

Financials

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Statement of comprehensive revenue and expense

For the year ended 30 June 2025

Revenue	Note	Actual 2025 \$000's	Budget 2025 \$000's	Actual 2024 \$000's
Rates revenue	4	103,938	104,997	89,024
Subsidies and grants	6	55,413	60,714	16,237
Finance revenue	8	2,084	270	1,902
Financial Contributions	7	13,741	13,412	10,801
Fees and Charges	7	10,916	9,514	11,074
Other revenue	7	15,805	6,949	14,945
Revenue Total		201,897	195,856	143,983
Expenditure				
Personnel Costs	10	(33,622)	(34,084)	(31,218)
Depreciation and amortisation expense	9	(30,477)	(29,101)	(28,787)
Finance costs	8	(7,141)	(7,605)	(5,241)
Other expenses	11	(78,520)	(69,536)	(84,108)
Expenditure total		(149,760)	(140,326)	(149,354)
Share of associate's surplus/(deficit)		(141)	-	(84)
Net Surplus/(deficit)		51,996	55,530	(5,455)
Other comprehensive revenue and expense				
Gain on LGFA share revaluation	28	713	-	609
Gains/(losses) on carbon credit revaluations	28	269	-	320
Gains/(losses) on asset revaluations	28	(10,064)	29,674	911
Total other comprehensive revenue and expense for the year		(9,082)	29,674	1,841
Total comprehensive revenue and expense		42,914	85,204	(3,614)

The accompanying notes form an integral part of these financial statements.

Statement of financial position

As at 30 June 2025

Assets	Note	Actual 2025 \$000's	Budget 2025 \$000's	Actual 2024 \$000's
Current assets				
Cash and cash equivalents	12	17,337	15,137	10,975
Receivables	13	30,821	17,760	22,957
Prepayments	14	1,662	263	2,224
Derivative financial instruments	15	-	-	54
Non-current assets held for sale	16	228	-	-
Total current assets		50,048	33,159	36,210
Non-current assets				
Derivative financial instruments	15	607	2,580	1,965
Other financial assets	17	14,529	12,965	13,940
Investments in associates	18	288	512	429
Property, plant and equipment	20	1,979,641	2,070,477	1,877,315
Intangible assets	22	3,602	5,495	3,715
Forestry assets	23	4,644	8,349	4,159
Investment in CCO's and other similar entities	19	15,834	5,560	11,610
Total non-current assets		2,019,145	2,105,938	1,913,133
Total assets		2,069,193	2,139,097	1,949,344
Liabilities				
Current liabilities				
Payables	24	48,474	24,544	35,337
Employee entitlements	26	3,704	4,367	3,679
Provisions	27	32	313	1,903
Borrowings and other financial liabilities	25	41,337	15,000	35,000
Total current liabilities		93,547	44,224	75,919
Non-current liabilities				
Derivative financial instruments	15	469	-	-
Employee entitlements	26	6	20	13
Provisions	27	211	262	272
Borrowings and other financial liabilities	25	135,000	164,391	80,000
Total non-current liabilities		135,686	164,673	80,285
Total liabilities		229,233	208,897	156,204
Net assets		1,839,960	1,930,200	1,793,140
Equity				
Accumulated funds	28	1,032,194	1,129,481	985,739
Reserves	28	807,766	800,719	807,398
Total equity		1,839,960	1,930,200	1,793,140

The accompanying notes form an integral part of these financial statements.

Statement of changes in net assets/equity

For the year ended 30 June 2025

	Note	Actual 2025 \$000's	Budget 2025 \$000's	Actual 2024 \$000's
Balance at 1 July		1,793,140	1,844,996	1,797,537
Net surplus/(deficit)		51,996	55,530	(5,455)
Gains/(losses) on asset revaluations		(10,064)	29,674	1,841
Gain on revaluation of carbon credits		269	-	-
Gain on LGFA shareholding		713	-	-
Total comprehensive revenue and expense		42,914	85,204	(3,614)
Transfers to/(from) Reserves		-	-	(783)
Amendment to revaluation reserve		3,906	-	-
Balance at 30 June	28	1,839,960	1,930,200	1,793,140

The accompanying notes form an integral part of these financial statements.

Statement of cash flows

For the year ended 30 June 2025

	Note	Actual 2025 \$000's	Budget 2025 \$000's	Actual 2024 \$000's
Cash flows from operating activities				
Receipts from rates revenue		101,437	104,997	86,742
Subsidies and grants received		55,412	60,714	16,237
Development and financial contributions received		13,741	13,412	10,802
Fees and charges received		10,917	9,514	11,073
Interest received		1,182	270	949
Dividends received		159	-	150
Receipts from other revenue		2,949	4,461	10,535
Total operating cash provided		185,797	193,368	136,488
Payments to suppliers		(68,909)	(69,385)	(66,005)
Payments to employees		(33,673)	(33,863)	(31,692)
Interest paid		(7,141)	(7,605)	(5,241)
GST (net)		354	-	(3,531)
Total operating cashflow applied		(109,369)	(110,854)	(106,469)
Net cash flow from operating activities		76,428	82,515	30,019
Cash flows from investing activities				
Receipts from sale of property, plant and equipment		11,494	-	(948)
Total investing cash provided		11,494	-	(948)
Purchase of property, plant and equipment		(138,049)	(126,233)	(57,814)
Acquisition of investments		(3,510)	(1,093)	(422)
Total investing cash applied		(141,559)	(127,326)	(58,236)
Net cash flow from investing activities		(130,065)	(127,326)	(59,184)
Cash flows from financing activities				
Proceeds from borrowings		95,000	44,811	40,000
Repayment from borrowings		(35,000)	-	(15,000)
Net cash flow from financing activities		60,000	44,811	25,000
Net increase/(decrease) in cash equivalents, and bank overdrafts		6,363	-	(4,166)
Cash, cash equivalents, and bank overdrafts at the beginning of the year		10,974	15,137	15,140
Cash, cash equivalents, and bank overdrafts at the end of the year	12	17,337	15,137	10,975

The accompanying notes form an integral part of these financial statements.

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

	Actual 2025 \$000's	Actual 2024 \$000's
Surplus/(deficit) after tax	51,996	(5,455)
Add/(less) non-cash items		
Share of associate's surplus	141	84
Depreciation and amortisation expense	30,476	28,787
Property, plant and equipment impairment	2,415	-
Vested assets	(6,375)	(5,378)
Gain on disposal	670	(54)
(Gains)/losses in fair value of forestry assets	(485)	426
Unrealised interest on other financial assets at fair value through profit and loss	(917)	(804)
Change in fair value of loans	183	48
Change in fair value of shares	(83)	(36)
(Gains)/losses on derivative financial instruments	1,881	561
Other items	-	(4)
Total non-cash items	27,907	23,628
Add/(less) items classified as investing or financing activities		
(Gains)/losses on disposal of property, plant and equipment	(2,678)	6,232
Total items classified as investing or financing activities	(2,678)	6,232
Add/(less) movements in working capital items		
(Increase)/decrease in receivables	(7,864)	(4,652)
(Increase)/decrease in prepayments	561	(1,347)
Increase/(decrease) in payables	8,419	9,555
Increase/(decrease) in provisions	(1,931)	1,590
Increase/(decrease) in employee entitlements	18	468
Net movement in working capital items	(797)	5,614
Net cash inflow/(outflow) from operating activities	76,428	30,019

Reconciliation of movements in liabilities arising from financing activities

	Cash movements \$000's	Non cash movements \$000's	Total \$000's
2024			
Balance as at 1 July 2023	90,000	-	90,000
Proceeds from borrowings	40,000	-	40,000
Repayment of borrowings	(15,000)	-	(15,000)
Balance as at 30 June 2024	115,000	-	115,000
2025			
Balance as at 1 July 2024	115,000	-	115,000
Proceeds from borrowings	96,337	-	96,337
Repayment of borrowings	(35,000)	-	(35,000)
Balance as at 30 June 2025	176,337	-	176,337

Communities

Funding Impact Statement for 30 June 2025

Sources of operating funding	Long Term Plan 2024 \$000's	Long Term Plan 2025 \$000's	Annual Report 2025 \$000's
General rates, uniform annual general charge, rates penalties	6,298	8,735	10,249
Targeted rates	3,298	2,253	738
Subsidies and grants for operating purposes	-	-	736
Fees and charges	84	1,012	346
Internal charges and overheads recovered	512	1,637	1,637
Local authorities for fuel tax, fines, infringement fees, and other receipts	535	5	948
Total sources of operating funding	10,727	13,642	14,654
Applications of operating funding			
Payments to staff and suppliers	(6,456)	(8,697)	(9,149)
Finance costs	-	(39)	(237)
Internal charges and overheads applied	(3,607)	(4,222)	(4,222)
Other operating funding applications	-	-	-
Total applications of operating funding	(10,063)	(12,958)	(13,608)
Surplus/(deficit) of operating funding	664	685	1,046
Sources of capital funding			
Subsidies and grants for capital expenditure	-	216	5,834
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(85)	641	4,877
Gross proceeds from sale of assets	-	-	1
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(85)	857	10,712
Applications of capital funding			
Capital expenditure:			
• To meet additional demand	(547)	(635)	(4,151)
• To improve the level of service	(53)	(204)	(192)
• To replace existing assets	(453)	(737)	(7,688)
(Increase)/decrease in reserves	474	34	273
(Increase)/decrease of investments	-	-	-
Total applications of capital funding	(579)	(1,542)	(11,758)
Surplus/(deficit) of capital funding	(664)	(685)	(1,046)
Funding balance	-	-	-



Economic Development

Funding Impact Statement for 30 June 2025

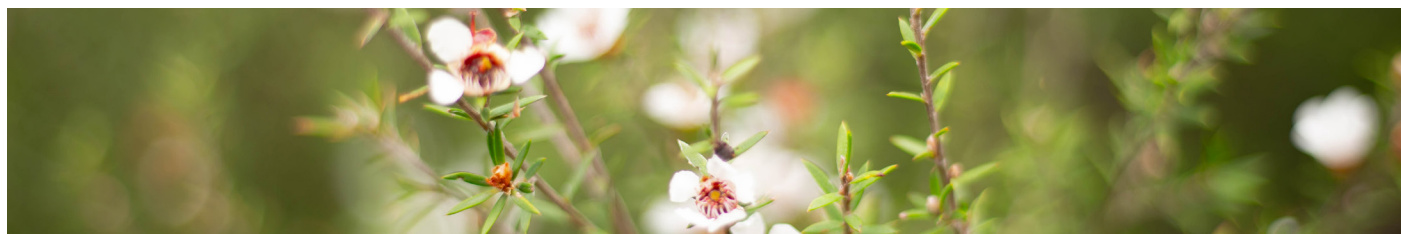
Sources of operating funding	Long Term Plan 2024 \$000's	Long Term Plan 2025 \$000's	Annual Report 2025 \$000's
General rates, uniform annual general charge, rates penalties	780	63	429
Targeted rates	392	429	425
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities for fuel tax, fines, infringement fees, and other receipts	-	-	102
Total sources of operating funding	1,172	493	956
Applications of operating funding			
Payments to staff and suppliers	(786)	(830)	(821)
Finance costs	-	(82)	-
Internal charges and overheads applied	(61)	(111)	(111)
Other operating funding applications	-	-	-
Total applications of operating funding	(847)	(1,023)	(932)
Surplus/(deficit) of operating funding	325	(531)	24
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	-	-	397
Gross proceeds from sale of assets	-	-	507
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	-	904
Applications of capital funding			
Capital expenditure:			
• To meet additional demand	(864)	(486)	(41)
• To improve the level of service	-	-	-
• To replace existing assets	-	-	-
(Increase)/decrease in reserves	539	1,017	(887)
(Increase)/decrease of investments	-	-	-
Total applications of capital funding	(325)	531	(928)
Surplus/(deficit) of capital funding	(325)	531	(24)
Funding balance	-	-	-



Natural Environment and Sustainable Living

Funding Impact Statement for 30 June 2025

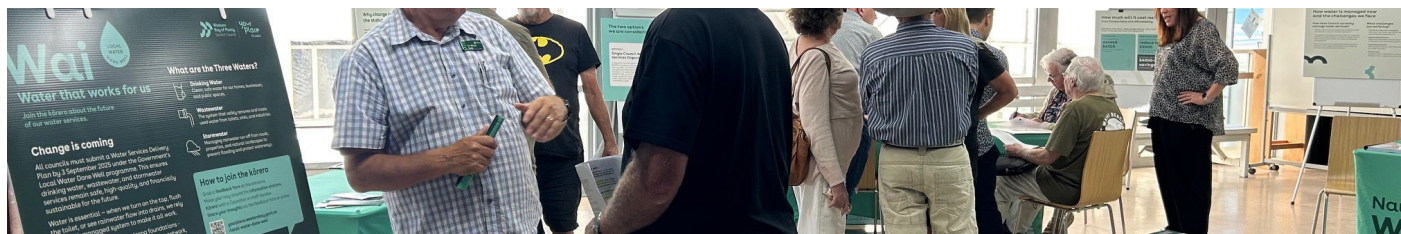
Sources of operating funding	Long Term Plan 2024 \$000's	Long Term Plan 2025 \$000's	Annual Report 2025 \$000's
General rates, uniform annual general charge, rates penalties	398	432	432
Targeted rates	612	773	801
Subsidies and grants for operating purposes	-	60	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities for fuel tax, fines, infringement fees, and other receipts	-	-	86
Total sources of operating funding	1,010	1,265	1,319
Applications of operating funding			
Payments to staff and suppliers	(1,299)	(1,522)	(1,438)
Finance costs	-	(69)	(7)
Internal charges and overheads applied	(84)	(109)	(109)
Other operating funding applications	-	-	-
Total applications of operating funding	(1,384)	(1,699)	(1,554)
Surplus/(deficit) of operating funding	(374)	(435)	(235)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	149
Increase/(decrease) in debt	-	-	(87)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	-	62
Applications of capital funding			
Capital expenditure:			
• To meet additional demand	-	-	-
• To improve the level of service	-	-	-
• To replace existing assets	-	-	-
(Increase)/decrease in reserves	374	435	173
(Increase)/decrease of investments	-	-	-
Total applications of capital funding	374	435	173
Surplus/(deficit) of capital funding	374	435	235
Funding balance	-	-	-



Planning for the future

Funding Impact Statement for 30 June 2025

Sources of operating funding	Long Term Plan 2024 \$000's	Long Term Plan 2025 \$000's	Annual Report 2025 \$000's
General rates, uniform annual general charge, rates penalties	4,337	4,640	4,640
Targeted rates	13	-	-
Subsidies and grants for operating purposes	-	-	20
Fees and charges	-	-	228
Internal charges and overheads recovered	-	-	-
Local authorities for fuel tax, fines, infringement fees, and other receipts	-	-	34
Total sources of operating funding	4,350	4,640	4,922
Applications of operating funding			
Payments to staff and suppliers	(3,295)	(3,527)	(2,769)
Finance costs	-	1	-
Internal charges and overheads applied	(1,042)	(1,212)	(1,212)
Other operating funding applications	-	-	-
Total applications of operating funding	(4,337)	(4,739)	(3,981)
Surplus/(deficit) of operating funding	13	(99)	941
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure:			
• To meet additional demand	-	-	-
• To improve the level of service	-	-	-
• To replace existing assets	-	-	-
(Increase)/decrease in reserves	(13)	99	(941)
(Increase)/decrease of investments	-	-	-
Total applications of capital funding	(13)	99	(941)
Surplus/(deficit) of capital funding	(13)	99	(941)
Funding balance	-	-	-



