i>	11,434	(6,869)	4,565	249	0	0	(468)	4,346	11,682	(7,337)	4,346
Work in progress											
Intangible	2,096	0	2,096	721	(1,230)	0	0	1,586	1,586	0	1,586
<i>Total work in progress</i>	2,096	0	2,096	721	(1,230)	0	0	1,586	1,586	0	1,586
Total	13,530	(6,869)	6,661	969	(1,230)	0	(468)	5,932	13,269	(7,337)	5,931

Work in progress

The total amount of intangible assets in the course of construction is \$2.3 million (2024: \$1.6million). The movement of \$0.9 million is new WIP less WIP disposed and/or capitalised.

Restrictions

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

Capital commitments

There were no contractual commitments for acquisition of intangible assets. (2024: nil)

Impairment

There have been no impairment losses recognised for intangible assets (2024: nil).

Software as a Service

As at 30 June 2025, Council has recorded intangible assets of \$69,010 (2024: \$91,789) related to SAAS arrangements.

Note 18 - Depreciation and Amortisation Expense by Group of Activity

Directly attributable depreciation and amortisation by group of activity

	2025 Actual \$000's	2024 Actual \$000's
Leadership and governance	550	631
Planning & regulation	32	52
Protection of people & the environment	27	9
Transport	11,206	11,054
Community and economic development	8	8
Community spaces	5,746	4,919
Water	6,146	5,761
Wastewater	10,509	10,074
Stormwater	2,241	2,108
Solid waste	634	534
Total directly attributable depreciation and amortisation by group of activity	37,098	35,148
Depreciation and amortisation not directly related to a group of activities	538	498
Total depreciation and amortisation expense	37,636	35,646

Note 19 - Forestry

Accounting Policy

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

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

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

Critical accounting estimates and assumptions

Fair value of forestry assets

Independent registered valuers, Hammond Resource Management Ltd, have valued forestry assets as at 30 June 2025. This valuation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs, and silvicultural costs. It takes into consideration environmental, operational, and market restrictions. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- No allowance for inflation has been provided.
- Costs are current average costs. No allowance has been made for cost improvements in future operations.
- Log prices are based on a three-year historical rolling average.
- The value is of standing timber only, exclusive of the value of the underlying land.
- A compound interest rate of 3% (2024: 3%) has been adopted as an appropriate compounding rate.
- A discount rate of 6% (2024: 6%) has been used in discounting the present value of expected cash flows.
- The forest has been valued on a going concern basis and includes only the value of the existing crops on a single rotation basis.
- The Council has not incurred any deforestation obligations (as defined in the New Zealand Emissions Trading Scheme (ETS)) as at 30 June 2025. Should any future obligations arise under the ETS, Council will be required to purchase New Zealand Carbon Credit Units to surrender (NZUs) in order to offset this obligation. These units can only be settled with cash.

Breakdown of forestry assets and further information

	2025 Actual \$000's	2024 Actual \$000's
Balance at 1 July	2,841	2,623
Gains / (losses) arising from changes attributable to physical changes	153	290
Gains / (losses) arising from changes attributable to price changes	410	(71)
Balance at 30 June	3,404	2,841

The Council owns the trees standing on approximately 286 hectares of Crown land in Whangamata and Tairua consisting predominately of Pinus Radiata at various stages of maturity ranging from 1 to 40 years.

The land is owned by the Crown as State Forest and is leased to Rayonier (Matariki Forests) under a Crown Forests Licence. The Council occupies this land under the terms of a separate Crown Forest Licence. The land continues to be Crown owned until such time as the Crown disposes of it.

A licence fee is payable in respect of the Tairua forest and is based on the market value of the land. The Council has provided a guarantee to the Crown for the amount of \$45,000 to cover the part of the Tairua Crown Forest subject to a Crown Forest Licence. The Council guarantee is noted as a contingent liability.

No trees were harvested in the twelve month period ending 30 June 2025 (2024: Nil).

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

Financial risk management strategies

Council is exposed to financial risks arising from changes in timber prices. Council intends to hold the forestry long-term

and does not expect timber prices to decline significantly in the foreseeable future. Therefore, no measures have been taken to manage the risks of a decline in timber prices. Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

Treaty settlement

The land occupied under the Crown Forests Licence is likely to be transferred to iwi in the near future. While the Council currently enjoys the benefits of the Crown holding the Crown Forests Licence which allows the Council to carry out any lawful purpose on the land, this situation may change with any transfer to iwi. Following a transfer, the occupier is restricted to carrying out activities that relate solely to the growth, management and harvesting of a tree crop. Other activities (such as wastewater disposal) may not be carried out as of right, but will need to be negotiated directly with the new iwi landowners.

Currently part of the Crown Forests Licence is also held under a 99-year lease commencing in 1985 which allows the disposal of wastewater on this part of the land, and this lease will endure through any change of ownership. The situation on the rest of the land remains to be clarified.

Note 20 - Payables and Deferred Revenue

Accounting Policy

Short-term creditors and other payables are measured at the amount payable.

Breakdown of payables and further information

	2025 Actual \$000's	2024 Actual \$000's
Current portion		
Payables and deferred revenue under exchange transactions		
Trade payables and accrued expenses	17,576	14,194
Amounts due to associates and joint venture	16	5
Total payables and deferred revenue under exchange transactions	17,592	14,199
Payables and deferred revenue under non-exchange transactions		
Revenue in advance	3,499	3,601
Other tax payable (e.g. GST and FBT)	52	3,814
Other grants and bequests received subject to substantive conditions not yet met	294	194
Total payables and deferred revenue under non-exchange transactions	3,845	7,609
Total current portion	21,437	21,808
Non-current portion		
Payables and deferred revenue under exchange transactions		
Trade payables and accrued expenses	663	1,501
Total payables and deferred revenue	22,100	23,309

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms (excluding contract retentions). Therefore, the carrying value of creditors and other payables approximates their fair value.

Other grants and bequests include:

- \$197,577 from the Department of the Prime Minister and Cabinet to support in the recovery from extreme weather events.
- \$31,434 in disaster relief funding for recovery related resilience activities following the extreme weather events.

Note 21 - Borrowings

Accounting Policy

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. 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 balance date.

Financial guarantee contracts

A financial guarantee contract is a contract that requires Council to make specified payments to reimburse the

holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts have not been provided for in the statement of financial position because Council has assessed the probability of a financial guarantee being called up as 'less than likely to occur' and the club or organisation has provided an indemnity to Council that transfers ownership of the assets to Council in the event of the guarantee being called up. Council's exposure to any risk is therefore mitigated and minimal. As such, financial guarantees are disclosed as a contingent liability because it is less likely than not that a present obligation exists.

Breakdown of borrowings and other financial liabilities and further information

	2025 Actual \$000's	2024 Actual \$000's
Current portion		
Secured loans	21,000	10,000
Total current portion	21,000	10,000
Non-current portion		
Secured loans	70,000	73,000
Total non-current portion	70,000	73,000
Total borrowings and other financial liabilities	91,000	83,000

Multi option credit line facilities

Council has a multi option credit line facility with Westpac Bank of \$5,000,000. Drawdown at 30 June 2025 was nil (2024: Nil). Council also has a multi option credit line facility with ANZ Bank of \$5,000,000. Drawdown at 30 June 2025 was nil (2024: Nil).

Interest terms for secured loans

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

Security

Council does not hold an overdraft facility.

Council's term loans are secured through a debenture, which grants security to the lender by way of a charge over the Council's general rates and rates revenue.

Description of leasing arrangements

The Council does not have any current finance leases.

Internal borrowings disclosure

Council has a policy to utilise financial reserves for internal debt purposes so that external borrowing is minimised, and Council keeps its borrowing costs to a minimum

	Balance at 1 July	Borrowings	Repayments	Balance at 30 June	Interest paid
Year ended 30 June 2025	\$000's	\$000's	\$000's	\$000's	\$000's
Representation	3,080	445	(141)	3,384	143
Planning and regulation	894	0	(370)	524	44
Protection of people & the environment	3,928	741	(137)	4,531	186
Roads & footpaths	17,587	1,414	(667)	18,335	816
Community spaces	9,474	273	(854)	8,893	474
Community & Economic Development	888	0	(67)	821	5
Stormwater	2,829	557	(76)	3,311	140
Wastewater	33,792	2,952	(1,341)	35,403	1,635
Water	23,942	5,779	(453)	29,268	1,206
Solid waste	7,099	529	(169)	7,459	336
Total	103,513	12,691	(4,277)	111,928	4,985

	Balance at 1 July	Borrowings	Repayments	Balance at 30 June	Interest paid
Year ended 30 June 2024	\$000's	\$000's	\$000's	\$000's	\$000's
Representation	2,730	645	(295)	3,080	99
Planning and regulation	1,163	73	(342)	894	42
Protection of people & the environment	4,008	409	(489)	3,928	145
Roads & footpaths	16,383	2,821	(1,616)	17,587	594
Community spaces	10,088	692	(1,306)	9,474	366
Economic development	209	778	(99)	888	9
Stormwater	1,860	1,275	(305)	2,829	68
Wastewater	36,239	1,797	(4,244)	33,792	1,313
Water	24,379	1,958	(2,395)	23,942	887
Solid waste	6,653	1,238	(792)	7,099	241
Total	103,712	11,685	(11,884)	103,513	3,763

Loan to finance interest expense

Included in internal borrowings for the year under review is the amount of \$1,345,565 (2024: \$330,436) which was raised to fund the interest on additional capacity loans which were not met by developer's contributions. This is in accordance with the Council's Development Contributions Policy.

Fair values

Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of secured loans approximates their fair value.

Note 22 - Employee Entitlements

Accounting Policy

Short-term employee entitlements

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

A liability for sick leave is recognised 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 it will be used by staff to cover those future absences.

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

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly beyond 12 months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

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

Presentation of employee entitlements

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

Critical accounting estimates and assumptions

Estimating retirement and long service leave obligations

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

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand Government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary. An average discount rate of 5.58% (2024 5.11%) and a salary inflation factor of 2.89% (2024: 3.33%) were used.

Breakdown of employee entitlements and further information

	2025 Actual \$000's	2024 Actual \$000's
Current portion		
Accrued pay	798	640
Annual leave	1,828	1,830
Retirement and long service leave	197	313
Sick leave	81	73
Total current portion	2,904	2,856
Non-current portion		
Retirement and long service leave	314	172
Total non-current portion	314	172
Total employee entitlements	3,217	3,028

Note 23 - Provisions

Accounting Policy

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation and discounted 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' section (Note 5).

Breakdown of provisions and further information

	2025 Actual \$000's	2024 Actual \$000's
Current portion		
Landfill aftercare	209	199
Weathertightness claims	0	79
Total current provisions	209	278
Non-current portion		
Landfill aftercare	2,862	2,940
Reserve contribution credits	1,532	1,807
Total non-current portion	4,394	4,747
Total provisions	4,603	5,025

Movements of each class of provision are as follows:

Landfill aftercare costs

	2025 Actual \$000's	2024 Actual \$000's
Opening balance as at 1 July	3,139	2,886
Additional provisions made	189	583
Amounts used	(298)	(244)
Unused amounts reversed	0	0
Discount unwind	40	(85)
Closing balance as at 30 June	3,071	3,139

Provision for weathertightness claims

	2025 Actual \$000's	2024 Actual \$000's
Opening balance as at 1 July	79	62
Additional provisions made	0	74
Amounts used	(69)	(56)
Unused amounts reversed	(10)	(1)
Closing balance as at 30 June	0	79

Reserve contribution credits

	2025 Actual \$000's	2024 Actual \$000's
Opening balance as at 1 July	1,807	1,891
Additional provisions made	0	0
Amounts used	(275)	(84)
Unused amounts reversed	0	0
Closing balance as at 30 June	1,532	1,807

Landfill aftercare costs

The Council has a legal obligation to provide on-going maintenance and monitoring services at its seven closed landfill sites. A provision for post-closure costs is recognised as a liability in the statement of financial position. The provision is measured based on the present value of future cash outflows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all known costs associated with landfill post-closure. The Council has engaged AECOM to review the reasonableness of Council's landfill aftercare provision in 2025; AECOM performed a full valuation in 2021. AECOM has significant experience in performing such valuations. All landfills within the Thames-Coromandel district are now closed and no longer accept waste for disposal.

Closed landfill sites have been assessed in terms of the likely discharge and land-use risks and are managed accordingly. Consents to manage the environmental effects of certain closed landfills are held with the Waikato Regional Council (WRC) and compliance with these consents is Council's responsibility.

Sites are regularly monitored as per the consent requirements. This includes water monitoring and visual inspections. Expenditure on rehabilitation works

may be required to minimise potential impacts on the environment or human health. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. Any such work will be funded by an internal loan, which is serviced by the general rate.

The provision has been estimated taking into account existing technology and known changes to legal requirements. The gross provision before discounting is \$5.6 million (2024: \$5.6 million). The following major assumptions have been made in calculating the provision:

- The average discount rate used to arrive at the present value is 5.47% (2024: 5.14%).
- The cash outflows for landfill aftercare post-closure are expected to occur in 1-26 years time (that is, between 2026 and 2051). The annual inflation factor applied to the estimated aftercare costs for 2025/2026 to 2033/2034 is the BERL (Cost Adjustors 2023 Final Update) Local Government cost adjustor forecast. An average annual inflation rate of 3% has been applied in addition to BERL cost adjustors for years 2034/2035 to 2050/2051 (2024: an annual inflation rate of 2.01% was applied to years 2034/2035 to 2050/2051).
- Estimates of the life and future expenditure are based on known and future estimated costs.

Weathertightness claims

One claim had been lodged with the Weathertightness Homes Resolution Services (WHRS) as at 30 June 2025 (2024: three) that relate to weathertightness issues of homes in the Thames-Coromandel district and name Council as well as other parties. The WHS is a central government service established under the Weathertightness Homes Resolution Services Act 2006. It also offered a funding assistance package (FAP) to eligible homeowners, which expired to new claims received after 23 July 2016. This sees Council's contribution capped at 25% of eligible costs if the homeowner elects to use the FAP scheme. Council opted into the FAP scheme.

In previous years, a provision for claims lodged at balance date had been established based on an assessment of past claims and other information held. The provision also included an estimate for settlement of other civil proceedings (this includes those in relation to non-resident buildings) for weathertightness issues. Where there is a high level of uncertainty, a contingent liability is recognised (Note 25). Settlements for weathertightness claims are not covered by insurance.

As at 30 June 2025 all known claims have been settled.

The significant assumptions used in the estimation of the liability to Council are explained below

Settlement amount

This relates to the expected amount of settlement awarded from the resolution process and is based on the expected amount claimed by the homeowner and information provided from expert legal advice. It is measured based on the present value of future cash outflows expected to be incurred, taking into account future events.

Timing of claim payments

This is the expected time to settle claims and is based on historical settlement times and expert legal advice.

Reserve contribution credits

A provision has been established in the statement of financial position for the estimated liability associated with historic reserve contribution credits, as a result of subdivision's vesting of reserves prior to the introduction of the Development Contribution Policy in October 2004. In addition to this, a provision has been established for reserve contribution credits associated with the development of the Whitianga multi-sports complex centre.

Council has negotiated with a developer to purchase 10 hectares of land situated in Whitianga for the development of a Multi-Sports Complex Centre. As part of this purchase agreement, Council entered into a development contributions deed with the developer, which outlined when development and reserve contributions credits would be considered payable to the

Council. It also outlined the staged arrangement in which the Council would purchase the land from the developer.

The agreement stated that Council would purchase the three individual parcels of land (totaling \$6.5 million) on the following dates:

- Lot 1 DP 440527 on 30 April 2011
- Lot 2 DP 440527 on 30 September 2011; and
- Lot 3 DP 440527 on 30 September 2012.

The agreement also stated that the developer would be invoiced for:

- 314 development/reserve contribution credits on 30 April 2011
- 155 development contribution credits on 30 September 2011; and
- A further 155 development contributions on 30 September 2012.

As at 30 June 2025, all parcels of land had been purchased from the developer and all corresponding development and reserve contributions had been invoiced. However, only \$5,012,324.71 of the reserve contribution credits have been applied and therefore recognised within Council's accounts as revenue. This includes an adjustment made in the 2021 financial year to reflect reserve contribution credits previously allocated to granted consents which are no longer progressing, as confirmed by the developer. As such, a provision of \$1,487,676 was recognised within Council's balance sheet reflecting that at balance date these contribution credits were effectively revenue received in advance by Council. As further development contributions credits fall due, the provision will be used to offset any further liability established by the developer.

In addition to the above, a further provision of \$44,058 has been recognised for historic reserve contribution credits as a result of subdivision's vesting of reserves prior to the introduction of the development contribution policy in October 2004. Applications to recognise these historic reserve credits under the Local Government Act 2002 (LGA) are being addressed by Council on a case-by-case basis.

In the past, a reserve contribution credit has been provided to a number of developers for additional reserves land vested in the Council that was over and above the requirement under the Resource Management Act 1991. The reserve contribution requirement under the transitional provisions of the Resource Management Act 1991 was 130m². The credit was then available for developers to apply against reserve contributions required on any subsequent subdivisions. In order to ascertain the development contributions payable, the Local Government Act 2002 and Council's Development Contributions Policy, require Council to calculate the average market value of each 15m² additional allotment. Usually this is done by way of an external valuation.

For this reason, the conversion of these historic reserve credits issued under the Resource Management Act 1991 are difficult to measure and quantify under the Local Government Act 2002.

The provision recognises that these credits will result in an outflow of resources embodying economic benefits to Council.

However, estimating the value of these credits is uncertain because it relies on factors such as the future

development potential of any residual land, future land values, the value of the land when vested, the zoning of the land and any other district plan mechanism (such as structure plans) and the reasons for the land being vested at the time.

See Note 25 contingent Liabilities for further disclosure and comment.

Note 24 - Construction Contracts

Accounting Policy

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract, and an allocation of overhead expenses incurred in connection with the group's construction activities in general.

An expected loss on construction contracts is recognised immediately as an expense in the surplus or deficit.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred. When it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised surpluses less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus surpluses less losses, the net amounts are presented as a liability.

During the financial year ended 30 June 2025, Council did not enter into any construction contracts for the purposes of PBE IPSAS 11 (2024: \$Nil).

Note 25 - Contingencies

Breakdown of contingent liabilities and further information

	2025 Actual \$000's	2024 Actual \$000's
Community pledges	67	67
Weather tightness claims	0	160
Council guarantees	329	352
Total contingent liabilities	396	579

Weathertightness claims

No provision was recognised for accounting purposes as no potential settlement of claims had been notified to Council at balance date (Note 23) (2024: \$79,165). Based on information obtained with relation to contingencies, during this financial year and that of previous years, the Council has estimated no liability for settlement costs (2024: \$159,500). This is in relation to claims where there is high degree of uncertainty at balance date.