Recreation and Open Spaces

Funding Impact Statement for 30 June 2025

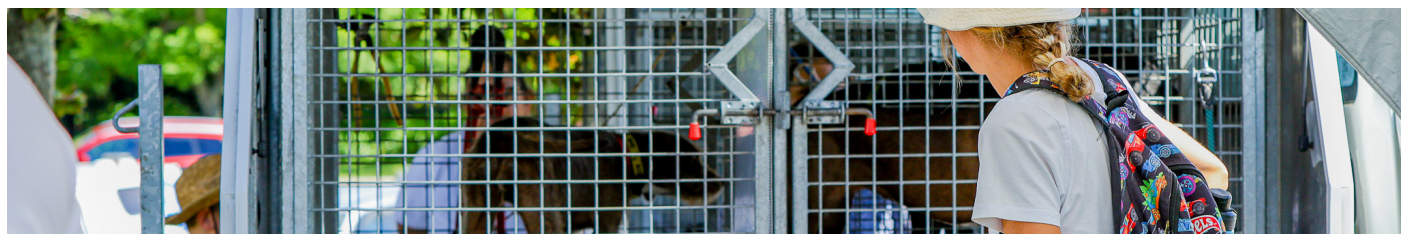
Sources of operating funding	Long Term Plan 2024 \$000's	Long Term Plan 2025 \$000's	Annual Report 2025 \$000's
General rates, uniform annual general charge, rates penalties	9,144	10,859	10,859
Targeted rates	444	-	2
Subsidies and grants for operating purposes	866	303	128
Fees and charges	21	62	60
Internal charges and overheads recovered	1,935	2,112	2,112
Local authorities for fuel tax, fines, infringement fees, and other receipts	829	542	4,509
Total sources of operating funding	13,239	13,878	17,670
Applications of operating funding			
Payments to staff and suppliers	(6,415)	(7,851)	(9,283)
Finance costs	-	(404)	(346)
Internal charges and overheads applied	(3,218)	(4,097)	(4,097)
Other operating funding applications	-	-	-
Total applications of operating funding	(9,634)	(12,352)	(13,726)
Surplus/(deficit) of operating funding	3,605	1,526	3,944
Sources of capital funding			
Subsidies and grants for capital expenditure	722	1,283	152
Development and financial contributions	4,558	1,750	3,121
Increase/(decrease) in debt	5,121	(1,099)	(1,412)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	10,401	1,934	1,861
Applications of capital funding			
Capital expenditure:			
• To meet additional demand	(6,490)	(131)	(3,769)
• To improve the level of service	(7,098)	(4,353)	(1,179)
• To replace existing assets	(4,881)	(4,399)	(2,689)
(Increase)/decrease in reserves	4,463	5,422	1,832
(Increase)/decrease of investments	-	-	-
Total applications of capital funding	(14,006)	(3,460)	(5,805)
Surplus/(deficit) of capital funding	(3,605)	(1,526)	(3,944)
Funding balance	-	-	-



Regulatory Services

Funding Impact Statement for 30 June 2025

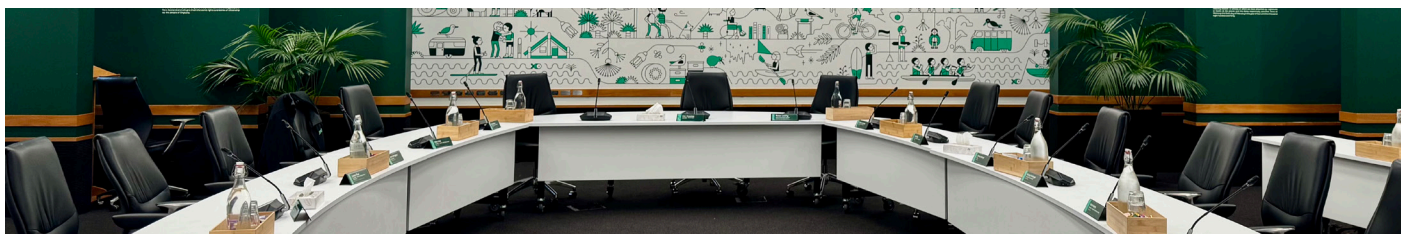
Sources of operating funding	Long Term Plan 2024 \$000's	Long Term Plan 2025 \$000's	Annual Report 2025 \$000's
General rates, uniform annual general charge, rates penalties	5,188	6,725	6,725
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	7,614	8,236	8,830
Internal charges and overheads recovered	1,280	1,089	1,089
Local authorities for fuel tax, fines, infringement fees, and other receipts	287	356	308
Total sources of operating funding	14,370	16,406	16,952
Applications of operating funding			
Payments to staff and suppliers	(9,130)	(10,145)	(10,529)
Finance costs	-	2	(2)
Internal charges and overheads applied	(5,195)	(6,193)	(6,193)
Other operating funding applications	-	-	-
Total applications of operating funding	(14,325)	(16,336)	(16,724)
Surplus/(deficit) of operating funding	45	69	228
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	-	-	56
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	-	56
Applications of capital funding			
Capital expenditure:			
• To meet additional demand	-	-	-
• To improve the level of service	-	-	-
• To replace existing assets	-	-	-
(Increase)/decrease in reserves	(45)	(69)	(284)
(Increase)/decrease of investments	-	-	-
Total applications of capital funding	(45)	(69)	(284)
Surplus/(deficit) of capital funding	(45)	(69)	(228)
Funding balance	-	-	-



Representation

Funding Impact Statement for 30 June 2025

Sources of operating funding	Long Term Plan 2024 \$000's	Long Term Plan 2025 \$000's	Annual Report 2025 \$000's
General rates, uniform annual general charge, rates penalties	3,015	3,819	3,819
Targeted rates	-	447	450
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	12
Internal charges and overheads recovered	1,117	1,159	1,159
Local authorities for fuel tax, fines, infringement fees, and other receipts	-	-	-
Total sources of operating funding	4,132	5,424	5,440
Applications of operating funding			
Payments to staff and suppliers	(1,834)	(2,424)	(2,156)
Finance costs	-	1	-
Internal charges and overheads applied	(2,249)	(2,993)	(2,993)
Other operating funding applications	-	-	-
Total applications of operating funding	(4,083)	(5,416)	(5,149)
Surplus/(deficit) of operating funding	49	8	291
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure:			
• To meet additional demand	-	-	-
• To improve the level of service	(37)	-	-
• To replace existing assets	-	-	-
(Increase)/decrease in reserves	(12)	(8)	(291)
(Increase)/decrease of investments	-	-	-
Total applications of capital funding	(49)	(8)	(291)
Surplus/(deficit) of capital funding	(49)	(8)	(291)
Funding balance	-	-	-



Solid Waste

Funding Impact Statement for 30 June 2025

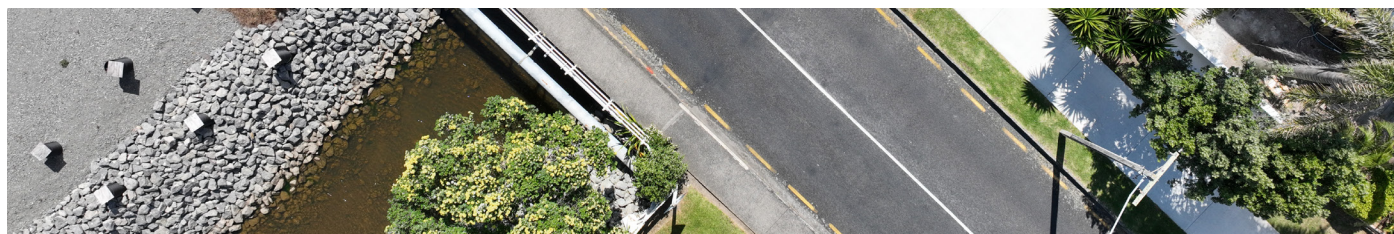
Sources of operating funding	Long Term Plan 2024 \$000's	Long Term Plan 2025 \$000's	Annual Report 2025 \$000's
General rates, uniform annual general charge, rates penalties	147	817	817
Targeted rates	3,608	3,792	4,271
Subsidies and grants for operating purposes	185	145	-
Fees and charges	753	627	571
Internal charges and overheads recovered	-	-	-
Local authorities for fuel tax, fines, infringement fees, and other receipts	3	173	356
Total sources of operating funding	4,696	5,555	6,015
Applications of operating funding			
Payments to staff and suppliers	(4,575)	(4,520)	(4,041)
Finance costs	-	(241)	-
Internal charges and overheads applied	(690)	(1,006)	(1,006)
Other operating funding applications	-	-	-
Total applications of operating funding	(5,265)	(5,766)	(5,047)
Surplus/(deficit) of operating funding	(569)	(212)	968
Sources of capital funding			
Subsidies and grants for capital expenditure	-	40	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	-	-	3,547
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	40	3,547
Applications of capital funding			
Capital expenditure:			
• To meet additional demand	-	-	(4)
• To improve the level of service	-	(40)	-
• To replace existing assets	-	-	-
(Increase)/decrease in reserves	569	212	(4,511)
(Increase)/decrease of investments	-	-	-
Total applications of capital funding	569	172	(4,515)
Surplus/(deficit) of capital funding	569	212	(968)
Funding balance	-	-	-



Stormwater

Funding Impact Statement for 30 June 2025

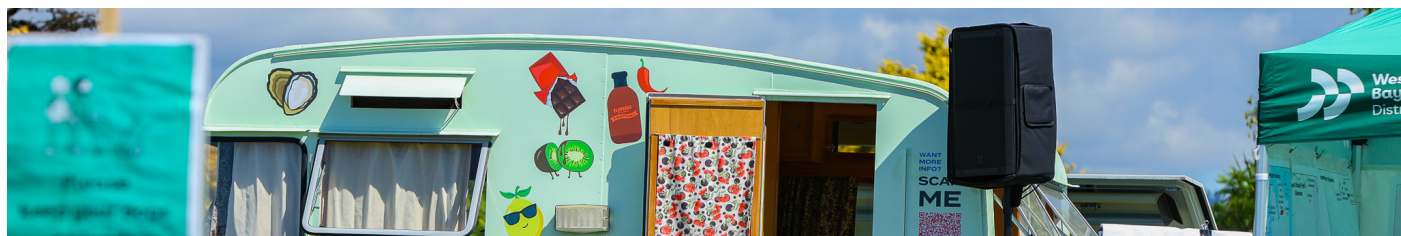
Sources of operating funding	Long Term Plan 2024 \$000's	Long Term Plan 2025 \$000's	Annual Report 2025 \$000's
General rates, uniform annual general charge, rates penalties	736	780	780
Targeted rates	4,914	6,708	7,527
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	6
Internal charges and overheads recovered	-	-	-
Local authorities for fuel tax, fines, infringement fees, and other receipts	-	-	949
Total sources of operating funding	5,650	7,488	9,262
Applications of operating funding			
Payments to staff and suppliers	(1,328)	(1,564)	(1,607)
Finance costs	-	(2,431)	(3,885)
Internal charges and overheads applied	(840)	(1,062)	(1,062)
Other operating funding applications	-	-	-
Total applications of operating funding	(2,168)	(5,056)	(6,554)
Surplus/(deficit) of operating funding	3,482	2,432	2,708
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	1,637	2,706	662
Increase/(decrease) in debt	4,214	799	(589)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	320	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	6,171	3,505	73
Applications of capital funding			
Capital expenditure:			
• To meet additional demand	(2,136)	(10,673)	(7,960)
• To improve the level of service	(3,185)	(1,013)	(618)
• To replace existing assets	(3,580)	(1,990)	(3,029)
(Increase)/decrease in reserves	(752)	7,739	8,826
(Increase)/decrease of investments	-	-	-
Total applications of capital funding	(9,653)	(5,936)	(2,781)
Surplus/(deficit) of capital funding	(3,482)	(2,432)	(2,708)
Funding balance	-	-	-



Support Services

Funding Impact Statement for 30 June 2025

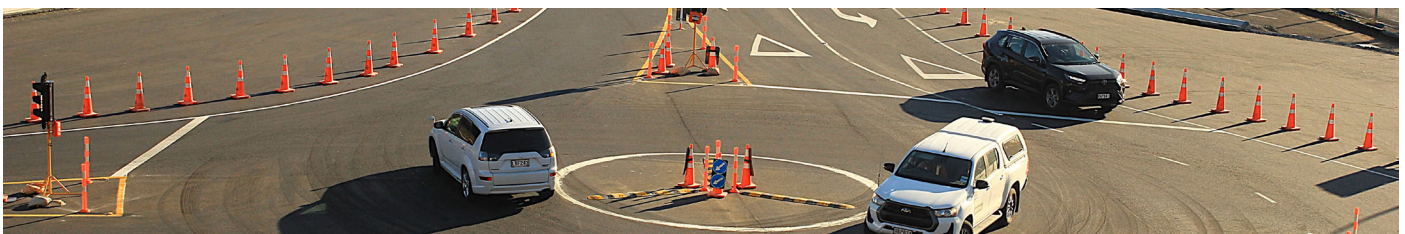
Sources of operating funding	Long Term Plan 2024 \$000's	Long Term Plan 2025 \$000's	Annual Report 2025 \$000's
General rates, uniform annual general charge, rates penalties	5,671	4,911	809
Targeted rates	1,474	-	8
Subsidies and grants for operating purposes	-	-	462
Fees and charges	329	302	475
Internal charges and overheads recovered	21,824	26,245	26,245
Local authorities for fuel tax, fines, infringement fees, and other receipts	1,044	774	(4,795)
Total sources of operating funding	30,343	32,232	23,204
Applications of operating funding			
Payments to staff and suppliers	(23,865)	(27,051)	(26,446)
Finance costs	(6,057)	724	6,740
Internal charges and overheads applied	(3,327)	(3,698)	(3,698)
Other operating funding applications	-	-	-
Total applications of operating funding	(33,249)	(30,026)	(23,404)
Surplus/(deficit) of operating funding	(2,906)	2,206	(200)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	22,099	31,943	19,335
Gross proceeds from sale of assets	-	-	2,393
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	22,099	31,943	21,728
Applications of capital funding			
Capital expenditure:			
• To meet additional demand	(761)	-	(108)
• To improve the level of service	(846)	(671)	(1,062)
• To replace existing assets	(1,683)	(781)	(656)
(Increase)/decrease in reserves	(10,871)	(31,604)	(15,458)
(Increase)/decrease of investments	(5,031)	(1,093)	(4,244)
Total applications of capital funding	(19,193)	(34,149)	(21,528)
Surplus/(deficit) of capital funding	2,906	(2,206)	200
Funding balance	-	-	-