Council guarantees

The Council is listed as a guarantor to Coromandel Community Living Trust. The Council is obligated under the guarantee to make loan payments in the event that this organisation defaults on a loan arrangement.

The terms and conditions of the guarantee require:

- The organisation to provide the Council with a copy of their annual report to enable the financial stability to be assessed on an annual basis, and
- An indemnity to the Council that transfer's ownership of the assets to the Council in the event of the guarantee being called up.

The Council's exposure to any risk is therefore mitigated and considered minimal.

Council guarantees have not been recognised as liabilities in the statement of financial position as the Council consider there is very little probability that any expenditure will be incurred to settle them.

Native lands agreement

In 1877 the Thames Borough Council entered an agreement with local iwi for the purchase of land required for the Paeroa-Thames highway. As part of the agreement the Council agreed that any land owned by iwi would be exempt from rates indefinitely. The Maori Land Court subsequently ruled that the agreement was ultra vires Council's statutory powers. The Council has assessed rates on properties affected by the agreement for a number of years.

In 1999, the Council reviewed the background to this issue and agreed to enter into discussions with iwi to explore ways of settling the grievance issues that they have with the Council in relation to this matter.

As at 30 June, Council anticipates that an exemption from some rates in respect of parcels of land owned by the affected parties may be applied in perpetuity. In addition to this Council also anticipates the transfer of a local Thames reserve.

However, as the amount of the rates exemption can not be measured with sufficient reliability, and a local bill is required to be passed in order for the land transfer to be gifted and its associated reserve status revoked, both obligations have been noted as a contingent liability accordingly.

Active Thames 2018 - Community pledges

As part of the risk mitigation strategy regarding non-receipt of community pledges a report was presented to the Thames Community Board (29 February 2016) and Council (6 April 2016) to acknowledge the risks related to Community pledges and Council accepted the underwriting risk associated with recovering pledges after construction costs had been paid. As at 30 June 2025, \$67,253 of community pledges remained outstanding (2024: \$67,253).

New Zealand Local Government Funding Agency

Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a current credit rating from Standard and Poor's of 'AAA' for local currency and a foreign currency rating of 'AA+' as at 30 June 2025.

As at 30 June 2025, Council is one of 30 local authority shareholders and 72 local authority guarantors of the LGFA. The New Zealand Government also has a 20% shareholding in the LGFA. \$20.0 million of uncalled capital is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of LGFA's borrowings. At 30 June 2025, LGFA had borrowings totaling \$25.5 billion (2024: \$23.0 billion).

PBE Accounting Standards require Council to initially recognise the guarantee liability by applying the 12-month expected credit loss (ECL) model (as fair value could not be reliably measured at initial recognition), and subsequently at the higher of the provision for impairment at balance date determined by the ECL model and the amount initially recognised. Council has assessed the 12-month ECL of the guarantee liability based on market information of the underlying assets held by LGFA. The estimated 12-month ECL's are immaterial due to the very low probability of default by LGFA in the next 12 months. Therefore, Council has not recognised a liability.

Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- It is not aware of any local authority debt default events in New Zealand; and
- Local Government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Reserve contribution credits

Reserve contribution credits result from historical vesting of reserve land which was over and above the required reserve area for the particular subdivision. Applications to recognise any potential historic reserve credits will be assessed on a case-by-case basis when and if a further Resource Consent is granted for the property to which the credits relate. However estimating the value of these credits is uncertain because it relies on factors such as the future development potential of any residual land, future land values, the value of the land when vested, the zoning of the land and any other District Plan mechanism such as structure plans and the reasons for the land being vested at the time.

Council has recognised that there are two developers that have reserve contribution credits available to them as at 30 June 2025 should they proceed with any further development at a later date. At the time of writing this report, there is four land-use consents issued which will utilise these reserve contribution credits.

Employer contributions to defined contribution plans

Council is a participating employer in the DBP Contributors Scheme (the scheme), which is a

multi-employer defined benefit scheme. If the other participating employers ceased to participate in the scheme, the Council could be responsible for the entire deficit of the scheme. Similarly, if a number of employers ceased to participate in the scheme, the Council could be responsible for an increased share of any deficit.

As at 31 March 2025, the scheme had a past service deficit of \$0.5 million (exclusive of Employer Superannuation Contribution Tax (2024: deficit of \$0.2 million). This deficit was calculated using a discount rate equal to the expected return on net assets, but otherwise the assumptions and methodology were consistent with requirements of PBE IPSAS 25. The actuary of the scheme recommended that the employer's contributions remain suspended.

Contractor claim

Council has received a claim for additional costs consistent with the specified review process. As negotiations regarding cost adjustments are ongoing and commercially sensitive, further details cannot be disclosed at this time.

Note 26 - Equity

Accounting Policy

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

Accumulated funds

The accumulated surpluses do not represent cash available to offset future rate increases, but rather it represents the community's investment in publicly owned assets resulting from past surpluses.

Restricted reserves

Restricted 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 Council.

Restricted reserves include those subject to specific conditions accepted as binding by Council and which may not be revised by Council without reference to the Courts or third parties. Transfers from these reserves may be

made only for certain specified purposes or when certain specified conditions are met.

Property revaluation reserves

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

Council created reserves

Council created reserves are reserves restricted by Council decision. Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council. Council created reserves consist of specifically named reserves into which funds are put for specific purposes, as well as reserves for unspent revenue from one year that Council deems appropriate to be expended in the following year, usually to finish incomplete, but previously budgeted work. Council created reserves also include reserves for depreciation that have been funded but not yet utilised.

Breakdown of equity and further information

	2025 Actual \$000's	2024 Actual \$000's
Accumulated funds		
Balance at 1 July	435,293	439,867
Transfer to restricted reserves	(103)	(225)
Net movement in Council created reserves	(18,949)	(11,033)
Transfers from property revaluation reserves on disposal	(0)	690
Deferred tax credit on revaluation	(32)	26
Surplus/(deficit) for the year	9,374	5,967
Balance at 30 June	425,582	435,293
Restricted reserves		
Balance at 1 July	41,283	41,059
Transfers from accumulated funds	103	225
Transfers to accumulated funds	0	0
Balance at 30 June	41,387	41,283
Council created reserves		
Balance at 1 July	108,680	97,643
Transfers from accumulated funds	44,217	39,200
Transfers to accumulated funds	(25,267)	(28,162)
Balance at 30 June	127,630	108,680
Property revaluation reserves		
Balance at 1 July	1,551,793	1,549,558
Net revaluation gains	2,279	2,926
Transfer to accumulated funds on disposal of property	0	(690)
Balance at 30 June	1,554,073	1,551,793
Total reserves	1,723,089	1,701,756
Total equity	2,148,670	2,137,049

Restricted reserves

Purpose of restricted reserves and the activity it relates to

Restricted reserves are reserves that are subject to specific conditions of use and whether under statute or accepted as binding by Council, may not be revised without reference to the Courts or third parties. Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met. Restricted reserves relate to the representation activity.

	Opening \$000's	Transfers in \$000's	Transfers out \$000's	Closing \$000's
2025				
Reserve land				
Restricted by title	38,861	103	0	38,964
Endowment farms				
Endowment farms trust property - restricted imposed by statute	2,423	0	0	2,423
Total restricted reserves	41,283	103	0	41,387
2024				
Reserve land				
Restricted by title	38,636	225	0	38,861
Endowment farms				
Endowment farms trust property - restricted imposed by statute	2,423	0	0	2,423
Total restricted reserves	41,059	225	0	41,283

Council created reserves

Purpose of council created reserves and the activity it relates to

Council created reserves are reserves created at the discretion of Council.

The accumulated surpluses do not represent cash available to offset future rate increases, rather they represent the community's investment in publicly owned assets resulting from past surpluses.

- Council created reserves consist of:
- Depreciation reserves;
- Local Government Act contribution reserves;
- Retained revenue reserves
- Special reserves

Depreciation reserves

	Opening \$000's	Transfers in \$000's	Transfers out \$000's	Closing \$000's
2025				
District	48,034	25,463	(17,850)	55,647
Thames	4,769	2,191	(1,024)	5,937
Coromandel	671	495	(470)	696
Mercury Bay	4,394	2,230	(1,815)	4,809
Tairua/Pauanui	938	821	(295)	1,464
Whangamata	1,893	721	(425)	2,190
Total depreciation reserves	60,701	31,921	(21,879)	70,743
2024				
District	40,491	24,400	(16,857)	48,034
Thames	3,661	1,754	(646)	4,769
Coromandel	336	465	(130)	671
Mercury Bay	2,810	2,006	(422)	4,394
Tairua/Pauanui	461	713	(235)	938
Whangamata	1,423	669	(199)	1,893
Total depreciation reserves	49,182	30,008	(18,489)	60,701

Depreciation reserves contain funds equivalent to funded depreciation to be used to fund capital renewals work. Depreciation reserves relate to the representation, solid waste, wastewater, water, stormwater, public conveniences, district transportation, building control, cemeteries and all other activities not separately rated.