Transportation

Funding Impact Statement for 30 June 2025

Sources of operating funding	Long Term Plan 2024 \$000's	Long Term Plan 2025 \$000's	Annual Report 2025 \$000's
General rates, uniform annual general charge, rates penalties	53	2,710	2,709
Targeted rates	16,678	19,964	19,932
Subsidies and grants for operating purposes	9,557	9,533	11,666
Fees and charges	11	280	196
Internal charges and overheads recovered	-	-	-
Local authorities for fuel tax, fines, infringement fees, and other receipts	438	-	2,034
Total sources of operating funding	26,737	32,486	36,537
Applications of operating funding			
Payments to staff and suppliers	(14,022)	(19,527)	(22,889)
Finance costs	-	(868)	(2,129)
Internal charges and overheads applied	(1,487)	(1,624)	(1,624)
Other operating funding applications	-	-	-
Total applications of operating funding	(15,509)	(22,020)	(26,642)
Surplus/(deficit) of operating funding	11,228	10,467	9,895
Sources of capital funding			
Subsidies and grants for capital expenditure	3,809	43,901	35,232
Development and financial contributions	4,245	3,703	5,795
Increase/(decrease) in debt	1,496	4,018	12,765
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	1,490	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	11,039	51,622	53,792
Applications of capital funding			
Capital expenditure:			
• To meet additional demand	(14,527)	(50,224)	(36,198)
• To improve the level of service	(9,310)	(7,884)	(7,559)
• To replace existing assets	(4,316)	(14,852)	(18,806)
(Increase)/decrease in reserves	5,886	10,871	(1,124)
(Increase)/decrease of investments	-	-	-
Total applications of capital funding	(22,267)	(62,089)	(63,687)
Surplus/(deficit) of capital funding	(11,228)	(10,467)	(9,895)
Funding balance	-	-	-



Wastewater

Funding Impact Statement for 30 June 2025

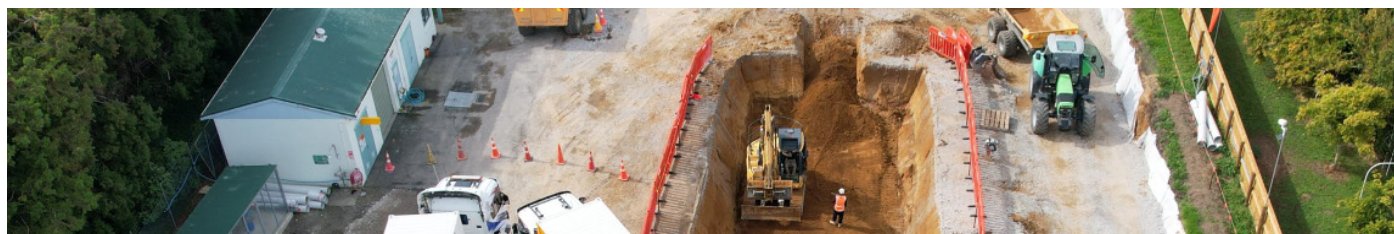
Sources of operating funding	Long Term Plan 2024 \$000's	Long Term Plan 2025 \$000's	Annual Report 2025 \$000's
General rates, uniform annual general charge, rates penalties	-	-	589
Targeted rates	12,439	13,995	14,142
Subsidies and grants for operating purposes	-	-	-
Fees and charges	2	52	95
Internal charges and overheads recovered	-	-	-
Local authorities for fuel tax, fines, infringement fees, and other receipts	51	2,000	2,290
Total sources of operating funding	12,492	16,047	17,116
Applications of operating funding			
Payments to staff and suppliers	(6,168)	(8,294)	(8,801)
Finance costs	-	(2,707)	(4,646)
Internal charges and overheads applied	(2,291)	(2,644)	(2,644)
Other operating funding applications	-	-	-
Total applications of operating funding	(8,459)	(13,644)	(16,091)
Surplus/(deficit) of operating funding	4,033	2,403	1,025
Sources of capital funding			
Subsidies and grants for capital expenditure	1,068	3,727	-
Development and financial contributions	1,802	3,309	2,543
Increase/(decrease) in debt	1,237	2,660	7,239
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	363	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	4,470	9,697	9,782
Applications of capital funding			
Capital expenditure:			
• To meet additional demand	(1,695)	-	(4,134)
• To improve the level of service	(64)	(11,965)	(1,934)
• To replace existing assets	(7,854)	(1,880)	(8,172)
(Increase)/decrease in reserves	1,110	1,746	3,434
(Increase)/decrease of investments	-	-	-
Total applications of capital funding	(8,503)	(12,099)	(10,807)
Surplus/(deficit) of capital funding	(4,033)	(2,403)	(1,025)
Funding balance	-	-	-



Water Supply

Funding Impact Statement for 30 June 2025

Sources of operating funding	Long Term Plan 2024 \$000's	Long Term Plan 2025 \$000's	Annual Report 2025 \$000's
General rates, uniform annual general charge, rates penalties	-	-	-
Targeted rates	12,342	12,145	12,783
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	96
Internal charges and overheads recovered	-	-	-
Local authorities for fuel tax, fines, infringement fees, and other receipts	43	-	185
Total sources of operating funding	12,385	12,145	13,064
Applications of operating funding			
Payments to staff and suppliers	(7,281)	(7,669)	(7,743)
Finance costs	-	(1,491)	(2,627)
Internal charges and overheads applied	(2,578)	(3,271)	(3,271)
Other operating funding applications	-	-	-
Total applications of operating funding	(9,859)	(12,431)	(13,641)
Surplus/(deficit) of operating funding	2,526	(286)	(576)
Sources of capital funding			
Subsidies and grants for capital expenditure	5,020	1,506	1,182
Development and financial contributions	1,886	1,944	1,472
Increase/(decrease) in debt	1,917	5,849	13,871
Gross proceeds from sale of assets	-	-	1,012
Lump sum contributions	214	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	9,037	9,299	17,537
Applications of capital funding			
Capital expenditure:			
• To meet additional demand	(7,690)	(1,903)	(9,511)
• To improve the level of service	(609)	(7,822)	(10,076)
• To replace existing assets	(2,702)	(3,591)	(6,331)
(Increase)/decrease in reserves	(563)	4,303	8,957
(Increase)/decrease of investments	-	-	-
Total applications of capital funding	(11,563)	(9,013)	(16,961)
Surplus/(deficit) of capital funding	(2,526)	286	576
Funding balance	-	-	-



Whole of Council

Funding Impact Statement for 30 June 2025

Sources of operating funding	Annual Plan 2024 \$000's	Annual Report 2024 \$000's	Annual Plan 2025 \$000's	Annual Report 2025 \$000's
General rates, uniform annual general charge, rates penalties	33,804	32,780	44,491	42,857
Targeted rates	58,359	56,244	60,506	61,081
Subsidies and grants for operating purposes	12,888	12,456	10,041	13,012
Fees and charges	11,289	11,073	10,571	10,917
Interest and dividends from investments	278	1,903	270	1,167
Local authorities for fuel tax, fines, infringement fees, and other receipts	3,112	9,513	3,581	5,840
Total sources of operating funding	119,730	123,970	129,459	134,873
Applications of operating funding				
Payments to staff and suppliers	(94,041)	(104,088)	(103,620)	(107,673)
Finance costs	(5,885)	(5,241)	(7,605)	(7,141)
Other operating funding applications	-	-	-	-
Total applications of operating funding	(99,926)	(109,329)	(111,225)	(114,814)
Surplus/(deficit) of operating funding	19,803	14,641	18,234	20,058
Sources of capital funding				
Subsidies and grants for capital expenditure	25,673	3,780	50,673	42,400
Development and financial contributions	12,011	10,802	13,412	13,741
Increase/(decrease) in debt	38,353	25,000	44,811	60,000
Gross proceeds from sale of assets	880	(720)	-	3,913
Lump sum contributions	2,428	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	79,345	38,862	108,896	120,053
Applications of capital funding				
Capital expenditure:				
• To meet additional demand	(79,079)	(38,244)	(62,250)	(65,876)
• To improve the level of service	(26,748)	(4,972)	(35,754)	(22,621)
• To replace existing assets	(14,523)	(15,171)	(28,229)	(47,370)
(Increase)/decrease in reserves	25,581	6,879	196	-
(Increase)/decrease of investments	(4,378)	(1,994)	(1,093)	(4,244)
Total applications of capital funding	(99,147)	(53,503)	(127,130)	(140,111)
Surplus/(deficit) of capital funding	(19,803)	(14,641)	(18,234)	(20,058)
Funding balance	-	-	-	-



Whole of Council - Reconciliation of summary funding impact statement to statement of comprehensive income and expense

Funding Impact Statement for 30 June 2025

	Actual 2025 \$000's	Actual 2024 \$000's
Total sources of operating funding per Funding Impact Statement	134,873	123,970
Add: Subsidies and grants for capital expenditure	42,400	3,781
Add: Financial Contributions	13,741	10,802
Total	191,014	138,552
Total revenue per Statement of Comprehensive Revenue and Expense	201,897	143,984
Less: Gain on disposal and revaluation gains	(3,508)	(54)
Less: Financial assets at fair value through other comprehensive revenue	(917)	-
Less: Change in fair value of shares	(83)	-
Less: Vested and found assets revenue	(6,375)	(5,378)
Total	191,014	138,552
Total application of operation funding per Funding Impact Statement	114,814	109,329
Total expenditure per Statement of Comprehensive Revenue and Expense	149,760	149,354
Less: Depreciation and amortisation	(30,476)	(28,787)
Less: Provision for doubtful debts	440	(45)
Less: Unrealised hedging movement on interest rate swaps	(1,881)	(561)
Less: Change in fair value of shares	-	(36)
Less: Change in fair value of loans	(183)	(48)
Less: Asset revaluation losses	(345)	(3,890)
Less: Forestry revaluation losses	-	(426)
Less: Loss on disposal of property, plant and equipment	(670)	(6,232)
Less: Impairment of property, plant and equipment	(1,831)	-
Total	114,814	109,329
Net variance	-	-



Notes to the financial statements

Basis of reporting

This section contains the significant accounting policies of the Council and the group that relates to the financial statements as a whole.

Significant accounting policies are also included in the related note disclosures.

1. Statement of accounting policies for the year ended 30 June 2025

1.1 Reporting entity

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

The Council's principal address is 1484 Cameron Road, Greerton, Tauranga.

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

The Council has designated itself as a public benefit entity (PBE) for reporting purposes and applies Tier 1 PBE accounting standards. These standards are based on International Public Sector Accounting Standards (IPSAS) with amendments for the New Zealand environment.

The financial statements of the Council are for the year ended 30 June 2025. The financial statements were authorised for issue by Council on 25 November 2025.

1.2 Adoption date

Under section 98(3) of the Local Government Act 2002 the Annual Report must be completed and adopted by 31 October 2025. The Council has not complied with this requirement and is in breach of the Act. This is a result of the timing of the interregnum period for Council, with there being no opportunity for adoption by Council during this period. Council adopted the Annual Report on 25 November 2025 at the first business meeting of the new Council.

2. Summary of significant accounting policies

2.1 Basis of preparation

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

Statement of compliance

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014 which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements and service performance information have been prepared in accordance with Tier 1 Public Benefit Entity (PBE) accounting standards.

Presentation of currency and rounding

The financial statements are presented in New Zealand dollars and all value are rounded to the nearest thousand dollars (\$000), other than the remuneration and the severance payment disclosures in Note 33 and Note 34. The remuneration and severance payments are rounded to the nearest dollar.

Measurement base

The financial statements have been prepared on a historical cost basis, except where modified by the revaluation of land and buildings, certain infrastructural assets, investment property, forestry assets, and certain financial instruments (including derivative instruments).

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 GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

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 the IRD, including the GST relating to investing and financing activities, is classified as operating cashflow in the statement of cashflows.

Commitments and contingencies are disclosed exclusive of GST.

Cost allocation

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

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

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity or usage information. Depreciation is charged on the basis of asset utilisation. Personnel costs are charged on the basis of actual time incurred. Property and other premises costs, such as maintenance, are charged on the basis of floor area occupied for the production of each significant activity. Other indirect costs are assigned to significant activities based on the proportion of direct staff costs for each significant activity.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

Standards and amendments issued that have been applied

Critical accounting estimates

In preparing these financial statements, estimates and assumptions have been made concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

- Estimating the fair value of land and buildings, and infrastructure assets - Note 20
- Estimating the fair value of forestry assets - Note 23
- Estimating the retirement and long service leave obligations - Note 26
- Estimating the landfill aftercare provision - Note 27

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

The Council has received land and buildings from non-exchange transactions that contain use or return conditions. If revenue is not recognised immediately for such assets when received, there is the possibility that a liability would be recognised in perpetuity and no revenue would ever be recognised for the asset received.

The Council considers that an acceptable and more appropriate accounting treatment under PBE IPSAS 23 is to recognise revenue immediately for such transfers and a liability is not recognised until such time as it is expected that the condition will be breached.

Classification of property

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

Treatment of airport land

The airport land consists of some 225 hectares of land of which some 86 hectares is jointly owned by Tauranga City Council (TCC) and Western Bay of Plenty District Council. TCC are the legal owners of the land and Western Bay of Plenty District Council are the beneficial or equitable owners of the jointly owned land. The jointly acquired land is held by TCC on trust for itself and Western Bay of Plenty District Council. As the legal owner TCC must exercise its rights of ownership in terms of the trust and for the benefit of the trustees.

The terms of the trust are that TCC may use the jointly acquired land rent free provided the land is used as an airport. In the event that the jointly own airport land is sold and the principal use of the land is no longer an airport then a liability to Western Bay of Plenty District Council is created for the sale price of the jointly owned land at that point.

2.2 Foreign currency transactions

Foreign currency transactions (including those subject to forward exchange contracts) are translated into New Zealand Dollars (the functional currency) using the spot exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rate of monetary assets and liabilities

denominated in foreign currencies are recognised in the surplus or deficit.

2.3 Water services reform

Central government has been addressing New Zealand's water infrastructure challenges through the Government's Local Water Done Well programme, a programme that aims to improve water quality and update aging infrastructure. The first Act repealed the previous Government's water services legislation. The second Act established the preliminary arrangements for the new water services system. The third Act, the Local Government (Water Services) Act 2025 (the Act) established the enduring settings for the water services system. On the final reading, certain clauses of the Act were split into a separate Act - the Local Government (Water Services) (Repeals and Amendments) Act 2025. These two Acts were given royal assent on 26 August 2025 and came into effect the following day.

Implications of the Local Government (Water Services) Act 2025

The Local Government (Water Services) Act 2025 (the Act) represents a significant shift in the governance, delivery, and regulation of water services, supporting transparency, accountability and financial sustainability of water services entities.

This Act provides for:

- arrangements for the new water services delivery system
- a new economic regulation and consumer protection regime for water services
- changes to the regulatory framework for water quality and to the water services regulator.

Western Bay of Plenty District Council ("the Council") remains committed to strengthening and modernising its wastewater and drinking water systems under the LWDW programme. The core objectives include ensuring continued compliance with national regulatory standards, improving resilience of infrastructure, optimising sustainable funding models, and engaging with communities and tangata whenua in shaping outcomes.

Under the Government's Local Water Done Well (LWDW) regime, all councils are required to prepare and submit a Water Services Delivery Plan (WSDP), outlining how they will deliver safe, compliant, resilient and financially sustainable drinking water, wastewater, and stormwater services over (at least) a 10-year period. Council submitted its WSDP prior to the 3 September 2025 deadline with the plan demonstrating that water services will be financially sustainable by 1 July 2028 as required.

The WSDP includes decisions made by Elected Members to proceed with a jointly owned Council Controlled Organisation with Tauranga City Council.

On the 14 November 2025 Council received acceptance from Central Government on its WSDP. Council continues to work with Tauranga City Council on the due diligence requirements of this plan. This will provide financial and operational clarity, prior to moving to a pre-establishment phase.

The Council will begin transition planning to ensure the new delivery model is fully operational by the statutory deadline of 1 July 2028. An estimate of the financial effect of the decision to deliver water services differently, or a statement such an estimate cannot be reliably made.