Local Government Act contribution reserves

	Opening \$000's	Transfers in \$000's	Transfers out \$000's	Closing \$000's
2025				
District	625	1,315	(1,350)	591
Thames	254	118	(118)	254
Coromandel	133	24	(24)	133
Mercury Bay	3,136	303	(120)	3,318
Tairua/Pauanui	190	83	(81)	192
Whangamata	720	27	(27)	720
Total special LGA contribution reserves	5,057	1,870	(1,720)	5,207
2024				
District	590	753	(718)	625
Thames	254	73	(73)	254
Coromandel	131	22	(20)	133
Mercury Bay	3,113	317	(295)	3,136
Tairua/Pauanui	190	10	(10)	190
Whangamata	713	25	(18)	720
Total special LGA contribution reserves	4,991	1,200	(1,133)	5,057

These reserves contain funds collected and distributed under Council's Development Contributions Policy. These funds may only be applied to the funding of additional capacity capital expenditure for activities for which they were levied. Local Government Act contribution reserves relate to representation, solid waste, wastewater, water, stormwater, public conveniences, district transportation, cemeteries, parks and reserves, libraries, local transportation, halls, airfields and swimming pool activities.

Retained revenue reserves

	Opening \$000's	Transfers in \$000's	Transfers out \$000's	Closing \$000's
2025				
District	7,254	6,985	(1,063)	13,176
Thames	185	22	(43)	164
Coromandel	298	126	0	424
Mercury Bay	177	78	0	255
Tairua/Pauanui	350	306	0	656
Whangamata	120	347	(64)	404
Total retained revenue reserves	8,383	7,865	(1,170)	15,078
2024				
District	5,705	6,316	(4,767)	7,254
Thames	125	60	0	185
Coromandel	348	0	(50)	298
Mercury Bay	447	0	(270)	177
Tairua/Pauanui	584	0	(234)	350
Whangamata	429	0	(309)	120
Total retained revenue reserves	7,637	6,376	(5,630)	8,383

These reserves contain unspent revenue from a previous year that was raised through rates or fees and charges to fund Council activities. Under Council's fiduciary duty, Council has an obligation to account for the funds collected and spent for each of these activities. At the end of the year, we reconcile what we received against what we spent. The shortfall or surplus either comes out of or goes into the retained earnings for the relevant activity. Retained revenue reserves relate to representation, solid waste, wastewater, water, stormwater, harbour and all Council activities not separately rated.

Special reserves

	Opening \$000's	Transfers in \$000's	Transfers out \$000's	Closing \$000's
2025				
Power New Zealand reserve	25,811	774	0	26,585
Disaster reserve	131	436	0	567
General purpose	206	(0)	(0)	206
Property	2,024	0	0	2,024
Insurance excess	1,799	1	(90)	1,710
Special projects	542	(0)	(0)	542
Wastewater headworks	14	0	0	14
Solid waste levy refunds	944	556	(147)	1,353
Rates postponement	18	1	0	19
Roading subdivision	(51)	0	0	(51)
Thames water headworks	23	0	0	23
Coromandel - water headworks	203	(0)	(0)	203
Coromandel - water unused loan	9	(0)	(0)	9
Whangamata - water headworks	307	(0)	(0)	307
Thames general purpose	675	391	(69)	997
Whitianga harbours	0	81	(81)	0
Land subdivision	1,375	0	0	1,375
Off street parking	112	(0)	(0)	112
Hot Water Beach parking	317	306	(106)	517
Hahei parking fees	81	15	(6)	90
Total - special reserves	34,539	2,561	(498)	36,601
2024				
Power New Zealand reserve	25,811	0	0	25,811
Disaster reserve	15	425	(309)	131
General purpose	206	0	0	206
Property	2,024	0	0	2,024
Insurance excess	1,848	1	(50)	1,799
Special projects	542	0	0	542
Wastewater headworks	14	0	0	14
Solid waste levy refunds	498	569	(124)	944
Rates postponement	16	1	0	18
Roading subdivision	(51)	0	0	(51)
Thames water headworks	23	0	0	23
Coromandel - water headworks	203	0	0	203
Coromandel - water unused loan	9	0	0	9
Whangamata - water headworks	307	0	0	307
Thames general purpose	1,973	279	(1,576)	675
Whitianga harbours	0	98	(98)	0
Land subdivision	2,082	0	(707)	1,375
Off street parking	112	0	0	112
Hot Water Beach parking	132	212	(27)	317
Hahei parking fees	70	30	(19)	81
Total - special reserves	35,833	1,615	(2,909)	34,539

Special reserves are council created reserves set aside for a special purpose as follows:

- *Power New Zealand reserve* - funded by proceeds from the sale of Power NZ shares to fund internal borrowing. The corresponding interest earned subsidises the UAGC rate requirement. The Power New Zealand reserve relates to the representation activity.
- *Disaster reserve fund* - funds repairs to infrastructure caused by natural disasters. The disaster reserve fund relates to all infrastructure activities.
- *General purpose* - funds any one off, unbudgeted, Community Board projects as approved by Council. The general purpose reserve relates to all community spaces activities.
- *Property* - funds the acquisition cost of any future strategic purchases of the same type of assets, when and where required, funded by amounts realised from the sale of surplus land and buildings.
- *Insurance excess* - funds the insurance excess of any legal settlements within building control, community health & safety, land use management and land information memoranda activities.
- *Special projects* - funds special 'one-off' community board projects as approved by Council. The special projects reserve relates to all community spaces activities.
- *Wastewater headworks* - funds the increased level of service component of various wastewater projects within the wastewater activity, funded by contributions collected under the Resource Management Act.
- *Solid waste levy reserve* - funds any waste minimisation initiative in the solid waste activity.
- *Rates postponement* - funds any shortfall between the amount realised on the sale of a property and any amounts outstanding for postponed rates (and accrued charges) at the time of sale. The rates postponement reserve relates to the representation activity.
- *Roading subdivision* - helps fund various roading projects and other initiatives within the roading activity, funded by contributions collected under the Resource Management Act.
- *Thames general purpose* - funds non-infrastructure asset purchases within the Thames-urban area activities.
- *Land subdivision* - funds the acquisition, or development of parks and reserves within the relevant catchment areas, funded by reserve contributions collected under the Resource Management Act. Land subdivision reserves relate to the parks and reserves activities.
- *Water headworks* - fund the increased level of service component of projects within the water activity within the relevant catchment areas, funded by reserve contributions collected under the Resource Management Act.
- *Off-street parking* - funds the acquisition, or development of, parking areas within the relevant catchment areas, funded by reserve contributions collected under the Resource Management Act. The off-street parking reserve relates to the local roading and parks and reserves activities.
- *Water unused loan* - balance of loan raised to fund water extension, relates to the water activity.

Total council created reserves

	Opening	Transfers in	Transfers out	Closing
	\$000's	\$000's	\$000's	\$000's
For the period ending 30 June 2025	108,680	44,217	(25,267)	127,630
For the period ending 30 June 2024	97,643	39,200	(28,162)	108,680

Property revaluation reserves

	2025 Actual \$000's	2024 Actual \$000's
Property revaluation reserves for each asset class consist of		
Buildings	51,625	51,850
Footpaths	19,552	19,201
Harbour facilities	5,049	1,959
Land	428,283	428,283
Reserve improvements	22,425	24,888
Bridges	23,044	23,424
Roads	592,395	602,496
Solid waste	2,796	2,465
Stormwater	99,659	95,741
Wastewater	200,895	195,223
Water	108,349	106,263
Closing property revaluation reserves	1,554,072	1,551,793

Additional disclosure

Capital management

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

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

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The LGA requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure

needs identified in those plans. The LGA also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

The Council has the following Council-created reserves:

- reserves for different areas of benefit;
- disaster relief reserves; and
- trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct for payers of general rates. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Disaster relief reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds can generally be approved only by the Council.

Trust and bequest reserves are set up where the Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable, and deductions are made where funds have been used for the purpose they were donated.

Note 27 - 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.

Related party disclosures have also not been made for transactions with entities within Council, where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such transactions.

	2025 Actual \$000's	2024 Actual \$000's
Key management personnel compensation		
Councillors		
Remuneration	716	735
Full-time equivalent members	10	10
Senior Management Team, including the Chief Executive		
Remuneration	1,625	1,647
Full-time equivalent members	5	6
Total key management personnel remuneration	2,342	2,382
Total full-time equivalent personnel	15	16

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

An analysis of Councillor remuneration and further information on the Chief Executive remuneration is provided in Note 4. A prior year adjustment has been made to account for a correction in the disclosure.

Related party transactions required to be disclosed

There are no related party transactions that are required to be disclosed in accordance with PBE IPSAS 20 Related Party Disclosures. However, the Council has elected to recognise its relationship with both the Hauraki Rail Trail Charitable Trust and Destination Coromandel as related parties.

	2025 Actual \$000's	2024 Actual \$000's
Payments to associates		
Destination Coromandel:		
Contribution for services provided by Destination Coromandel	353	962
Hauraki Rail Trail Charitable Trust:		
Contribution for services provided by Hauraki Rail Trail Charitable Trust	304	238
Total payments made to associates	657	1,199

Note 28 - Events After Balance Date

Water services reform

The Government enacted a water reform programme in February 2024 by repealing previous legislation and passing the Local Government Water Services Preliminary Arrangements Act 2024.

This new legislation required Council to deliver a Water Services Delivery Plan (WSDP) to the Secretary for Local Government. Our WSDP has been approved by Council on 28 August 2025 and was submitted to the Secretary for Local Government on 1 September 2025.

Thames-Coromandel District Council will continue to deliver water services through an internal business unit

and has prepared the WSDP on this basis. This decision remains uncertain as the Secretary for Local Government has not yet approved the WSDP.

The preferred option for delivery of water services for Thames-Coromandel District Council was to establish a multi-Council Water Services Organisation (WSO). This preference was established by Council resolution on 24 June 2025. Due to decisions of the proposed partner Councils this was not able to be progressed and was not used as the basis of the WSDP. Council is still working to progress options for delivery of water services through a joint WSO.

Note 29 - Financial Instruments

Financial instrument categories

The following tables are comparisons of carrying amounts of Council's financial assets and liabilities in each of the financial instrument categories:

	2025 Actual \$000's	2024 Actual \$000's
Financial assets		
Mandatorily measured at FVTSD - (2025: Held for trading)		
Derivative financial instrument assets	920	2,244
Amortised cost		
Cash and cash equivalents	15,278	12,149
Receivables	10,629	6,609
<i>Other financial assets</i>		
Borrower notes from Local Government Funding Agency	2,644	1,876
Term deposits	10,050	10,048
Total at amortised cost	38,601	30,682
Fair value through other comprehensive revenue and expense		
<i>Other financial assets</i>		
Unlisted shares	275	274
Total fair value through other comprehensive revenue and expense	275	274

	2025 Actual \$000's	2024 Actual \$000's
Financial liabilities		
Mandatorily measured at FVTSD - (2025: Held for trading)		
Derivative financial instrument liabilities	548	0
Total fair value through surplus or deficit - held for trading	548	0
Financial liabilities at amortised cost		
Payables	18,306	15,700
<i>Borrowings</i>		
Secured loans	91,000	83,000
Total financial liabilities at amortised cost	109,306	98,700

Fair value hierarchy

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Level 1 - Quoted market price - Financial instruments with quoted prices for identical instruments in active markets.
- Level 2 - Valuation technique using observable inputs - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for

identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

- Level 3 - Valuation techniques with significant non-observable inputs - Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value on the statement of financial position:

	Total \$000's	Valuation technique		
		Quoted market price \$000's	Observable inputs \$000's	Non-observable inputs \$000's
2025				
Financial assets				
Shares	2,918	0	0	2,918
Derivatives	373	0	373	0
2024				
Financial assets				
Shares	2,150	0	0	2,150
Derivatives	2,244	0	2,244	0

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

Valuation techniques with significant non-observable inputs (level 3)

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

	2025 Actual \$000's	2024 Actual \$000's
Balance at 1 July	278	273
Gains and losses recognised in the surplus or deficit	0	0
Gains and losses recognised in other comprehensive revenue and expense	0	4
Purchases	0	0
Sales	0	0
Transfers into level 3	0	0
Transfers out of level 3	0	0
Balance at 30 June	278	278

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

Financial instrument risks

Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. Council has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. Council has established a Council-approved Treasury Management Policy. This policy does not allow any transactions that are speculative in nature to be entered into.

Market risk

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

Council is not exposed to equity securities price risk on its investments.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

Council may purchase plant and equipment associated with the construction of certain infrastructural assets from overseas, which require it to enter into transactions denominated in foreign currencies. As a result of these activities, exposure to currency risk arises.

It is Council's policy to manage foreign currency risks arising from contractual commitments and liabilities that are above \$100,000 by entering into forward foreign exchange contracts to manage the foreign currency

risk exposure. This means Council is able to fix the New Zealand dollar amount payable prior to delivery of the plant and equipment from overseas.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose Council to fair value interest rate risk. Council's Treasury Management Policy outlines the level of borrowing that is considered acceptable using fixed rate instruments. In the normal course of business, any long-term debt is at floating interest rates. Short-term borrowing and investments are subject to normal market fluctuations.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risk.

Generally, Council raises long-term borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if Council borrowed at fixed rates directly. Under the interest rate swaps, Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Credit risk

Credit risk is the risk that a third party will default on its obligation to Council causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits which give rise to credit risk. Council also provides financial guarantees, which gives risk to credit risk.

Receivables arise mainly from Council's statutory functions. There are no procedures in place to monitor or report the credit quality of receivables. Council has no significant concentrations of credit risk in relation to receivables as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding rates from ratepayers.

Council's Treasury Management Policy limits the amount of credit exposure to any one financial institution or organisation. Council reduces its exposure to credit risk by only placing investments in accordance with its investment policy which ensures dispersion and minimisation of risk. Council invests funds only with entities that have a Standard and Poor's credit rating of at least A1 for short-term and A+ for long-term investments. Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

Maximum exposure to credit risk

Council's maximum credit risk exposure for each class of financial instrument is as follows:

	2025 Actual \$000's	2024 Actual \$000's
Cash at bank and term deposits	25,329	22,197
Receivables	15,151	11,246
Financial guarantees	329	352
Total maximum exposure to credit risk	40,808	33,796

Council is exposed to credit risk as a guarantor of all of LGFA's borrowings. Information about this exposure is explained in Note 25.

Credit risk exposure by credit risk rating grades, excluding receivables

The gross carrying amount of financial assets, excluding receivables, by reference to Standard and Poor's credit rating's are provided below:

Counterparties with credit ratings

	2025 Actual \$000's	2024 Actual \$000's
Cash at bank and term deposits		
AA-	25,329	22,197
Total cash at bank and term deposits	25,329	22,197

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, Council maintains a target level of investments that must mature within the next 12 months. Council manages its borrowings in

accordance with its funding and financial policies, which includes a Treasury Management Policy.

Contractual maturity analysis of financial liabilities, excluding derivatives

The following table analyses Council's financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Carrying amount \$000's	Contractual cashflows \$000's	Less than 1 year \$000's	1-5 years \$000's	More than 5 years \$000's
2025					
Payables	18,306	18,306	17,644	609	54
Secured loans	91,000	99,952	21,547	78,405	0
Financial guarantees	329	329	329	0	0
Total financial liabilities	109,636	118,588	39,520	79,014	54
2024					
Payables	15,700	15,700	14,199	1,447	54
Secured loans	83,000	92,077	10,320	81,757	0
Financial guarantees	352	352	352	0	0
Total financial liabilities	99,052	108,129	24,871	83,204	54

Council is exposed to liquidity risk as a guarantor of all of LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 25.

Contractual maturity analysis of derivative financial instrument liabilities

The table below analyses Council's derivative financial instrument liabilities that are settled on a net basis into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Liability carrying amount \$000's	Asset carrying amount \$000's	Contractual cashflows \$000's	Less than 1 year \$000's	1-5 years \$000's	More than 5 years \$000's
2025						
Nett settled derivative assets	0	920	715	0	552	163
Nett settled derivative liabilities	(548)	0	(255)	(130)	(125)	0
Total derivatives	(548)	920	460	(130)	427	163
2024						
Nett settled derivative assets	0	2,244	2,455	901	1,404	150
Nett settled derivative liabilities	0	0	0	0	0	0
Total derivatives	0	2,244	2,455	901	1,404	150

Contractual maturity analysis of financial assets

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

	Carrying amount \$000's	Contractual cashflows \$000's	Less than 1 year \$000's	1-5 years \$000's	More than 5 years \$000's
2025					
Cash and cash equivalents	15,278	15,278	15,278	0	0
Receivables	15,151	15,151	15,151	0	0
<i>Other financial assets</i>					
Term deposits	10,050	10,050	10,050	0	0
Total financial assets	40,479	40,479	40,479	0	0
2024					
Cash and cash equivalents	12,149	12,149	12,149	0	0
Receivables	11,246	11,246	11,246	0	0
<i>Other financial assets</i>					
Term deposits	10,048	10,048	10,048	0	0
Total financial assets	33,444	33,444	33,444	0	0

Sensitivity analysis

The following table illustrates the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on Council's financial instrument exposures at the balance date.

Interest rate risk	-100bps		+100bps	
	Surplus \$000's	Other equity \$000's	Surplus \$000's	Other equity \$000's
2025				
Financial assets				
Cash and cash equivalents	(153)	0	153	0
Term deposits	(101)	0	101	0
Derivatives	0	0	2,496	0
Financial liabilities				
Derivatives	(1,857)	0	0	0
Total sensitivity	(2,110)	0	2,749	0
2024				
Financial assets				
Cash and cash equivalents	(121)	0	121	0
Term deposits	(100)	0	100	0
Derivatives	0	0	3,977	0
Financial liabilities				
Derivatives	436	0	0	0
Total sensitivity	214	0	4,199	0

Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 100 bps is equivalent to a decrease in interest rates of 1%. The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -100bps/+100bps (2020: -100bps/+100bps).

All Council's borrowings are hedged derivative financial instruments so the sensitivity analysis of derivatives apply.

Note 30 - Explanations of Major Variances Against Budget

Statement of comprehensive revenue and expense

Revenue	
Fees and charges	Fees and Charges was \$0.7 million less than budgeted due to lower than estimated solid waste collection fees and lower building consent activity.
Subsidies and grants	Subsidies and grants revenue was \$0.7 million more than was budgeted due to the new Tourism Infrastructure Fund revenue for public conveniences.
Development contributions	Development contributions revenue was \$1.1 million less than budget mainly due to fewer developments progressing in the financial year.
Other revenue	Other revenue was \$4.7 million less than budget mainly due to the value of assets vested to council.
Expenses	
Depreciation	Depreciation was \$2.6 million more than budgeted, primarily due to shorter estimated useful lives of assets being recognized compared with original budgeting assumptions, particularly within 3 Waters.
Personnel Cost	Personnel costs were \$1.5 million less than budget due to vacancies, \$0.9m of which were offset by contract costs in lieu of backfill under other expenses below. The main activity with high vacancies not offset by backfill costs is Planning and Regulation, due to lower building and consenting activity, and delays in district and spatial planning projects.
Other Expenses	Other expenses were \$2.3 million less than budget. Notable variances against budget include: <ul style="list-style-type: none"> - low Council legal costs, - low software configuration expenditure in Information Services, - deferral of wastewater desludging at Matarangi until next financial year, - lower than forecasted inflation and contract costs especially in roading, - delays in projects especially coastal protection, economic development and spatial planning.
Other comprehensive revenue and expense	
Gain on property, plant and equipment revaluations	Gain on revaluation was \$66.1 million less than budgeted. This is mainly due to a reduction in Transportation asset valuation. The valuations of other asset class have also not increased at forecasted levels.