3. Summary income and expenditure for group of activities

Income	Actual 2025 \$000's	Actual 2024 \$000's
Representation	4,281	3,979
Planning for the Future	4,922	4,508
Transportation	77,641	36,395
Water Supply	16,999	12,793
Communities	18,851	15,803
Recreation and Open Spaces	19,255	17,341
Regulatory Services	15,914	16,294
Wastewater	21,362	18,080
Solid Waste	6,029	5,237
Stormwater	13,611	9,512
Natural Environment and Sustainable Living	1,467	1,679
Economic Development	956	1,071
Support Services	609	1,291
Total operating income by activity	201,897	143,983
Expenditure		
Representation	4,003	3,846
Planning for the Future	4,239	4,481
Transportation	40,111	32,197
Water Supply	19,741	17,121
Communities	12,964	15,007
Recreation and Open Spaces	14,784	18,426
Regulatory Services	15,775	16,204
Wastewater	21,703	17,950
Solid Waste	5,088	5,062
Stormwater	8,705	6,047
Natural Environment and Sustainable Living	1,553	1,519
Economic Development	943	720
Support Services	151	10,776
Total operating expenditure by activity	149,760	149,354

Each significant activity is stated gross of internal costs and revenues, and includes general and targeted rates attributable to activities (refer to Note 4).

4. Rates revenue

Accounting policy

Rates revenue is classified as non-exchange revenue and is measured at fair value.

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

Rates revenue

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

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 installments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.

- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Rates remissions

Under the Council's remissions policies, remissions are allowed for re-zoned land, land used for sport and games, covenanted land, contiguous land, natural disasters and emergencies, Māori freehold land in multiple ownership and in undeveloped state, water leaks and penalties in certain situations and at Council's discretion.

Non-rateable land

Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. These properties include (but are not limited to) schools, places of religious worship, public gardens, reserves and unused Māori freehold land. These non-rateable properties may be subject to targeted rates in respect of sewerage and water. Non-rateable land does not constitute a remission.

Rates revenue	Actual 2025 \$000's	Actual 2024 \$000's
General rates	42,209	33,240
Targeted rates		
Promotion	470	400
Libraries*	-	3,102
Community Board	450	485
Community Halls	690	533
Solid Waste	4,271	3,540
Sewerage	14,142	12,682
Water Supply	7,129	6,852
Stormwater	7,433	4,858
Roading	19,933	17,671
Environment	895	2,381
Museum*	-	73
Total targeted rates	55,413	52,577
Metered water charges	5,668	3,524
Rates remissions	(1,366)	(1,032)
Rating penalties	2,014	715
Total rates, including targeted water supply rates	103,938	89,024

*As part of Council's LTP 24-34, the Environment Protection Rate, Library Services Rate, Heritage Museum Rate and Roading District Wide Rate were amalgamated into the Uniform Annual General Charge.

5. Rating base information

Rating units, capital value and land value

Rates revenue is the main source of funding for Western Bay of Plenty District Council.

The total number of rating units for 2025 was 24,970 compared with 24,697 for 2024.

The total capital and land valuations for the district are as follows:

	Actual 2025 \$ millions	Actual 2024 \$ millions
Capital value	42,760	41,795
Land value	23,335	22,481

6. Subsidies and grants

Accounting policy

NZ Transport Agency Waka Kotahi roading subsidies

The Council receives funding assistance from the NZ Transport Agency 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.

Grants

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

Subsidies and grants	Actual 2025 \$000's	Actual 2024 \$000's
Bay of Plenty Regional Council	22	100
National Infrastructure Funding and Financing Limited*	25,156	1,128
Department of Internal Affairs	771	434
Ministry for the Environment	-	870
Ministry of Business, Innovation and Employment	237	440
Ministry of Education	536	-
Ministry of Housing and Urban Development	4,874	2,102
New Zealand Transport Agency Waka Kotahi	22,608	11,036
TECT	-	100
Other	1,209	27
Total subsidies and grants	55,413	16,237

*Previously called Crown Infrastructure Partners

There are unfulfilled conditions and other contingencies attached to subsidies and grants recognised.

7. Financial contributions, fees and charges, and other revenue

Accounting policy

Revenue is measured at fair value.

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

Financial contributions

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

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 pools. Revenue from entrance fees is recognised upon entry to such facilities.

Landfill fees

Fees for disposing of waste at the Council's landfill are recognised upon waste being 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 the sale 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 construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (e.g. 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 or 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 released to revenue as the conditions are met (e.g. as the funds are spent for the nominated purpose).

Financial Contributions, Fees and Charges, and Other Revenue

	Actual 2025 \$000's	Actual 2024 \$000's
Financial Contributions		
Recreation and open spaces	3,121	1,930
Transportation	5,795	5,225
Water Supply	1,472	1,394
Stormwater	662	672
Natural Environment	148	126
Wastewater	2,543	1,454
Total financial contributions	13,741	10,801
Fees and charges		
Building and resource consent charges	6,605	6,538
Animal services	837	757
Regulatory compliance	1,339	359
Swimming pool fees	94	76
Waste and refuse	571	597
Other fees and charges income	1,321	1,502
Water and wastewater	149	1,245
Total fees and charges	10,916	11,074
Other revenue		
Petrol tax	349	447
Sale of goods and services	3,630	5,448
Cost recoveries	197	2,282
Rental revenue	1,498	1,196
Fines	165	140
Gain on disposal	3,023	54
Vested assets	6,375	5,378
Change in fair value of shares	83	-
Gain on revaluation of forest	485	-
Total other revenue	15,805	14,945

8. Finance revenue and costs

Accounting policy

Interest and dividends

Interest revenue is recognised using the effective interest method.

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 part of the total of the investment.

Borrowing costs

Borrowing costs are expensed in the financial year in which they are incurred.

	Actual 2025 \$000's	Actual 2024 \$000's
Finance income		
Interest income	1,898	1,727
Dividends	159	150
Rates postponement scheme	27	25
Total finance income	2,084	1,902
Finance costs		
Interest on bank borrowings	(7,636)	(6,105)
Interest received/(paid) on derivatives	495	864
Total finance costs	(7,141)	(5,241)
Net finance income/(costs)	(5,057)	(3,339)

9. Depreciation and amortisation expense by group of activity - LG(FRP)R 5(4)

Directly attributable depreciation and amortisation expense by group of activity	Actual 2025 \$000's	Actual 2024 \$000's
Representation	13	18
Communities	989	894
Recreation and open spaces	2,761	2,502
Regulatory services	137	115
Stormwater	2,150	1,999
Transportation	12,630	11,644
Water supply	5,761	5,465
Wastewater	4,941	4,898
Solid waste	40	39
Support Services	1,055	1,213
Total directly attributable depreciation and amortisation by group of activity	30,477	28,787

10. 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, the Government Superannuation Fund, and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when 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 (NPF). The scheme is a multi employer defined benefit scheme.

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

Personnel costs	Actual 2025 \$000's	Actual 2024 \$000's
Salaries and wages	33,257	30,865
Employer contributions to health insurance scheme	365	353
Total personnel costs	33,622	31,218

11. Other expenses

Accounting policy

Operating leases

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

Grant expenditure

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

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

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

Other expenses

Other expenses are recognised as goods and services are received.

Tax

Council does not pay income tax as Section CW39 of the Income Tax Act 2007 specifically exempts income that is derived by a local authority from income tax, unless that income is derived from a Council Controlled Organisation, a port related undertaking, or as a trustee.

PBE IPSAS 1 Presentation of Financial Statements Amendment

PBE IPSAS 1 requires amendments to the disclosure of audit fees. Council must now disclose fees to each audit firm for the audit of the financial statements, fees for other services provided to be broken down by type of service e.g. assurance services, tax services, consulting and whether or not the service is related to the audit.

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 audit report on page 185. 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.

Other expenses	Actual 2025 \$000's	Actual 2024 \$000's
Fees to auditors		
• Audit New Zealand - Audit fees in relation to the 2025 annual report	283	-
• Audit New Zealand - Audit fees in relation to the 2024 annual report	55	250
• Audit New Zealand - Audit fees in relation to the 2023 annual report - additional cost	-	65
• Audit New Zealand - Assurance engagement in relation to the 2024-2034 Long Term Plan	55	134
• Audit New Zealand - Agreed-upon procedures in relation to the debenture trust deed	10	10
• Audit New Zealand - Assurance engagement in relation to the procurement of a new ERP system	44	-
• Audit New Zealand - Assurance engagement in relation to Te Puke Wastewater Treatment	10	-
Consultant and legal fees	4,672	4,719
Community board members remuneration	124	115
Elected members remuneration	717	680
Computer software, internet and phones	3,471	3,482
Cost of forest harvest sales	1,069	2,137
Electricity	2,697	2,437
Grants and assets vested to the community	1,937	3,392
Impairment of receivables	36	503
Insurance premiums	1,416	1,456
Maintenance	43,512	38,086
Projects to improve service levels	9,407	9,454
Valuation fees	471	403
Asset impairment	2,415	-
Asset revaluation losses	670	3,890
Change in fair value of shares	-	36
Change in fair value of loans	183	48
Loss on sale of property, plant and equipment	345	6,232
Loss on revaluation of forest	-	426
Unrealised interest swap	1,881	561
Other expenditure	3,040	5,592
Total other expenses	78,520	84,108

12. Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash on hand, deposits held at call with banks, 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.

Cash and cash equivalents	Actual 2025 \$000's	Actual 2024 \$000's
Cash at bank and in hand	17,334	10,972
Petty cash	3	3
Term deposits with maturities less than 3 months	-	-
Total cash and cash equivalents	17,337	10,975
Weighted average effective interest rate	2.64%	4.84%

13. Receivables

Accounting policy

Receivables are recorded at the amount due, less an allowance for Expected Credit Loss (ECL).

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

The ECL allowance has been calculated based on a review of specific overdue receivables and a collective assessment. The collective allowance is based on an analysis of past collection history and debt write offs. Individual allowance has been determined based on the significant financial difficulties and circumstances being experienced by the debtor.

Rates are "written-off":

When remitted in accordance with the Council's rates remission policy and in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government Act 2022.

Other rates 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.

A receivable is considered uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Receivables	Actual 2025 \$000's	Actual 2024 \$000's
Rates debtors	10,346	8,563
Metered water debtors	3,081	2,480
Sundry debtors	9,123	2,567
Other trade debtors	7,656	8,995
GST receivables	4,071	4,426
Debtors and other receivables prior to impairment	34,277	27,031
Less provision for impairment of receivables	(3,456)	(4,074)
Net receivables	30,821	22,957

a) Expected credit loss

30 June 2025					
Other Trade Debtors days past due					
Council	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	0%	0%	0%	6.9%	0.6%
Gross carrying amounts (\$'000)	3,512	3,374	60	708	7,656
Lifetime expected credit loss (\$'000)	-	-	-	49	49

30 June 2024					
Receivables days past due					
Council	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	0.0%	2.8%	0.3%	30.5%	9.8%
Gross carrying amounts (\$'000)	3,734	1,384	1,122	2,755	8,995
Lifetime expected credit loss (\$'000)	-	38	3	836	877

Movements in the allowance for credit losses are as follows:	Actual 2025 \$000's	Actual 2024 \$000's
Opening balance as at 1 July	4,074	4,029
Additional allowance made during the year	3,456	4,074
Allowance reversed during the year	(4,074)	(4,029)
Receivables written-off during the year	-	-
At 30 June	3,456*	4,074

*Includes both rates and sundry debtors.

Local government disclosures:

The Chief Executive approved the write-off of rates receivable during the year under the Local Government (Rating) Act 2002, as follows (in whole \$ numbers):

- Section 90A: \$20,385 (2024: \$245,557)
- Section 90B: Nil (2024: Nil)

14. Prepayments

Expenditure paid related to future periods.

	Actual 2025 \$000's	Actual 2024 \$000's
Prepayments		
Prepayments	1,662	2,224

15. Derivative financial instruments

Accounting Policy

Derivative financial instruments are used to manage exposure to interest rate and foreign exchange risks arising from Council's operational activities and risks arising from Council's financing and investing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance date.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

Council has elected not to hedge account. Financial instrument risk is detailed in Note 36.

The associated gains or losses on derivatives that are not hedge accounted are recognised in the surplus or deficit.

	Actual 2025 \$000's	Actual 2024 \$000's
Derivative financial instruments		
Current asset portion		
Interest rate swaps - fair value hedges	-	54
Total current asset portion	-	54
Non-current asset portion		
Interest rate swaps - fair value hedges	607	1,965
Total non-current asset portion	607	1,965
Non-current liability portion		
Interest rate swaps - fair value hedges	469	-
Total non-current liability portion	469	-
Total derivative financial instruments	138	2,019
Movement	(1,881)	(561)

Interest rate swaps

The fair values of interest rate swaps have been determined by calculating the expected 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.

As at 30 June 2025, the fixed interest rates of cash flow hedge interest rate swaps vary from 1.95% to 3.96% (2024: 1.95% to 5.41%). 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. As at 30 June 2025, the Council held \$0m (2024: \$26.5m) of current interest rate derivatives.

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

Council 2025	Less than 1 year	1 - 2 years	3 - 5 years	6+ years	Total
Interest rate swaps - not hedge accounted					
Nominal amount (\$'000)	-	14,000	56,000	-	70,000
Average fixed rate	0.00%	3.67%	3.44%	0%	3.49%

The notional principal amount of all outstanding interest rate swap contracts for the Council were \$70 million (2024: \$71.5 million).

Council 2024	Less than 1 year	1 - 2 years	3 - 5 years	6+ years	Total
Interest rate swaps - not hedge accounted					
Nominal amount (\$'000)	26,500	14,000	26,000	5,000	71,500
Average fixed rate	4.84%	3.67%	3.11%	3.96%	3.92%

16. Non-current assets held for sale

As at 30 June 2025, Western Bay of Plenty District Council held 26,490 shares in Zespri Group Limited and 11,247 shares in Seeka Limited. These shares were originally acquired as a by-product of Council's historical purchase of strategic land parcels that included operational kiwifruit orchards, rather than through a deliberate investment strategy. On 4 June 2025, Council resolved to sell both shareholdings as part of a broader financial strategy to rationalise non-core assets and improve liquidity. The shares are available for immediate sale, and the sale is expected to be completed within 12 months.

In accordance with NZ IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the shares have been reclassified as non-current assets held for sale as at 30 June 2025. No impairment loss has been recognised, as the fair value less costs to sell exceeds the carrying amount.

The assets are measured at the lower of their carrying amount and fair value less costs to sell. Based on observable market prices at balance date, the valuation of the shares is as follows:

Non-current assets held for sale	Actual 2025 \$'000's	Actual 2024 \$'000's
Non-current assets held for sale are:		
• Zespri Shares (26,490 shares @ \$6.90 per share)	183	-
• Seeka Shares (11,247 shares @ \$4.00 per share)	45	-
Total non-current assets held for sale	228	-

17. Other financial assets

Accounting policy

Classification

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 surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council's 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 cashflows of the asset.

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

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, Council may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Subsequent measurement

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.

Subsequent measure of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus or deficit. Instruments in this category include Council listed bonds.

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. The 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.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue. Other than derivatives, the Council has no instruments in this category.