Statement of financial position

Assets	
Cash and cash equivalents	The closing cash position is \$15.2 million higher than budgeted mainly as a result of unbudgeted cash reserves held at year end for upcoming cashflow requirements.
Receivables	Receivables were \$7.4 million more than budget due to a few large sundry receivables being due at year end including transport and other project subsidies.
Other financial assets	Other financial assets are \$11.3 million higher than budgeted due to short term deposits held.
Property, plant and equipment	Property, plant and equipment assets are \$151 million less than budgeted. This is mainly due to the revaluation movement as at 30 June 2025.
Liabilities	
Borrowings	The total external debt is \$10.8 million lower than budgeted due to project delays and liquid cash holdings.
Equity	The total equity position is \$108 million lower than budgeted, largely due to asset revaluations.

5 Puakanga Kawekawe Tauākī Pūtea

Funding Impact Statements Disclosure

Introduction

Schedule 10 of the Local Government Act 2002 requires council to include in the annual report a funding impact statement for each group of activities and a funding impact statement for the whole of council for the financial year to which the report relates. The format of these statements are prescribed by the legislation and do not have to meet the normal accounting requirements. The intention is that this format provides a more understandable picture of what Council is spending money on and how those costs are funded.

Funding Impact Statements

Thames-Coromandel District Council Funding Impact Statement for the year ended 30 June 2025 (whole of Council)

	2024 Annual plan \$000's	2024 Actual \$000's	2025 Annual plan \$000's	2025 Actual \$000's
Source of operating funding				
General rates, uniform annual general charges, rates penalties	28,729	28,844	35,796	34,828
Targeted rates	65,698	65,492	73,057	73,188
Subsidies and grants for operating purposes	5,520	8,624	6,154	6,202
Fees and charges	17,125	14,769	16,058	15,350
Interest and dividends from investments	259	1,008	283	1,065
Local authorities fuel tax, fines, infringement fees and other receipts	790	841	819	824
Total operating funding (A)	118,121	119,578	132,168	131,457
Applications of operating funding				
Payments to staff and suppliers	97,724	94,746	105,426	95,504
Finance costs	3,643	3,978	4,914	4,452
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	101,367	98,724	110,340	99,956
Surplus(deficit) of operating funding (A - B)	16,754	20,854	21,828	31,501
Source of capital funding				
Subsidies and grants for capital expenditure	21,790	16,467	15,945	16,605
Development and financial contributions	3,673	1,200	2,993	1,869
Increase/(decrease) in debt	17,966	16,000	16,585	8,000
Gross proceeds from sale of assets	0	32	0	100
Lump sum contributions	0	18	0	6
Other dedicated capital funding	0	0	0	0
Total sources of capital funding (C)	43,430	33,717	35,522	26,581
Application of capital funding				
Capital expenditure				
- to meet additional demand	2,276	1,811	1,854	1,422
- to improve the level of service	14,448	25,580	20,320	16,851
- to replace existing assets	33,781	15,679	27,557	27,156
Increase/(decrease) in reserves	9,678	11,502	7,620	12,653
Increase/(decrease) in investments	0	0	0	0
Total applications of capital funding (D)	60,184	54,571	57,350	58,083
Surplus(deficit) of capital funding (C - D)	(16,754)	(20,854)	(21,828)	(31,501)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0

Thames-Coromandel District Council: Funding Impact Statement

for the year ended 30 June 2025 for transport

	2024 Annual plan \$000's	2025 Long-term plan \$000's	2025 Actual \$000's
Source of operating funding			
General rates, uniform annual general charges, rates penalties	5,971	6,973	5,994
Targeted rates	5,145	5,728	5,716
Subsidies and grants for operating purposes	5,014	5,238	5,159
Fees and charges	226	239	9
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	482	497	431
Total operating funding (A)	16,838	18,675	17,308
Applications of operating funding			
Payments to staff and suppliers	11,410	12,628	11,369
Finance costs	547	806	720
Internal charges and overheads applied	1,317	1,494	1,718
Other operating funding applications	0	0	0
Total applications of operating funding (B)	13,273	14,928	13,808
Surplus(deficit) of operating funding (A - B)	3,565	3,747	3,501
Source of capital funding			
Subsidies and grants for capital expenditure	15,643	13,945	13,829
Development and financial contributions	933	506	472
Increase/(decrease) in debt	2,056	2,598	1,481
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)	18,632	17,050	15,782
Application of capital funding			
Capital expenditure			
- to meet additional demand	726	66	42
- to improve the level of service	2,671	5,736	3,614
- to replace existing assets	19,121	16,393	16,211
Increase/(decrease) in reserves	(321)	(1,398)	(583)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	22,197	20,796	19,283
Surplus(deficit) of capital funding (C - D)	(3,565)	(3,747)	(3,501)
Funding balance ((A - B) + (C - D))	0	0	0

Thames-Coromandel District Council: Funding Impact Statement

for the year ended 30 June 2025 for stormwater

	2024 Annual plan \$000's	2025 Long-term plan \$000's	2025 Actual \$000's
Source of operating funding			
General rates, uniform annual general charges, rates penalties	1,052	1,356	1,324
Targeted rates	2,470	3,182	3,129
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	38
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	3,522	4,538	4,491
Applications of operating funding			
Payments to staff and suppliers	1,646	1,806	1,697
Finance costs	82	160	115
Internal charges and overheads applied	497	590	711
Other operating funding applications	0	0	0
Total applications of operating funding (B)	2,225	2,557	2,523
Surplus(deficit) of operating funding (A - B)	1,297	1,982	1,968
Source of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	73	94	80
Increase/(decrease) in debt	1,539	2,634	893
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)	1,612	2,728	973
Application of capital funding			
Capital expenditure			
- to meet additional demand	231	0	0
- to improve the level of service	1,400	2,746	959
- to replace existing assets	1,317	1,376	403
Increase/(decrease) in reserves	(38)	587	1,579
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	2,909	4,710	2,941
Surplus(deficit) of capital funding (C - D)	(1,297)	(1,982)	(1,968)
Funding balance ((A - B) + (C - D))	0	0	0

Thames-Coromandel District Council: Funding Impact Statement

for the year ended 30 June 2025 for wastewater

	2024 Annual plan \$000's	2025 Long-term plan \$000's	2025 Actual \$000's
Source of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	18,469	21,409	21,236
Subsidies and grants for operating purposes	0	0	0
Fees and charges	768	27	38
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	19,237	21,436	21,273
Applications of operating funding			
Payments to staff and suppliers	9,960	11,932	11,045
Finance costs	1,224	1,564	1,460
Internal charges and overheads applied	1,982	2,048	2,250
Other operating funding applications	0	0	0
Total applications of operating funding (B)	13,165	15,544	14,756
Surplus(deficit) of operating funding (A - B)	6,072	5,892	6,517
Source of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	1,102	909	560
Increase/(decrease) in debt	(481)	2,323	3,162
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	6
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	621	3,232	3,728
Application of capital funding			
Capital expenditure			
- to meet additional demand	332	163	51
- to improve the level of service	532	2,741	2,283
- to replace existing assets	2,034	1,928	2,172
Increase/(decrease) in reserves	3,796	4,293	5,740
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	6,693	9,125	10,245
Surplus(deficit) of capital funding (C - D)	(6,072)	(5,892)	(6,517)
Funding balance ((A - B) + (C - D))	0	0	0

Thames-Coromandel District Council: Funding Impact Statement

for the year ended 30 June 2025 for water

	2024 Annual plan \$000's	2025 Long-term plan \$000's	2025 Actual \$000's
Source of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	13,944	14,703	14,329
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	9	47
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	13,944	14,712	14,376
Applications of operating funding			
Payments to staff and suppliers	7,784	8,151	8,179
Finance costs	850	1,145	1,049
Internal charges and overheads applied	1,483	1,597	1,787
Other operating funding applications	0	0	0
Total applications of operating funding (B)	10,117	10,893	11,014
Surplus(deficit) of operating funding (A - B)	3,826	3,819	3,362
Source of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	815	549	402
Increase/(decrease) in debt	4,370	4,394	9,827
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	5,185	4,943	10,229
Application of capital funding			
Capital expenditure			
- to meet additional demand	931	1,333	1,101
- to improve the level of service	4,344	3,833	6,514
- to replace existing assets	2,181	2,404	3,711
Increase/(decrease) in reserves	1,556	1,193	2,265
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	9,012	8,763	13,591
Surplus(deficit) of capital funding (C - D)	(3,826)	(3,819)	(3,362)
Funding balance ((A - B) + (C - D))	0	0	0

Thames-Coromandel District Council: Funding Impact Statement

for the year ended 30 June 2025 for solid waste

	2024 Annual plan \$000's	2025 Long-term plan \$000's	2025 Actual \$000's
Source of operating funding			
General rates, uniform annual general charges, rates penalties	1,798	2,068	2,032
Targeted rates	9,119	9,423	9,262
Subsidies and grants for operating purposes	0	0	42
Fees and charges	7,543	6,055	5,430
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	18,461	17,546	16,766
Applications of operating funding			
Payments to staff and suppliers	17,034	15,675	13,763
Finance costs	228	363	335
Internal charges and overheads applied	737	855	986
Other operating funding applications	0	0	0
Total applications of operating funding (B)	17,999	16,893	15,083
Surplus(deficit) of operating funding (A - B)	462	653	1,683
Source of capital funding			
Subsidies and grants for capital expenditure	0	2,000	641
Development and financial contributions	26	52	18
Increase/(decrease) in debt	1,715	2,092	704
Gross proceeds from sale of assets	0	0	1
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	1,741	4,144	1,364
Application of capital funding			
Capital expenditure			
- to meet additional demand	0	41	167
- to improve the level of service	2,102	4,306	1,442
- to replace existing assets	245	521	491
Increase/(decrease) in reserves	(143)	(71)	947
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	2,203	4,797	3,047
Surplus(deficit) of capital funding (C - D)	(462)	(653)	(1,683)
Funding balance ((A - B) + (C - D))	0	0	0

Thames-Coromandel District Council: Funding Impact Statement

for the year ended 30 June 2025 for leadership and governance

	2024 Annual plan \$000's	2025 Long-term plan \$000's	2025 Actual \$000's
Source of operating funding			
General rates, uniform annual general charges, rates penalties	14,855	16,677	20,209
Targeted rates	1,513	1,011	964
Subsidies and grants for operating purposes	0	0	0
Fees and charges	434	447	495
Internal charges and overheads recovered	4,621	4,967	4,985
Interest and dividends from investments	259	283	1,065
Local authorities fuel tax, fines, infringement fees and other receipts	5	0	23
Total operating funding (A)	21,688	23,384	27,742
Applications of operating funding			
Payments to staff and suppliers	9,703	5,285	4,725
Finance costs	198	183	125
Internal charges and overheads applied	14,453	17,312	14,716
Other operating funding applications	0	0	0
Total applications of operating funding (B)	24,354	22,781	19,567
Surplus(deficit) of operating funding (A - B)	(2,666)	604	8,175
Source of capital funding			
Subsidies and grants for capital expenditure	5,293	0	0
Development and financial contributions	17	15	12
Increase/(decrease) in debt	3,838	1,351	573
Gross proceeds from sale of assets	0	0	29
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	9,147	1,365	614
Application of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	2,889	381	51
- to replace existing assets	6,600	1,444	1,212
Increase/(decrease) in reserves	(3,009)	144	7,526
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	6,481	1,969	8,789
Surplus(deficit) of capital funding (C - D)	2,666	(604)	(8,175)
Funding balance ((A - B) + (C - D))	0	0	0

Thames-Coromandel District Council: Funding Impact Statement

for the year ended 30 June 2025 for community and economic development

	2024 Annual plan \$000's	2025 Long-term plan \$000's	2025 Actual \$000's
Source of operating funding			
General rates, uniform annual general charges, rates penalties	0	1,231	1,328
Targeted rates	0	800	793
Subsidies and grants for operating purposes	0	448	325
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	0	2,478	2,446
Applications of operating funding			
Payments to staff and suppliers	0	1,414	1,406
Finance costs	0	5	4
Internal charges and overheads applied	0	930	906
Other operating funding applications	0	0	0
Total applications of operating funding (B)	0	2,348	2,316
Surplus(deficit) of operating funding (A - B)	0	130	130
Source of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	(121)	(121)
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	(121)	(121)
Application of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase/(decrease) in reserves	0	9	8
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	0	9	8
Surplus(deficit) of capital funding (C - D)	0	(130)	(130)
Funding balance ((A - B) + (C - D))	0	0	0

Thames-Coromandel District Council: Funding Impact Statement

for the year ended 30 June 2025 for planning and regulation

	2024 Annual plan \$000's	2025 Long-term plan \$000's	2025 Actual \$000's
Source of operating funding			
General rates, uniform annual general charges, rates penalties	2,373	4,646	3,254
Targeted rates	757	709	709
Subsidies and grants for operating purposes	0	0	0
Fees and charges	5,649	6,140	6,068
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	2	2	6
Total operating funding (A)	8,782	11,496	10,037
Applications of operating funding			
Payments to staff and suppliers	5,938	8,386	6,946
Finance costs	0	59	41
Internal charges and overheads applied	2,724	3,138	2,793
Other operating funding applications	0	0	0
Total applications of operating funding (B)	8,662	11,583	9,780
Surplus(deficit) of operating funding (A - B)	120	(87)	257
Source of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	130	(246)
Gross proceeds from sale of assets	0	0	8
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	130	(238)
Application of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase/(decrease) in reserves	120	43	19
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	120	43	19
Surplus(deficit) of capital funding (C - D)	(120)	87	(257)
Funding balance ((A - B) + (C - D))	0	0	0

Thames-Coromandel District Council: Funding Impact Statement

for the year ended 30 June 2025 for protection of people and the environment

	2024 Annual plan \$000's	2025 Long-term plan \$000's	2025 Actual \$000's
Source of operating funding			
General rates, uniform annual general charges, rates penalties	2,680	2,846	2,520
Targeted rates	51	52	52
Subsidies and grants for operating purposes	500	461	550
Fees and charges	820	906	917
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	224	238	274
Total operating funding (A)	4,276	4,503	4,313
Applications of operating funding			
Payments to staff and suppliers	2,308	2,577	2,434
Finance costs	126	176	165
Internal charges and overheads applied	2,124	2,313	2,118
Other operating funding applications	0	0	0
Total applications of operating funding (B)	4,557	5,065	4,717
Surplus(deficit) of operating funding (A - B)	(282)	(562)	(404)
Source of capital funding			
Subsidies and grants for capital expenditure	0	0	149
Development and financial contributions	0	0	0
Increase/(decrease) in debt	965	1,032	703
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)	965	1,032	853
Application of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	245	18	208
- to replace existing assets	0	112	85
Increase/(decrease) in reserves	438	340	155
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	683	470	448
Surplus(deficit) of capital funding (C - D)	282	562	404
Funding balance ((A - B) + (C - D))	0	0	0

Thames-Coromandel District Council: Funding Impact Statement

for the year ended 30 June 2025 for community spaces

	2024 Annual plan \$000's	2025 Long-term plan \$000's	2025 Actual \$000's
Source of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	14,227	16,041	15,165
Subsidies and grants for operating purposes	7	6	126
Fees and charges	1,598	1,959	2,061
Internal charges and overheads recovered	69	70	70
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	3
Total operating funding (A)	15,900	18,077	17,426
Applications of operating funding			
Payments to staff and suppliers	9,343	10,419	9,136
Finance costs	378	434	427
Internal charges and overheads applied	2,198	2,312	2,025
Other operating funding applications	0	0	0
Total applications of operating funding (B)	11,919	13,166	11,588
Surplus(deficit) of operating funding (A - B)	3,981	4,912	5,837
Source of capital funding			
Subsidies and grants for capital expenditure	855	0	1,986
Development and financial contributions	707	868	326
Increase/(decrease) in debt	(668)	151	(561)
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)	893	1,019	1,751
Application of capital funding			
Capital expenditure			
- to meet additional demand	56	252	62
- to improve the level of service	266	558	1,780
- to replace existing assets	2,285	3,379	2,872
Increase/(decrease) in reserves	2,268	1,742	2,874
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	4,874	5,931	7,588
Surplus(deficit) of capital funding (C - D)	(3,981)	(4,912)	(5,837)
Funding balance ((A - B) + (C - D))	0	0	0

6 Ngā Rōpū e Whakahaerengia e te Kaunihera | Council Controlled Organisations

Information on Council Controlled Organisations

Council Controlled Organisations (CCOs) are any organisation in which one or more local authorities control 50% or more of the voting rights or appoint 50% or more of the directors.

Council has an interest the following CCOs:

- Waikato Local Authority Share Services Limited (trading as Co-Lab); and
- The New Zealand Local Government Funding Agency.

Council resolved to exempt Destination Coromandel and Hauraki Rail Charitable Trust as a CCO in accordance with Section 7 of the Local Government Act 2002.

Outlined below are the significant policies and objectives, nature and scope of activities, key performance targets and outcomes for the 2024/2025 year for each organisation.

The key performance targets disclosed in the tables below for Waikato Local Authority Shared Services Limited and the New Zealand Local Government Funding Agency Limited may be slightly different compared to the targets disclosed in the Long Term Plan (LTP) 2024 - 2034. This either is due to the organisations having developed additional targets or modified the way in which they present the targets, since the LTP was prepared.

Waikato Local Authority Shared Services Limited (Co-Lab)

Ownership

Council has a one-twelfth ordinary shareholding in Co-Lab (one share at \$1,000). The Council also holds service shares in the Waikato Region Aerial Photography Service (6,476 shares at \$1), the Shared Valuation Data Service (108,015 shares at \$1) and the Waikato Regional Transport Model (2,250 shares at \$10). These service shareholdings give no rights to a share in the distribution of surplus assets, nor do they provide voting rights. The balance of the remaining shares is owned by other local authorities.

Representation (total members)

1(12)

Significant policies and objectives

Co-Lab's vision statement is "Council collaboration through Co-Lab maximises community wellbeing". Co-Lab has established a performance framework with outcomes, specific objectives, priorities and performance measures to achieve their vision.

Nature and scope of activities

Co-Lab is an umbrella company that investigates opportunities for future development of shared services. The specific objectives of Co-Lab are agreed each year in accordance with the constitution and the Statement of Intent (SOI). During the past year, Co-Lab has continued their focus on transforming the company into a service delivery agent and a strategic partner to councils. Co-Lab has two fundamental roles; a laboratory for developing opportunities that create value and providing services to councils.