	Actual 2025 \$000's	Actual 2024 \$000's
Non-current portion		
Non-current assets available for sale are:		
Zespri Group Limited	-	119
Seeka Kiwifruit Industries Limited	-	27
Total non-current assets available for sale	-	146
Loans and receivables		
Te Tumu Investment (Note 36)	14,320	13,585
Unbilled recharges for TECT	209	209
Total loans and receivables	14,529	13,794
Total non-current other financial assets	14,529	13,940
Movement in other financial assets	817	975
Represented by:		
Change in fair value of shares	82	(37)
Change in fair value of loans	(183)	162
Change in fair value of other financial assets	(101)	125
Unrealised interest movement in Te Tumu	918	850
Total	817	975

18. Investments in associates

Accounting policy

An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint arrangement.

The Council's associate investment is accounted for in the financial statements using the equity method. The investment in an associate is initially recognised at cost and the carrying amount in the financial statements is increased or decreased to recognise the Council's share of the surplus or deficit of the associate after the date of acquisition.

Distributions received from an associate reduce the carrying amount of the investment in the Council's financial statements.

If the share of deficits of an associate equals or exceeds its interest in the associate, the Council discontinues recognising its share of further deficits.

After the Council's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

	Actual 2025 \$000's	Actual 2024 \$000's
Share in associates		
Western Bay of Plenty Tourism and Visitors' Trust (50%)	288	429
Total share in associates	288	429

19. Investments in CCO's and other similar entities

	Actual 2025 \$000's	Actual 2024 \$000's
Investments in CCO's and other similar entities		
Bay of Plenty Local Authority Shared Services Limited BOPLASS Limited 9.7% share (2024 - 9.7%)	14	14
Waikato Local Authority Shared Services Limited (CO-Lab) 1 share of 2,186,581 shares	-	-
Civic Financial Services Limited 28,142 shares (2024 - no change) with a market value as at 30 June 2025 of \$0.95 per share (2024 - \$0.93)	27	26
Local Government Funding Agency Limited 3,731,958 shares 8.3% (2024 - 8.3%)	10,108	9,395
Local Government Funding Agency Borrower Notes	5,685	2,175
Total investment in Council Controlled Organisations (CCO's) and other similar entities	15,834	11,610

20. Property, plant and equipment

Accounting policy

Property, plant and equipment consists of:

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

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

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

Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation and impairment losses. All other asset classes are measured at cost less accumulated depreciation and impairment losses. If the share of deficits of an associate equals or exceeds its interest in the associate, the Council discontinues recognising its share of further deficits.

After the Council's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Revaluation

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

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

Additions

The cost of an item of property, plant, and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to 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 its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Disposals

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

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Entity 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.

Depreciation

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

Class of PP&E	Estimated useful life	Depreciation rates
Land and buildings		
Buildings	20 - 100 years	Straight line
Land	-	Not depreciated
Other operational assets		
Plant and equipment	4 - 10 years	Diminishing value
Office equipment and furnishings	4 - 10 years	Diminishing value
Computer systems	2 - 5 years	Diminishing value
Motor vehicles	4 - 5 years	Diminishing value
Library books	10 - 15 years	Diminishing value
Infrastructure assets		
Roading network		
Top surface (seal)	5 - 60 years	Straight line
Pavement (base course):		
Sealed	5 - 60 years	Straight line
Unsealed	3 - 5 years	Straight line
Other	5 - 70 years	Straight line
Formation	-	Not depreciated
Bridges	50 - 100 years	Straight line
Reticulation		
Water	15 - 80 years	Straight line
Sewerage	40 - 100 years	Straight line
Stormwater	70 - 120 years	Straight line
Treatment plants and equipment	5 - 80 years	Straight line
Other infrastructure assets		
Reservoirs	80 -100 years	Straight line
Dams	100 years	Straight line
Bores	100 years	Straight line
Coastal structures	5 - 75 years	Straight line

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Impairment

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

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

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that

class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in surplus or deficit.

For assets not carrying 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 the surplus or deficit.

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

2025	Cost / revaluation 1 Jul 2024 \$'000	Accumulat- ed depreci- ation and impairment charges 1 Jul 2024 \$'000	Carrying amount 1 Jul 2024 \$'000	Current year additions \$'000	Current year disposals \$'000	Current year transfers \$'000	Current year vested \$'000	Current year impairment charges \$'000	Current year depre- ciation \$'000	Revaluation surplus \$'000	Cost / revaluation 30 Jun 2025 \$'000	Accumulat- ed depreci- ation and impairment charges 30 Jun 2025 \$'000	Carrying amount 30 Jun 2025 \$'000
Operational assets													
Land	58,343	-	58,343	1,713	(127)	3,259	-	-	-	(5,023)	58,164	-	58,164
Buildings	33,035	(1,065)	31,970	14,747	(4)	-	-	-	(616)	19	46,154	(39)	46,115
Coastal marine	22,847	(832)	22,015	2	-	-	-	-	(835)	-	22,850	(1,667)	21,183
Libraries	1,425	(11)	1,414	444	-	-	-	-	(130)	-	1,868	(141)	1,727
Office equipment	11,754	(8,032)	3,721	503	(1)	-	-	-	(840)	-	12,255	(8,873)	3,383
Plant and equipment	653	(192)	461	138	-	-	-	-	(117)	-	790	(309)	481
Vehicles	3,469	(1,962)	1,507	632	(213)	-	-	-	(498)	-	3,439	(2,011)	1,428
Total	131,525	(12,095)	119,430	18,178	(345)	3,259	-	-	(3,037)	(5,004)	145,521	(13,039)	132,481
Infrastructure assets													
Land	36,780	-	36,780	1,602	(4,987)	-	-	-	-	(6,109)	27,287	-	27,287
Buildings	4,342	(145)	4,197	-	-	-	-	-	(74)	444	4,568	(2)	4,566
Water	173,152	(5,476)	167,676	6,895	-	-	1,216	-	(5,717)	-	181,263	(11,193)	170,070
Stormwater	138,011	(2,093)	135,918	3,509	-	-	3,686	-	(2,026)	-	145,206	(4,119)	141,087
Wastewater	187,145	(4,828)	182,317	542	(436)	-	1,472	-	(4,846)	-	188,709	(9,659)	179,050
Land under roads	262,345	-	262,345	-	-	-	-	-	-	-	262,345	-	262,345
Roading surface	640,499	(8,075)	632,424	14,143	-	-	-	-	(8,728)	-	654,641	(16,802)	637,839
Roading other	100,243	(4,010)	96,233	3,548	-	-	-	-	(3,442)	-	103,792	(7,452)	96,340
Total	1,542,516	(24,627)	1,517,889	30,239	(5,422)	-	6,375	-	(24,832)	(5,665)	1,567,849	(49,227)	1,518,622
Restricted assets													
Land	137,445	-	137,445	-	-	-	-	-	-	(5,503)	131,942	-	131,942
Parks and Reserves assets*	35,708	(1,367)	34,342	2,586	-	-	-	-	(1,961)	-	38,295	(3,328)	34,967
Buildings*	10,394	(473)	9,921	-	-	-	-	-	(252)	6,109	15,778	-	15,778
Total	183,547	(1,839)	181,708	2,586	-	-	-	-	(2,213)	605	186,014	(3,328)	182,686
Work in progress	58,286	-	58,286	147,397	-	(57,378)	-	(2,415)	-	-	145,891	-	145,891
Total	1,915,875	(38,561)	1,877,314	198,401	(5,767)	(54,199)	6,375	(2,415)	(30,083)	(10,064)	2,045,238	(65,594)	1,979,641

*It was identified in 2023 and 2024 under restricted assets: Buildings was incorrectly labelled as Improvements and Parks and Reserve Assets were incorrectly labelled as Buildings. This has been corrected in 2025 and restated in correctly in the 2024 note.

	Cost / revaluation 1 Jul 2023 \$'000	Accumulat- ed depreci- ation and impairment charges 1 Jul 2023 \$'000	Carrying amount 1 Jul 2023 \$'000	Current year additions \$'000	Current year disposals \$'000	Current year transfers \$'000	Current year vested \$'000	Current year impairment charges \$'000	Current year depre- ciation \$'000	Revaluation surplus \$'000	Cost / revaluation 30 Jun 2024 \$'000	Accumulat- ed depreci- ation and impairment charges 30 Jun 2024 \$'000	Carrying amount 30 Jun 2024 \$'000
2024													
Operational assets													
Land	61,602	-	61,602	-	-	(3,259)	-	-	-	-	58,343	-	58,343
Buildings	33,199	(443)	32,756	2,623	(2,824)	-	-	-	(585)	-	33,035	(1,065)	31,970
Coastal marine	22,622	-	22,622	228	(3)	-	-	-	(832)	-	22,847	(832)	22,015
Libraries	1,428	-	1,428	359	-	-	-	-	(127)	(245)	1,425	(11)	1,414
Office equipment	10,804	(7,351)	3,453	956	(5)	-	-	-	(682)	-	11,754	(8,032)	3,721
Plant and equipment	235	(180)	55	223	-	-	194	-	(12)	-	653	(192)	461
Vehicles	3,206	(1,822)	1,384	700	(53)	-	-	-	(525)	-	3,469	(1,962)	1,507
Total	133,096	(9,796)	123,299	5,090	(2,886)	(3,259)	194	-	(2,764)	(245)	131,526	(12,095)	119,431
Infrastructure assets													
Land	38,090	-	38,090	3,690	(5,000)	-	-	-	-	-	36,780	-	36,780
Buildings	4,342	(71)	4,271	-	-	-	-	-	(74)	-	4,342	(145)	4,197
Water	166,361	(60)	166,301	5,869	-	-	922	-	(5,416)	-	173,152	(5,476)	167,676
Stormwater	130,561	(234)	130,327	4,701	-	-	2,749	-	(1,859)	-	138,011	(2,093)	135,918
Wastewater	184,755	(34)	184,721	878	-	-	1,513	-	(4,795)	-	187,145	(4,828)	182,317
Land under roads	262,345	-	262,345	-	-	-	-	-	-	-	262,345	-	262,345
Roading surface	631,283	(163)	631,120	10,003	-	-	-	(787)	(7,912)	-	640,499	(8,075)	632,424
Roading other	98,255	(684)	97,572	1,988	-	-	-	-	(3,327)	-	100,243	(4,010)	96,233
Total	1,515,992	(1,246)	1,514,747	27,128	(5,000)	-	5,183	(787)	(23,381)	-	1,542,516	(24,627)	1,517,890
Restricted assets													
Land	137,657	-	137,657	825	(1,037)	-	-	-	-	-	137,445	-	137,445
Parks and Reserves assets*	29,739	1	29,741	5,185	(11)	-	-	-	(1,729)	1,156	35,708	(1,367)	34,342
Buildings*	9,708	(226)	9,481	800	(111)	-	-	-	(249)	-	10,394	(473)	9,921
Total	177,104	(225)	176,879	6,810	(1,159)	-	-	-	(1,978)	1,156	183,547	(1,839)	181,708
Work in progress	30,306	-	30,306	71,635	-	(43,655)	-	-	-	-	58,286	-	58,286
Total	1,856,498	(11,267)	1,845,231	110,663	(9,045)	(46,914)	5,378	(787)	(28,123)	911	1,915,875	(38,561)	1,877,315

*It was identified in 2023 and 2024 under restricted assets: Buildings was incorrectly labelled as Improvements and Parks and Reserve Assets were incorrectly labelled as Buildings. This has been corrected in 2025 and restated in correctly in the 2024 note.

Core infrastructure asset disclosures - LG(FRP)R 6

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

	Carrying amount 30 Jun 2025	Additions: Constructed by Council	Additions: Transferred to Council	Carrying amount 30 Jun 2024
Water Supply - Treatment Plants and Facilities	35,145	-	-	36,685
Water Supply - Reticulation and other assets	134,925	6,895	1,216	130,991
Wastewater - Treatment Plants and Facilities	50,998	82	-	53,242
Wastewater - Reticulation and other assets	128,053	460	1,472	129,075
Stormwater	141,087	3,509	3,686	135,918
Roads and footpaths	734,179	17,691	-	728,657
Total	1,224,386	28,637	6,375	1,214,568

	Carrying amount 30 Jun 2024	Additions: Constructed by Council	Additions: Transferred to Council	Carrying amount 30 Jun 2023
Water Supply - Treatment Plants and Facilities	36,685	3,364	135	34,601
Water Supply - Reticulation and other assets	130,991	2,505	787	131,700
Wastewater - Treatment Plants and Facilities	53,242	623	133	54,795
Wastewater - Reticulation and other assets	129,075	256	1,380	129,926
Stormwater	135,918	4,701	2,749	130,327
Roads and footpaths	728,657	11,991	-	728,692
Total	1,214,568	23,440	5,184	1,210,041

Note disclosure

Property, plant and equipment notes

There were no assets lost or given up during the year.

Council has not pledged any property, plant or equipment as security for liabilities.

Land and buildings in the "Restricted Asset" category are 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 or buildings under a bequest or donation that restricts the purpose for which the assets can be used).

Reconciliation of property, plant and equipment to statement of financial position

- In respect of the roading component of infrastructural assets: Council has formerly recorded a decision to maintain the network in a defined and appropriate operating capacity by a programme of restoration to ensure that its life will be indefinitely prolonged.
- An appropriate Asset Management Plan has been adopted by Council. This plan provides:
 - The level of service required;
 - The current physical extent, condition and capacity of the network; and
 - The timing, extend and cost of work required to maintain and restore the network's defined operating capacity in future years.

Valuations

Operational and restricted land and buildings

The most recent valuation was performed by Opteon Solutions and the valuation was effective as at 30 June 2025.

Coastal and Marine Structures

At fair value determined on a depreciated replacement cost basis. Unit rates were reviewed by an independent consultant that specialises in these types of assets. The valuations were prepared internally by Council staff and peer reviewed by an independent valuer. The valuation is effective as at 1 July 2023.

Infrastructural asset classes

Land

The most recent valuation was performed by Opteon Solutions and the valuation is effective as at 30 June 2025.

Wastewater

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by AECOM and the valuation is effective as at 30 June 2023.

Stormwater

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by AECOM and the valuation is effective as at 30 June 2023.

Water

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by AECOM and the valuation is effective as at 30 June 2023.

Roading

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by AECOM and the valuation is effective as at 30 June 2023.

Land under roads

Land under roads was valued based on average land values of the comparable surrounding land within wards by Opteon Solutions, effective 1 July 2014. On transition to NZ IFRS Council elected to use the fair value of land under roads as at 1 July 2017 as deemed cost. Land under roads is no longer revalued. Subsequent additions have been recorded at cost.

Vested infrastructural assets

Valued based on the actual quantities of infrastructural components vested and the current in-ground cost of providing identical services. Assets vested to Council are recognised in the statement of comprehensive income as revenue and in the statement of financial position as property, plant and equipment.

Library collections

At fair value determined on a depreciated replacement cost basis. The valuations were prepared internally by Council staff and peer reviewed by an independent valuer. The most recent peer review was performed by AECOM and the valuation is effective as at 30 June 2023.

Airport land

The land consists of some 225ha of land of which some 86ha is jointly owned by Tauranga City Council (TCC) and Council. TCC are the legal owners of the land and Council are the beneficial or equitable owners of the land. Council own 14.45% of the land. The acquired land is held by TCC on Trust for itself and Council.

As the legal owner TCC must exercise its rights of ownership in terms of the Trust and for the benefit of the trustees. The terms of the Trust are that TCC may use the land rent free provided the land is used as an airport. In the event that the land is sold and the principal use of the land is no longer an airport then a liability to Council is created for the sale price of the land at that point.