Key performance Indicators

Key Performance Indicators are specified in the Co-Lab SOI for 2024/2025 and are summarised with the actual results below

Performance target	Outcome
Year-on-year increase in the value we provide to councils.	Not achieved (i)
80%+ of council survey respondents believe those Co-Lab services they received meet or exceed their expectations (evidenced by an annual survey).	Achieved (ii)
Year-on-year increase in the utilisation of services we provide to councils.	Achieved (iii)
Year-on-year increase in the number of services available to councils.	Achieved (iv)
Year-on-year utilisation of services we provide to councils.	Achieved (v)
Maintain staff engagement above 85%	Achieved (vi)
Staff turnover is less than 15%	Achieved (vii)
Vacancies are filled by suitable candidates within 3 months.	Achieved (viii)

- i. FY24-25 \$11.4m versus \$12.5m in FY23-24
- ii. 88% of council survey respondents believe those Co-Lab services they received met or exceeded their expectations.
- iii. New onboardings: 5 RATA Spaces and Places councils, 1 Smart Water, 1 ECM, 1 Sampling & Analysis, 1 Co-Lab Building Services, 1 Professional Services Panel. FY23-24 No new councils onboarded to shared services.
- iv. Introduced RATA Spaces & Places and Launched Co-LAB Building Services. FY23-24 no new shared services introduced.
- v. Measured as above. FY23-24 no shared services introduced.
- vi. Staff engagement was 86%.
- vii. Staff turnover was 10.5%.
- viii. 1 position advertised was vacant for 2 months.

A full copy of the Co-Lab Annual Report can be obtained from their website www.colabsolutions.govt.nz/about-us/reports/

New Zealand Local Government Funding Agency (LGFA)

Ownership

LGFA has 31 shareholders, comprising the New Zealand Government (20%) and 30 member councils (80%). 72 member councils are guarantors of LGFA.

Participating councils (total members)

77 member councils and 8 council-controlled organisations are eligible to borrow from LGFA.

Significant policies and objectives

LGFA's Statement of Intent (SOI) 2022-25 sets out its objectives and performance targets for the year ended 30 June 2025 which fall into the following five strategic priorities:

1. Governance, capability and business practice
2. Optimising financing services for local government
3. Environmental and social responsibility
4. Effective management of loans
5. Industry leadership and engagement

Other significant policies are the Shareholder Foundation Policies and the Treasury Policy.

Nature and scope of activities

LGFA was incorporated on 1 December 2011 under the Companies Act 1993 and enabled by the Local Government Borrowing Act 2011 and is the largest issuer of New Zealand dollar securities after the New Zealand Government. It was established to provide more efficient funding costs and diversified funding sources for New Zealand local authorities. LGFA was also established to raise debt on behalf of local authorities on terms that are more favourable to them than if they raised the debt directly. As at 30 June 2025, 77 of the 78 Councils are members and are eligible to borrow from LGFA. There are three new Council Controlled Organisation (CCO) members bringing total CCO membership to eight.

Councils can access flexible lending conditions by using long-term and short-term lending, bespoke lending products

standby facilities, sustainable financing alternatives and lending to CCOs. Over the 12-months ended 30 June 2025, LGFA issued NZD \$2.2 billion, AUD \$0.9 billion and EMTN \$2.2 billion bonds with total bonds outstanding of NZD \$17.5 billion, AUD \$3.7 billion and EMTN (Euro Medium Term Note) \$2.2 billion.

Key performance targets

Performance targets for 2024/2025 are summarised with the actual results below:

Performance target	Outcome
Comply with the Shareholder Foundation Policies and the Board approved Treasury Policy at all times	Not achieved (i)
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same agency	Achieved
A succession plan be put in place for the Board and staff and be reviewed annually.	Achieved
Total operating income is greater than \$31.4 million	\$36.3m Achieved
Total operating expenses is less than \$11.5 million	\$11.2m Achieved
Greater than 80% share of aggregate long-term debt funding to the Local Government sector	74.9% Not achieved
Total lending to participating borrowers is greater than \$23,957 million	\$22,657m Not achieved
Greater than 85% satisfaction score of participating borrowers as to the value added by LGFA	94% Achieved
100% successfully refinance existing loans to councils and LGFA bond maturities as they fall due	100% Achieved
Meet all lending requests from participating borrowers, where those requests meet LGFA operational and covenant requirements	100% Achieved
Review each participating borrower's financial position under LGFA policies	100% Achieved
Arrange to meet each participating borrower over a 15-month period, including meeting with elected officials as required, or if requested	100% Achieved
Comply with the Health and Safety At Work Act 2015	Achieved
Maintain Toitū net carbonzero certification	Achieved
Meet reduction targets outlined in the carbon reduction management plan	Achieved
Increase GSS lending book by two participating borrowers and three new Climate Action Loans (CAL)	1 new GSS loan no new CAL Achieved Not achieved (ii)
Annual Report is prepared in compliance with applicable GRI Standards	Achieved
Meet all mandatory climate reporting standards	100% Achieved
Provide input into Local Water Done Well Legislation	Provided feedback to DIA and Treasury Achieved
Provide quarterly updates to shareholders and borrowers on sector developments that are impacting LGFA.	Achieved
Meet annually with Infrastructure Commission, LGNZ, Taituara, Water New Zealand, Infrastructure NZ, Crown Infrastructure Partners, DIA, Treasury and Minister's office to discuss sector issues from an LGFA perspective.	Achieved

- i. There was a breach of the Foundation Policy where the nominal amount of loans to a non-guarantor exceeded the \$20 million limit by \$186k.
- li. One new GSS loan to Tauranga City Council for the Te Manawataki o Te Papa project (7 GSS loans in total of \$675 million).

7 Te Tāpaetanga a Te Iwi Māori Ki Ngā Whakataunga a Te Kaunihera | Māori Contribution to Council Decision Making

The Thames-Coromandel District Council is committed to ensuring Māori have meaningful opportunities to participate in Council decision-making, as set out in the Local Government Act 2002. We recognise that iwi, hapū, whānau and Māori communities are directly affected by Council decisions, and we are dedicated to building strong, enduring relationships founded on trust, respect and partnership.

Strengthening collaboration with Hauraki iwi is essential now and for future generations to thrive. Being a trusted partner means working closely together on a wide range of projects, listening to and understanding each other's aspirations and priorities, and seeking opportunities to collaborate in ways that promote the wellbeing of our shared communities.

Council acknowledges that we are on a journey towards a more meaningful partnership with Hauraki iwi. We know there is much work ahead, but we are committed to laying the foundations for future generations. The coming years will see the final settlement of historical Treaty of Waitangi claims for Hauraki iwi. This settlement will include cultural revitalisation, financial redress, and the return of lands and sites of significance. Through this process, iwi will strengthen cultural identity, restore their economic base, and create new opportunities for cultural and commercial development that will benefit whānau,

hapū and iwi for generations to come.

To ensure Council continues to mature our relationship with Hauraki iwi, Council is developing a Māori Responsiveness and Engagement Framework, which will:

- Provide a more strategic approach to iwi engagement at both operational and governance levels.
- Guide staff on how to engage effectively with iwi and build enduring working relationships that benefit all communities.
- Develop a cultural capability plan to strengthen Council's ability to work in partnership with iwi.

Through these actions, Council affirms its commitment to upholding Te Tiriti o Waitangi, to fostering enduring partnerships with Hauraki iwi, and to ensuring Māori voices are central in shaping the future of our district. By working together, we can strengthen and enhance our communities—today and for the generations to come.

8 Te Pūrongo ā-te Kaiarotake | Auditor's Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

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

The Auditor-General is the auditor of Thames-Coromandel District Council (the District Council). The Auditor-General has appointed me, Anton Labuschagne, 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 District 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 District 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 District 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 District Council on pages 77 to 134
 - present fairly, in all material respects:
 - its financial position as at 30 June 2025; and
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the Council's statement of service performance (referred to as Delivering on our priorities) for the year ended 30 June 2025 on pages 19 to 74:

- provides an appropriate and meaningful basis to enable readers to assess the District 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 District Council's actual levels of service for each group of activities, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the statement comparing actual capital expenditure to budgeted capital expenditure for each group of activities of the District Council for the year ended 30 June 2025 on pages 135 to 145, 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 District Council for the year ended 30 June 2025 on pages 135 to 145 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 District Council for the year ended 30 June 2025 on page 135 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 District 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 District 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 31 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 28 on page 128, which outlines that in response to the Government's Local Water Done Well reforms, the Council has decided to deliver water services itself directly. 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 District Council's long-term plan.

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the District 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 District 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 District 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 District 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 District Council has complied with the disclosure requirements. To assess whether the District Council has met the disclosure requirements we undertake work to confirm that:

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

In addition to our audit and our report on the disclosure requirements, we have performed a limited assurance engagements related to the District Council's debenture trust deed and assurance over the procurement of a professional services contract which is compatible with those independence

requirements. Other than these engagements, we have no relationship with or interests in the District Council.

A handwritten signature in black ink, appearing to read 'Anton Labuschagne', with a long horizontal flourish extending to the right.

Anton Labuschagne
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand

Whakapā mai | **Contact us**



Email: customer.services@tcdc.govt.nz
Phone: 07 868 0200

Service Centres:

515 Mackay Street, Thames
355 Kapanga Road, Coromandel Town
10 Monk Street, Whitianga
620 Port Road, Whangamatā
2 Manaia Road, Tairua (Tairua Library)

Post: Thames-Coromandel District Council
Private Bag 1001, Thames, 3540