21. Insurance of assets

Category A insurance contracts	Carry Amount 2025 \$000's	Insured Amount 2025 \$000's
Water	170,070	366,035
Wastewater	179,050	298,810
Stormwater	141,087	207,172
Mobile plant and vehicles	1,428	2,429
Forestry	4,644	4,644
Total category A insurance contracts	496,279	879,090
Material damage cover		
Buildings	66,459	138,586
Parks and reserves	34,967	-
Coastal marine	21,183	-
Libraries	1,727	-
Office equipment	3,383	19,061
Plant and equipment	481	-
Total material damage cover	128,200	157,647
Total category A insurance contracts	496,279	879,091
Total material damage contracts	128,200	157,647
Category A total	624,479	1,036,738
Category C self-insured assets	Carry Amount 2025 \$000's	Carry Amount 2024 \$000's
Disaster Contingency Reserve	9,819	9,262
Land under roads	262,345	262,345
Roading - other	96,340	96,233
Roading - surfaces	637,839	632,424
Land	217,393	235,001
Category C total	1,223,735	1,235,265

22. Intangible assets

There are no restrictions over the title of Western Bay's intangible assets, nor are any intangible assets pledged as security for liabilities.

Accounting policy

Purchased intangible assets are initially recognised at cost. For internally generated intangible assets, the cost includes direct employee costs, a reasonable portion of overhead and other direct costs that are incurred in the development phase of the asset.

Intangible assets acquired at no cost are initially recognised at fair value where they can be reliably measured. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses, if any.

Computer software

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

Costs directly associated with the development of identifiable and unique software products are recognised as an asset.

Costs for the development of software code that enhances or modifies, or creates additional capability to existing on-premise systems are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis.

Software as a service (SaaS)

Costs incurred to configure or customise software in a cloud computing i.e. software-as-a-service (SaaS) arrangement are recognised as an expense when incurred.

Costs incurred to develop customisations to software that exists in a cloud environment may be recognised as an intangible asset only if sufficient recognition criteria are met, indicators of which include that the Council controls the asset, the asset is identifiable and separable from the software and environment, and in the event that the asset may be made available to other users of the software then Council would be entitled to a share of revenue proceeds.

Staff training costs

Staff training costs are recognised as an expense when incurred.

Resource consents

Costs incurred in obtaining resource consents are capitalised and classified as intangible assets. Costs are amortised on a straight line basis over the term granted by the resource consent and are stated at cost less accumulated amortisation and impairment losses.

Easements

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

Carbon credits

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

Amortisation

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

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

Class of intangible asset	Estimated useful life	Amortisation rates
Computer software	3-5 years	20% - 33.3%
Resource consents	Life of the asset	5%
Easements	19 years	3% - 5%
Carbon credits	-	Not amortised

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. The same approach applies to the impairment of intangible assets.

Breakdown of intangible assets and further information

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

	Computer software \$'000	Resource consents \$'000	Carbon credits \$'000	Easements \$'000	Total \$'000
Year ended 30 June 2025					
Opening net book amount	574	1,254	1,703	182	3,714
Additions	13	-	-	-	13
Impairment charge	-	-	-	-	-
Amortisation charge	(330)	(64)	-	-	(394)
Gain/loss	-	-	269	-	269
Disposal	-	-	-	-	-
Closing net book amount	257	1,190	1,972	182	3,602
At 30 June 2025					
Cost	6,800	1,778	714	181	9,473
Valuation	-	-	1,258	1	1,259
Accumulated amortisation and impairment	(6,543)	(588)	-	-	(7,131)
Net book amount	257	1,190	1,972	182	3,602
Year ended 30 June 2024					
Opening net book amount	983	1,318	1,383	200	3,885
Additions	191	-	-	-	191
Impairment charge	-	-	-	-	0
Amortisation charge	(600)	(64)	-	-	(664)
Gain/loss	-	-	320	-	320
Disposal	-	-	-	(18)	(18)
Closing net book amount	574	1,254	1,703	182	3,714
At 30 June 2024					
Cost	6,788	1,778	714	181	9,461
Valuation	-	-	989	1	990
Accumulated amortisation and impairment	(6,214)	(524)	-	-	(6,736)
Net book amount	574	1,254	1,703	182	3,715

Impairment

Easements

Easements are not cash-generating in nature as they give the Entity the right to access private property where infrastructural assets are located. As such, impairment of an easement is determined by considering the future service potential of the easement. No impairment losses have been recognised for easements, as they all have ongoing service potential.

Easements have been assessed as having an indefinite useful life because they provide the Entity with access to infrastructural assets for an indefinite time period.

Carbon credits

The Council considers that there is no impairment of carbon credits held, as they are expected to be fully utilised in satisfying carbon obligations from its forestry operations.

Carbon units have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit for as long as the Emissions Trading Scheme is in place.

23. Forestry assets

Accounting policy

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell, are recognised in surplus or deficit.

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

TECT Park Forest

TECT Park total forest stocked area is 572 ha across 43 stands. A further 5 stands are subject to forestry rights where the tree crop is not owned by Council.

Of the total forest stocked area owned by Council: 499 ha is in Pinus radiata, 30.2 ha is in Douglas fir and remaining 42.2 ha in other mixed species. Tree crop ages range from 1 to 30 years.

After harvesting and revaluation in 2025, the total value for this forest is \$7.1m; which Council own 50%, \$3.6m.

Matakana Island Forest

Council owns 48.9 ha of Pinus Radiata forest which are in two stands aged 14 and 22 years old.

After harvest and revaluation in 2025, the total value of this forest is \$501,577.

Lund Road Forest

Council owns 54.1 ha of Pinus Radiata forest which are in two stands aged 10 and 12 years old.

After harvest and revaluation in 2025, the total value of this forest is \$578,013.

Critical account estimates and assumptions

Independent registered valuer, Interpine Group Limited, valued Councils 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 silviculture 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:

- Forests have been valued on a going concern basis and only includes the value of the existing crops on a single rotation basis.
- Costs applied are current average costs for established stands for immature stands costs are compounded at 3.4% (2024: 3.4%).
- Notional land rental costs have been included for freehold land.
- No allowance for inflation has been provided.
- No allowance has been made for cost improvements in future operations.
- Log prices are based on a twelve quarter rolling average to June 2025, and there are no restrictions on title.
- A discount rate of 7.8% (2024: 7.8%) has been used to calculate the present value of expected cash flows.

Financial risk management strategies

The Council is exposed to financial risks arising from changes in timber prices. The Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future.

Therefore, no measures have been taken to manage the risks of a decline in timber prices. The Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

Securities

There are no restrictions over the title of Council's forestry assets, nor are any forestry assets pledged as security for liabilities.

Forestry assets	Opening value 1 July 2024	Movement	Closing value 30 June 2025
TECT Park Forest	3,181	383	3,564
Matakana Island Forest	465	37	502
Lund Road Forest	513	65	578
Total	4,159	485	4,644

24. Payables

Accounting policy

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

	Actual 2025 \$000's	Actual 2024 \$000's
Current		
Payables and accrued expenses	36,961	25,335
Bonds and deposits	1,262	1,763
Bay of Plenty Regional Council rates	554	561
Rates in advance	5,108	5,354
Other income in advance	4,133	1,901
Sundry payables	455	423
Total creditors and other payables	48,474	35,337
Exchange		
Trade payables	36,960	25,334
Other income in advance	4,133	1,901
Other payables	455	423
Total creditors and other payables from exchange transactions	41,548	27,658
Non-exchange		
Deposits and bonds	1,263	1,763
Bay of Plenty Regional Council rates	554	561
Rates in advance	5,108	5,355
Total creditors and other payables from non-exchange transactions	6,925	7,679
Total current creditors and other payables from exchange and non-exchange transactions	48,474	35,337

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms.

Therefore, the carrying value of creditors and other payables approximates their fair value.

25. Borrowings and other financial liabilities

Accounting policy

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

	Actual 2025 \$000's	Actual 2024 \$000's
Current portion		
Secured		
Secured loans - fixed	15,627	10,000
Secured loans - floating	25,711	25,000
Total current secured loans	41,337	35,000
Total current borrowings	41,337	35,000
Non-current portion		
Secured		
Secured loans - fixed	75,000	15,000
Secured loans - floating	60,000	65,000
Total non-current secured loans	135,000	80,000
Total non-current borrowings	135,000	80,000
Total public debt	176,338	115,000

Interest terms and security for secured loans

A portion of Council's secured debt of \$176.3m (2024: \$115.0m) is issued at floating rates of interest, with interest rates reset quarterly based on the 90-day bank bill rate plus a margin for credit risk. This is converted to fixed rates through the use of interest rate swaps in line with Council's adopted treasury policy.

Council's secured floating debt of \$85.7m (2024: \$90m) is issued at an average margin of 67bps (2024: 61bps) above bank wholesale rates BKBM.

The Council's secured loans are secured by way of Debenture Trust Deed over Council's rates.

Fair values

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

Maturity analysis and effective interest rate	Actual 2025 \$000's	Actual 2024 \$000's
Repayment terms		
Less than one year	41,337	35,000
Weighted average effective interest rate	3.78%	6.02%
Later than one year but no more than five years	135,000	70,000
Weighted average effective interest rate	4.40%	6.23%
Later than five years	-	10,000
Weighted average effective interest rate	0.00%	5.28%
	176,337	115,000
Interest rates		
Secured loans and debentures	4.26%	6.09%

Council has elected not to hedge account for its derivative financial investments.

Council manages its borrowings in accordance with its funding and financial policies, which includes a Borrowings Management Policy. These policies have been adopted as part of the Long Term Plan.

Credit standby arrangements

Council has a secured Bank overdraft facility. The maximum amount that can be drawn down against the overdraft facility is \$600,000 (2024: \$600,000). There are no restrictions on the use of this facility.

As at 30 June 2025 Council had \$30.0 million of undrawn cash facilities available (2024: \$30.0 million).

Credit rating

Western Bay of Plenty's credit rating is AA (long-term) and A-1+ (short-term) with a negative outlook.

26. Employee entitlements

Accounting policy

Short-term employee entitlements

Employee benefits that are anticipated to be settled wholly within twelve months following the end of the reporting period in which the employees render the related service are measured based on accrued entitlements at current rates of pay. These benefits include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, and sick leave.

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

Long-term employee entitlements

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

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

Presentation of employee entitlements

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

Employee entitlements	Actual 2025 \$000's	Actual 2024 \$000's
Current portion		
Accrued pay	679	611
Annual leave and accrued entitlements	3,169	3,212
Sick pay	(144)	(144)
Total current portion	3,704	3,679
Non-current portion		
Retirement gratuities	6	13
Total non-current portion	6	13
Total employee entitlements	3,710	3,692

27. 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 or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation and discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash flows. An increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

Provisions	Actual 2025 \$000's	Actual 2024 \$000's
Current portion		
Landfill aftercare provision	32	(4)
Weathertight Homes Resolution Service	-	298
Legal claims	-	1,609
Total current portion	32	1,903
Non-current portion		
Landfill aftercare provision	211	272
Total non-current portion	211	272
Total provisions	243	2,175

Movements for each class of provision are as follows:

Council 2025	Landfill \$'000	Weathertightness \$'000	Legal claims \$'000	Total \$'000
Balance as at 1 July 2024	268	298	1,609	2,175
Additional provisions made	-	-	-	-
Amounts used	(25)	(298)	(1,609)	(1,932)
Balance as at 30 June 2025	243	-	-	243

Council 2024	Landfill \$'000	Weathertightness \$'000	Legal claims \$'000	Total \$'000
Balance as at 1 July 2023	277	298	-	575
Additional provisions made	26	-	1,609	1,635
Amounts used	(35)	-	-	(35)
Balance as at 30 June 2024	268	298	1,609	2,175

Weathertight Homes Resolution Services

Note 31 on page 154 provides additional information regarding this provision.

Landfill aftercare costs

Council gained resource consents to operate the Te Puke and Athenree landfills. Council has a responsibility under the resource consents for closure of the landfills and to provide ongoing maintenance and monitoring of the landfills after the sites are closed. The Te Puke landfill was closed in 1999 and the Athenree landfill in 2003.

Council's responsibilities include:

- Closure costs
- Final cover application and investigation
- Incremental drainage control features
- Facilities for leachate collection and monitoring
- Facilities for water quality monitoring.

Post closure costs include:

- Treatment and monitoring of leachate
- Groundwater surface monitoring
- Implementation of remedial measures as needed for cover and control systems
- On-going life maintenance of drainage systems, final cover and vegetation.

The estimated remaining liability for closure and post-closure of Athenree is \$190k (2024: \$210k) and for post-closure of Te Puke of \$120k (2024: \$140k) over the remaining life (Athenree 10 years, Te Puke 7 years) of the resource consents. This liability has been discounted back to a current value of \$250k (2024: \$270k) using a discount rate of 5% (2024: 5%).

28. Equity

Accounting policy

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

- Accumulated funds
- Restricted reserves
- Property revaluation reserve
- Fair value through other comprehensive revenue and expense reserve

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 the Council.

Restricted reserves include those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party.

Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

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

Property revaluation reserves

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

Fair value through other comprehensive revenue and expense reserve

This reserve comprises the effective portion of the cumulative net change in the fair value of assets classified through other comprehensive revenue and expense.

	Actual 2025 \$000's	Actual 2024 \$000's
Retained earnings	1,032,194	985,739
Reserves	807,766	807,398
Balance at 30 June	1,839,960	1,793,140

Retained earnings

Balance at 1 July	985,739	988,014
Surplus/(deficit) for the year	51,996	(5,455)
Prior year adjustment	-	(788)
Net (decrease)/increase in reserves	(4,475)	(1,045)
Transfer from asset revaluation reserve on asset disposal	-	5,013
Adjustment to revaluation reserve	(1,067)	-
Balance 30 June	1,032,194	985,739

(a) Reserves includes

Asset revaluation reserves	769,253	774,341
Council created reserves	28,308	23,853
Restricted reserves	345	326
Other reserves - LGFA shares revaluation	8,242	7,529
Other reserves - carbon credits revaluation	1,618	1,349
Total reserves	807,766	807,398

The movements in each type of reserves are disclosed as follows:

Asset revaluation reserves

Balance at 1 July	774,341	778,442
Change in asset value	(10,064)	911
Transfer to retained earnings on disposal of property	-	(5,013)
Amendment to revaluation reserve	4,977	-
Balance at 30 June	769,253	774,341

This covers all assets that are revalued except for investment properties, carbon credits and LGFA shares.

Property revaluation reserves for each asset class consists of:

	Actual 2025 \$000's	Actual 2024 \$000's
Operational assets		
Land	23,593	27,431
Buildings	9,135	9,136
Coastal marine	18,648	18,648
Library books	509	509
Infrastructure assets		
Land	7,366	12,804
Buildings	3,009	2,566
Wastewater	114,614	112,382
Water supply	109,540	109,066
Stormwater	67,939	67,772
Roading reserves	68,500	68,500
Roading surface	235,407	235,407
Other roading	39,405	39,405
Restricted assets		
Land	46,362	51,866
Buildings	12,697	6,589
Improvements	12,528	12,260
Total property revaluation reserves	769,253	774,341
Council created reserves		
Balance at 1 July	23,853	22,807
Transfers from: Accumulated funds	24,510	8,612
Transfers to: Accumulated funds	(20,055)	(7,566)
Balance at 30 June	28,308	23,853
Restricted reserves		
Balance at 1 July	326	326
Transfers from: Accumulated funds	19	-
Transfers to: Accumulated funds	-	-
Balance at 30 June	345	326
Other reserves - LGFA shares revaluation		
Balance at 1 July	7,529	6,919
Fair value gains/(losses)	713	609
Balance at 30 June	8,242	7,529
Other reserves - carbon credits revaluation		
Balance at 1 July	1,349	1,028
Fair value gains/(losses)	269	320
Balance at 30 June	1,618	1,348

29. Reserve funds

Restricted Reserves

Restricted reserves have been established from public bequests and are only able to be spent in the manner specified by the donor.

Restricted Reserves 2025	Purpose	Activity	Opening balance 1 July 2024 \$'000	Transfers in 2024/25 \$'000	Transfers out 2024/25 \$'000	Closing balance 30 June 2025 \$'000
Hunter Estate	Established from bequest made in the late 1980s. The funds can only be spent on capital expenditure in Katikati as detailed in our Reserve Management Plans.	Recreation and Open space	44	3	-	47
l'Anson Park Trust	The accumulated interest is available for both operational and capital expenditure undertaken in the Te Puna area.	Recreation and Open Space	10	-	-	10
Hastie Bequest	The principle settlement amount of \$100,000 is maintained and the interest can be used for Te Puke area library purchases.	Communities	262	16	-	278
CE Millar Estate	The interest on the capital of \$9,763 is available for the beautification of Katikati.	Recreation and Open Space	10	-	-	10
Total Restricted Reserves			326	19	-	345

Restricted Reserves 2024	Purpose	Activity	Opening balance 1 July 2023 \$'000	Transfers in 2023/24 \$'000	Transfers out 2023/24 \$'000	Closing balance 30 June 2024 \$'000
Hunter Estate	Established from bequest made in the late 1980's. The funds can only be spent on capital expenditure in Katikati as detailed in our Reserve Management Plans.	Recreation and open space	44	-	-	44
l'Anson Park Trust	The accumulated interest is available for both operational and capital expenditure undertaken in the Te Puna area.	Recreation and open space	10	-	-	10
Hastie Bequest	The principle settlement amount of \$100,000 is maintained and the interest can be used for Te Puke area library purchases.	Communities	262	-	-	262
CE Millar Estate	The interest on the capital of \$9,763 is available for the beautification of Katikati.	Recreation and open space	10	-	-	10
Total Restricted Reserves			326	-	-	326

Council Created Reserves

Community Board Reserves

We have five community boards and following the 2024 Representation Review they now cover all of our district. A review of the Community Board areas of benefit will be undertaken alongside the Annual Plan 2026-27 in order to confirm the new rate for each board. The level of rating has historically been determined based on the expected expenditure of the Board and may vary between boards. Any unspent money at year end is transferred to the respective community board reserve account. Reserve funds can only be used for capital, one-off, or non-recurring expenditure items of grants.

	Opening balance 1 July 2024 \$'000	Transfers in 2024/25 \$'000	Transfers out 2024/25 \$'000	Closing balance 30 June 2025 \$'000
Community Board Reserves 2025				
Waihi Beach Community Board	164	9	-	173
Katikati Community Board	100	12	(27)	85
Ōmokoroa Community Board	253	12	(140)	125
Te Puke Community Board	164	-	(39)	125
Maketu Community Board	171	26	(10)	187
Total Community Board Reserves	852	59	(216)	695

	Opening balance 1 July 2023 \$'000	Transfers in 2023/24 \$'000	Transfers out 2023/24 \$'000	Closing balance 30 June 2024 \$'000
Community Board Reserves 2024				
Waihi Beach Community Board	148	20	(4)	164
Katikati Community Board	69	31	-	100
Ōmokoroa Community Board	221	32	-	253
Te Puke Community Board	133	31	-	164
Maketu Community Board	157	14	-	171
Total Community Board Reserves	728	128	(4)	852

Other Community Reserves

General approach

These reserves have been established to accumulate sufficient funds to allow for planned expenditure (per the Long Term Plan) in particular areas, often for town centre development. The funding is provided by way of targeted rates.

Other Community Reserves 2025	Purpose	Activity	Opening balance 1 July 2024 \$'000	Transfers in 2024/25 \$'000	Transfers out 2024/25 \$'000	Closing balance 30 June 2025 \$'000
Katikati Development Fund	Set up several years ago in anticipation of the Katikati By-pass impacts on the town and to provide funding for main street improvements and encourage business development in Katikati	Planning for the future	18	1	(19)	-
Waihi Beach Town Centre Development	For town centre development	Economic Development	484	114	-	598
Katikati Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise	Economic Development	620	194	(466)	348
Ōmokoroa Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise	Economic Development	118	93	-	211
Te Puke Town Centre Development	For town centre development	Economic Development	80	90	-	170
Maketu Town Centre Development	For town centre development	Economic Development	-	85	-	85
Pukehina Beach Development	Pukehina ratepayers are paying an annual rate of \$20 as a contribution towards a potential future sewerage scheme for the area	Planning for the Future	554	33	(105)	482
Pukehina Beach Protection Reserve	Beach nourishment and protection	Planning for the Future	295	46	(33)	308
General Town Centre Development Reserve	For town centre development	Planning for the Future	402	25	(426)	-
Total Other Community Reserves			2,571	681	(1,049)	2,203
Total Community Board and other Community Reserves			3,424	740	(1,265)	2,898

Other Community Reserves 2024	Purpose	Activity	Opening balance 1 July 2023 \$'000	Transfers in 2023/24 \$'000	Transfers out 2023/24 \$'000	Closing balance 30 June 2024 \$'000
Katikati Development Fund	Set up several years ago in anticipation of the Katikati By-pass impacts on the town and to provide funding for main street improvements and encourage business development in Katikati	Planning for the future	17	1	-	18
Waihi Beach Town Centre Development	For town centre development	Economic Development	465	28	(9)	484
Katikati Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise	Economic Development	474	146	-	620
Ōmokoroa Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise	Economic Development	119	7	(8)	118
Te Puke Town Centre Development	For town centre development	Economic Development	88	5	(13)	80
Pukehina Beach Development	Pukehina ratepayers are paying an annual rate of \$20 as a contribution towards a potential future sewerage scheme for the area	Planning for the Future	528	26	-	554
Pukehina Beach Protection Reserve	Beach nourishment and protection	Planning for the Future	254	41	-	295
General Town Centre Development Reserve	For town centre development	Planning for the Future	225	176	(1)	402
Total Other Community Reserves			2,172	430	(31)	2,571
Total Community Board and other Community Reserves			2,900	558	(34)	3,424

Financial Contribution Reserves

These are specific reserves that must be applied for a particular purpose and under specific criteria or qualifying conditions. These reserves are not cash reserves.

Financial Contribution Reserves 2025	Purpose	Activity	Opening balance 1 July 2024 \$'000	Transfers in 2024/25 \$'000	Transfers out 2024/25 \$'000	Closing balance 30 June 2025 \$'000
Ecological financial contributions - capital	Financial contributions split into capital and operational components that are to be spent based on Council's annually approved ecological education programme. Capital expenditure must be by Council resolution and satisfy criteria for privately owned land. Operational expenditure is based on the prior year's closing operations balance available.	Natural Environment and Sustainable Living	306	19	-	325
Ecological financial contributions - operational	As above	Natural Environment and Sustainable Living	827	199	-	1,026
Parks and Community financial contributions	To provide for teaching and public education/awareness raising purposes.	Recreation and Open Space	3,901	3,616	(4,398)	3,119
Parking space financial contributions	Provided from financial contributions from developers in the urban areas where they cannot provide public car parks themselves.	Regulatory	50	-	-	50
Lynley Park wastewater remedial	Established from money received from Durham Properties Limited, to be used to fund any infrastructure failures in the Lynley Park Development.	Wastewater	427	26	(453)	-
Total Financial Contributions Reserves			5,512	3,860	(4,851)	4,520

Financial Contribution Reserves 2024	Purpose	Activity	Opening balance 1 July 2023 \$'000	Transfers in 2023/24 \$'000	Transfers out 2023/24 \$'000	Closing balance 30 June 2024 \$'000
Ecological financial contributions - capital	Financial contributions split into capital and operational components that are to be spent based on Council's annually approved ecological education programme. Capital expenditure must be by Council resolution and satisfy criteria for privately owned land. Operational expenditure is based on the prior year's closing operations balance available.	Natural Environment and Sustainable Living	306	-	-	306
Ecological financial contributions - operational	As above	Natural Environment and Sustainable Living	701	126	-	827
Parks and Community financial contributions	To provide for teaching and public education/awareness raising purposes.	Recreation and Open Space	3,391	1,974	(1,463)	3,902
Parking space financial contributions	Provided from financial contributions from developers in the urban areas where they cannot provide public car parks themselves.	Regulatory	50	-	-	50
Lynley Park wastewater remedial	Established from money received from Durham Properties Limited, to be used to fund any infrastructure failures in the Lynley Park Development.	Wastewater	427	-	-	427
Total Financial Contributions Reserves			4,875	2,100	(1,463)	5,512

General Reserves

These are reserves established for specific purposes.

General Reserves 2025	Purpose	Activity	Opening balance 1 July 2024 \$'000	Transfers in 2024/25 \$'000	Transfers out 2024/25 \$'000	Closing balance 30 June 2025 \$'000
Community Discretionary	For any under spent expenditure at year end.	Communities	14	-	(14)	-
General Rate	For the accumulation of any net surplus arising from accounts that are general rate funded each year. Deficits are not permitted in this reserve.	All	738	7,208	(7,626)	320
Re-budgeted Reserve	To allow for the adjustment of timing and cost to Council's capital work programme.	All	(67)	67	-	-
Environmental Protection Rate	For the accumulation of any net surplus arising from the Environmental Protection Rate account. Deficits are not permitted in this reserve.	All	(30)	111	(81)	-
Traffic and Parking general	Holds the percentage balance of Council-issued infringement notice fines that were not payable to the Government as part of the legislation during the 1980's. Correspondence has not resolved whether the balance is still payable to the Government. No cash is held.	Regulatory	186	-	(186)	-
Community Halls Reserve	The accumulation of any net surplus arising from Community Hall accounts.		-	353	-	353
Waihi District Drainage - Drains Reserve	The accumulation of any net surplus arising from expenditure funded by Waihi Land Drainage targeted rates for drains, to be used for the purpose of expenditure relating to Waihi Land Drainage - Drains activity.		-	-	(45)	(45)
Waihi District Drainage - Pumps Reserve	The accumulation of any net surplus/(deficit) arising from expenditure funded by Waihi Land Drainage targeted rates for pumping, to be used for the purpose of expenditure relating to Waihi Land Drainage - Pumps activity.		-	-	(51)	(51)
Western Solid Waste Reserve	The accumulation of any net surplus funds to be used for the purpose of future Western Solid Waste expenditure.		-	2,736	-	2,736
Eastern Solid Waste Reserve	The accumulation of any net surplus funds to be used for the purpose of future Eastern Solid Waste expenditure.		-	1,274	-	1,274
Ōmokoroa Solid Waste Reserve	The accumulation of any net surplus funds to be used for the purpose of future Omokoroa Solid Waste expenditure.		-	351	-	351
Kerbside Waste Reserve	The accumulation of and net surplus funds from the Kerbside activity to be used for the purpose of		-	134	-	134
Total General Reserves			841	12,234	(8,003)	5,073

General Reserves 2024	Purpose	Activity	Opening balance 1 July 2023 \$'000	Transfers in 2023/24 \$'000	Transfers out 2023/24 \$'000	Closing balance 30 June 2024 \$'000
Community Discretionary	For any under spent expenditure at year end.	Communities	14	-	-	14
General Rate	For the accumulation of any net surplus arising from accounts that are general rate funded each year. Deficits are not permitted in this reserve.	All	1,885	5,087	(6,234)	738
Re-budgeted Reserve	To allow for the adjustment of timing and cost to Council's capital work programme.	All	-	180	(247)	(67)
Environmental Protection Rate	For the accumulation of any net surplus arising from the Environmental Protection Rate account. Deficits are not permitted in this reserve.	All	103	-	(133)	(30)
Traffic and Parking general	Holds the percentage balance of Council-issued infringement notice fines that were not payable to the Government as part of the legislation during the 1980's. Correspondence has not resolved whether the balance is still payable to the Government. No cash is held.	Regulatory	186	-	-	186
Total General Reserves			2,188	5,267	(6,614)	841

Special Reserves

Special Reserves 2025	Purpose	Activity	Opening balance 1 July 2024 \$'000	Transfers in 2024/25 \$'000	Transfers out 2024/25 \$'000	Closing balance 30 June 2025 \$'000
Special Reserves - Disaster Contingency	Council's infrastructure self-insurance fund provided from the sale of power company shares in the 1990s. Council's policy is to self insure based on the premise that commercial infrastructure insurance is not available. Major infrastructure, apart from District roading is geographically dispersed throughout our District (primarily stand-alone sewerage and water schemes) and the likelihood of failure of this entire infrastructure at once is assessed as very low.	Communities	9,263	558	-	9,821
Matakana Island Trust Reserve	Funds available to be used for the improvements to the Matakana Island community.	Planning for the Future	259	15	(274)	-
Corporate and property assets	For any surplus arising from the corporate property/land purchase account.	Support Services	439	-	-	439
Weathertight homes	To settle potential weathertightness claims that may arise.	Regulatory	260	-	(260)	-
Panepane Point	For reserves improvements to planting and forestry including roads, carparks and barge access.	Reserves	234	-	(234)	-
Te Tawa ki Tahataharoa Reserve	For improvements to wetland restoration and associated infrastructure in conjunction with Pirirakau hapū.	Reserves	150	9	-	159
Waihī Beach Dam Forestry Reserve	For funding Waihī Beach trail costs.	Reserves	107	7	(114)	-
Total Special Reserves			10,712	589	(882)	10,419

Special Reserves 2024	Purpose	Activity	Opening balance 1 July 2023 \$'000	Transfers in 2023/24 \$'000	Transfers out 2023/24 \$'000	Closing balance 30 June 2024 \$'000
Special Reserves - Disaster Contingency	Council's infrastructure self-insurance fund provided from the sale of power company shares in the 1990s. Council's policy is to self insure based on the premise that commercial infrastructure insurance is not available. Major infrastructure, apart from District roading is geographically dispersed throughout our District (primarily stand-alone sewerage and water schemes) and the likelihood of failure of this entire infrastructure at once is assessed as very low.	Communities	9,263	-	-	9,263
Matakana Island Trust Reserve	Funds available to be used for the improvements to the Matakana Island community.	Planning for the Future	259	-	-	259
Corporate and property assets	For any surplus arising from the corporate property/land purchase account.	Support Services	603	282	(446)	439
Weathertight homes	To settle potential weathertightness claims that may arise.	Regulatory	260	-	-	260
Panepane Point	For reserves improvements to planting and forestry including roads, carparks and barge access.	Reserves	246	-	(12)	234
Te Tawa ki Tahataharoa Reserve	For improvements to wetland restoration and associated infrastructure in conjunction with Pirirakau hapū.	Reserves	150	-	-	150
Waihī Beach Dam Forestry Reserve	For funding Waihī Beach trail costs.	Reserves	107	-	-	107
Total Special Reserves			10,888	282	(458)	10,712

Asset Replacement Reserves

General approach

Depreciation charged is transferred to the specified reserves detailed below and accumulated so that the interest earned on the reserves capital is available for asset replacement/renewals. The replacement/renewals programme is based on the renewals planned in our asset management plans. The reserves are not held as cash reserves.

Asset Replacement Reserves 2025	Activity	Opening balance 1 July 2024 \$'000	Transfers in 2024/25 \$'000	Transfers out 2024/25 \$'000	Closing balance 30 June 2025 \$'000
Asset Replacement - computers	Support Services	(1,299)	311	(361)	(1,349)
District Reserves	Support Services	2,781	925	(1,500)	2,206
Huharua Sub Regional Park	Recreation and Open Space	304	26	-	330
TECT Park	Recreation and Open Space	1,294	209	-	1,505
Asset Replacement - office buildings	Recreation and Open Space	(962)	944	(593)	(611)
Asset Replacement - vehicles	Support Services	(1,169)	1,997	-	828
Asset Replacement - civil defence - vehicle	Communities	183	4	(187)	-
Asset replacement - telemetry	Communities	56	3	-	59
Asset replacement - swimming pool	Recreation and Open Space	693	119	(1,079)	(267)
Asset replacement - library books	Communities	2,014	480	(437)	2,057
Asset replacement - cemetery	Communities	353	32	(62)	323
Asset replacement - Coastal Marine	Recreation and Open Space	(893)	1,699	(445)	361
Total Asset Replacement Reserves		3,355	6,749	(4,664)	5,440

Asset Replacement Reserves 2024	Activity	Opening balance 1 July 2023 \$'000	Transfers in 2023/24 \$'000	Transfers out 2023/24 \$'000	Closing balance 30 June 2024 \$'000
Asset Replacement - computers	Support Services	(1,873)	982	(408)	(1,299)
District Reserves	Support Services	2,172	1,229	(620)	2,781
Huharua Sub Regional Park	Recreation and Open Space	289	15	-	304
TECT Park	Recreation and Open Space	1,410	263	(377)	1,294
Asset Replacement - office buildings	Recreation and Open Space	(902)	485	(545)	(962)
Asset Replacement - vehicles	Support Services	(1,005)	658	(822)	(1,169)
Asset Replacement - civil defence - vehicle	Communities	138	45	-	183
Asset replacement - telemetry	Communities	56	-	-	56
Asset replacement - swimming pool	Recreation and Open Space	28	951	(286)	693
Asset replacement - library books	Communities	2,196	187	(369)	2,014
Asset replacement - cemetery	Communities	341	12	-	353
Asset replacement - Coastal Marine	Recreation and Open Space	(893)	-	-	(893)
Total Asset Replacement Reserves		1,957	4,827	(3,429)	3,355

Total Council Created Reserves

	Opening balance 1 July 2024 \$'000	Transfers in 2024/25 \$'000	Transfers out 2024/25 \$'000	Closing balance 30 June 2025 \$'000
Council Created Reserves 2025				
Community Board and other Community reserves	3,424	740	(1,310)	2,854
Financial Contribution reserves	5,512	3,861	(4,851)	4,522
General reserves	841*	12,234	(8,003)	5,073
Special reserves	10,712	929	(1,222)	10,418
Asset Replacement reserves	3,355	6,749	(4,664)	5,440
Total Council Created reserves - 2025	23,844	24,513	(20,050)	28,307

*Presentation restatement for opening balance.

	Opening balance 1 July 2023 \$'000	Transfers in 2023/24 \$'000	Transfers out 2023/24 \$'000	Closing balance 30 June 2024 \$'000
Council Created Reserves 2024				
Community Board and other Community reserves	2,900	558	(34)	3,424
Financial Contribution reserves	4,875	2,100	(1,463)	5,512
General reserves	2,188	4,529	(6,614)	103
Special reserves	10,888	282	(458)	10,712
Asset Replacement reserves	1,957	4,827	(3,429)	3,355
Total Council Created reserves - 2024	22,808	12,296	(11,998)	23,106

30. Capital commitments and operating leases

Accounting policy

Financing leases

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

At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

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

The amount recognised as an asset is depreciated over its useful life.

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

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Capital commitments

Capital commitments represent capital expenditure contracted for at balance date, but not yet incurred.

Capital commitments	Actual 2025 \$000's	Actual 2024 \$000's
Buildings	4,004	6,277
Coastal marine	2,792	128
Water	6,224	1,337
Wastewater	4,549	7,045
Stormwater	560	2,271
Roading network	52,164	14,754
Total capital commitments	70,293	31,812

Operating leases as lessee

Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months.

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

Operating leases	Actual 2025 \$000's	Actual 2024 \$000's
Not later than one year	148	116
Later than one year and not later than two years	143	95
Later than two years and not later than five years	368	244
Later than five years	3,402	1,820
Total non-cancellable operating leases	4,061	2,275

Leases can be renewed at Council's option, with rents set by reference to current market rates for items of equivalent age and condition.

There are no restrictions placed on the Western Bay of Plenty District Council by any of the leasing arrangements.

No contingent rents have been recognised during the year (2024: nil).

Other Commitments - roading network and utilities maintenance contracts

In July 2021, Council entered into a five year contract with Downer Ltd for the provision of maintenance and professional services to the utilities network. The value of the contract as of 30 June 2025 is \$40.00 million.

In July 2021 Council entered into a five year contract with Envirowaste Ltd for the provision of kerbside waste services. The value of the contract as of 30 June 2025 is \$26.14 million.

As part of these contracts there is ongoing performance and condition monitoring to ensure compliance with the key deliverables and performance of the contract. Failure to meet the deliverables and performance required can lead to termination of the contract.

31. Contingencies

Contingent liabilities

Contingent liabilities include those items where a liability may be incurred if certain events or outcomes occur, or where a present obligation exists but the extent of the liability cannot be measured reliably for recognition in the financial statements.

Building Act Claims

The Building Act 2004 imposes certain obligations and liabilities on local authorities with respect to the issue of building consent and inspection of work done. At the date of this report there is a no claims with potential liabilities (2024: nil) under the Act.

Unquantified Claims

There were no additional claims lodged with the Weathertight Homes Resolution Service (WHRS) as at 30 June 2025 (2024: nil). there are two claims relating to weather-tightness issues of homes in the Western Bay of Plenty District area and name Western Bay of Plenty District Council as well as other parties. There are no claims that are open as at balance date (2024: 2).

The costs of any successful claims against Western Bay with a claim date of 30 June 2009 or earlier are expected to be substantially covered under Western Bay's insurance policies, subject to an excess of \$50,000 per claim.

Any costs associated with a successful claim received after 1 July 2009 will be entirely met by Western Bay.

Share of associates' contingent liability

There are no shared contingent liabilities associated with any associates of Council.

Uncalled Capital

New Zealand Local Government Funding Agency (LGFA)

Western Bay of Plenty District Council is a shareholder of The New Zealand Local Government Funding Agency Limited (LGFA). Refer to note 19. LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. The 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 17 March 2025.

As at 30 June 2025 there were 31 (2024: 31) shareholders made up of 30 local authorities and the Crown.

All 30 local authority shareholders have uncalled capital equal to their individual shareholding totaling \$20 million in aggregate which can be called on if an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of the LGFA's borrowings.

New Zealand Financial International Reporting Standards require Western Bay of Plenty Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that;

- We are not aware of any local authority debt default in New Zealand; and
- Local Government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Riskpool

Western Bay of Plenty District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down; however, the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call, in respect of historical claims diminishes with each year as limitation periods expire.

32. 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 and are on terms and conditions no more or less favourable than those that it is reasonable to expect the Council would have adopted in dealing with the party at arm's length in the same circumstances.

Key management personnel include the Chief Executive Officer and other senior management personnel.

A Councillor is considered one full-time equivalent for the purposes of this disclosure.

An analysis of Councillor remuneration and further information on Chief Executive remuneration is provided in Note 33.

Council also pays \$3,708 in travel allowances to the Councillors which is separate to their remuneration.

Transactions with Councillors and key management personnel compensation	Actual 2025 \$000's	Actual 2024 \$000's
Councillors		
Full-time equivalent members	12	11
Salaries and other short-term employee benefits	718	680
Senior Management Team, including the Chief Executive		
Full-time equivalent members	5	5
Salaries and other short-term employee benefits	1,639	1,558
Total full-time equivalent personnel	17	16
Total Councillors and Senior Management Remuneration	2,357	2,238

33. Remuneration

Chief Executive

The Chief Executive of Western Bay of Plenty District Council under section 42 of the Local Government Act 2002 received a salary of \$327,811 (2024: \$374,042).

The Chief Executive left Council on 23/03/2025 and an interim Chief Executive was appointed. The Interim Chief Executive started on 31/03/2025 and received remuneration of \$110,400. The Interim Chief Executive will continue until a replacement has been recruited for.

In terms of the contract, the Chief Executive also received the following additional benefits:

Chief Executive	2025 Actual \$	2024 Actual \$
Salary	438,211	374,042
Employer contributions to KS superannuation	9,834	11,221
Vehicle (market value plus FBT)	9,046	12,245
Other benefits (including medical insurance)	3,375	4,197
Total remuneration	460,466	401,705

Councillors	2025 Actual \$	2024 Actual \$
Coxhead, Tracey	47,180	45,322
Crawford, Richard	-	36,606
Dally, Grant Ronald	47,180	45,322
Denyer, James Edward	151,758	142,613
Grainger, Murray	55,270	53,094
Henry, Anne Moreen	47,180	45,322
Joyce, Rodney Laurence	47,180	45,322
Murray-Benge, Margaret Elizabeth	55,270	53,094
Rae, Laura Andrea	44,531	-
Scrimgeour, John Robert	72,890	70,020
Sole, Allan	47,180	45,322
Thwaites, Donald Alan	55,270	53,094
Wichers, Andrew Albertus	47,180	45,322
Total remuneration	718,067	680,453

*Council also pays \$3,708 in travel allowances to the Councillors which is separate to their remuneration.

Community Board	2025 Actual \$	2024 Actual \$
Bell, Benjamin Trevor	4,450	4,250
Chauhan, Neena	6,132	4,305
Clements, John Richard	12,265	11,713
Corbett, Phillip Rewi	3,246	3,101
Earl, Andrew Stuart	6,132	5,856
Ellis, Kassie Dawn	12,265	11,713
Dever, Christopher	7,638	-
Goudie, Ross	7,275	9,646
Guptill, Heather Marie	5,049	4,822
Hopping, Tippianny Anne	6,170	3,101
Hughes, Allan Dennis	4,450	4,250
Kurtovich, Alan	-	717
Mayo, Norman	6,132	5,856
Neilson, Greig Antony	-	3,427
Presland, Peter John	5,388	8,498
Rae, Laura Andrea	622	6,200
Sage, Teresa	6,132	5,856
Simpson, Danielle	7,971	4,822
Snell, Dale	6,132	5,856
Stevenson, Wayne	5,049	2,239
Summerhays, Karen Mary	6,132	5,856
Walters, Donna-Marie Rangimarie	3,246	3,101
Waterhouse, Brett Leslie	2,127	-
Community Board Total	124,007	115,185

Remuneration scale	2025 Actual \$	2024 Actual \$
<\$60,000	33	43
\$60,000 - \$79,999	65	76
\$80,000 - \$99,999	89	79
\$100,000 - \$119,999	65	67
\$120,000 - \$139,999	45	36
\$140,000 - \$159,999	10	18
\$160,000 - \$179,999	14	6
\$180,000 - \$299,999	12	8
\$300,000 - \$399,999	-	-
\$400,000 - \$499,000	1	1
Total employees	334	334

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

At balance date, the Council employed 275 (2024: 267) full-time employees, with the balance of 57 staff representing 38.53 (2024:67) full-time equivalent employees.

A full-time employee is determined on the basis of a 40-hour working week.

34. Severance payments

For the year ended 30 June 2025 Western Bay of Plenty District Council made five (2024: one) severance payments to employees totaling \$150,000 (2024: \$35,000).

The value of each of the severance payments was \$78,500, \$36,000, \$31,000, \$10,000 and \$10,000.

35. Events occurring after the balance date

There were no events which have caused significant impacts on the essential services of the organisation since balance date.

36. Financial instruments

The Council's activities expose it to a variety of financial risks (market risk, liquidity risk and credit risk). The Council's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council. The Council uses derivative financial instruments such as interest rate swaps and forward foreign exchange contracts to hedge certain risk exposures.

Te Tumu Financial Instruments

In 2007, Western Bay of Plenty District Council and Tauranga City Council (TCC) together acquired a block of land referred to as Te Tumu. This land was purchased with the condition of providing the vendor the option to acquire it sometime from December 2016 to December 2026. The rationale for the councils purchasing the land was to ensure development of this land was consistent with the SmartGrowth strategy. With this purchase of land, the vendor has the right to use the land in its undeveloped state until December 2016 (extendable annually for a further ten years). As Council does not have the right to use this land over this period, it is not recognised as a traditional land purchase in the Council's accounts.

Instead, this transaction gives rise to the creation of a financial asset where Council has a right to receive cash when the vendor exercises their option to repurchase the property. This asset is recognised as an interest free loan. If the vendor does not exercise their right, the land reverts to Council and will be recognised as land in Council's accounts

In the 2013 financial year, the value of the loan was determined based on the underlying "fair value" of the land. Council assumed that due to the general slowdown in growth at that time, the option would not be exercised in 2016.

The Council extended its assumptions and the exercise of the option to the end of the 10-year period. However, in December 2016, the vendor indicated that they would exercise the option prior to 2026.

In addition, a property subdivision right has been recognised. This represents the right the Council has obtained in ensuring development of this land is consistent with SmartGrowth. The initial impairment of the loan has been recognised as the amount payable for the right to use the land in its undeveloped state, which in turn created a "Property Subdivision Right" asset. The subdivision right was recognised as an intangible asset and amortised over the period the vendor was expected to exercise their option to repurchase the property. Refer Note 22 Intangible Assets.

This intangible asset was measured as the difference between the amount paid by the Council for this land and the present value of the future cash flow discounted on the option if exercised, at the difference in rate between the investment finance rate of 11.5% and the agreed rate of 7.5%.

During December 2020 Council entered into an unconditional agreement to dispose of its interest in Te Tumu to Tauranga City Council. This sale is backed by a registered loan, which requires Tauranga City Council to settle the full value of the loan by December 2026.

(a) Fair value estimation

Fair value hierarchy

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) - Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

- Valuation techniques with significant non-observable inputs (level 3) - Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

Financial Assets 30 June 2025	Total \$'000	Quoted market price \$'000	Observable inputs \$'000	Significant non-observable inputs \$'000
Te Tumu investment	14,320	-	-	14,320
NZ Local Government Funding Agency Limited	10,108	-	10,108	-
Local authority stock	41	41	-	-
Shares	228	228	-	-
Derivatives	138	-	138	-
Total financial assets	24,834	269	10,246	14,320

Financial Assets 30 June 2024	Total \$'000	Quoted market price \$'000	Observable inputs \$'000	Significant non-observable inputs \$'000
Te Tumu investment	13,585	-	-	13,585
NZ Local Government Funding Agency Limited	9,395	-	9,395	-
Local authority stock	40	40	-	-
Shares	146	146	-	-
Derivatives	2,019	-	2,019	-
Total financial assets	25,185	186	11,414	13,585

Valuation technique with significant non-observable inputs (level 3)

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value movements.

	2025 \$000's	2024 \$000's
Balance at 1 July	13,585	12,782
Gain and losses recognised in the surplus or deficit	735	803
Reversal of impairment	-	-
Balance at 30 June	14,320	13,585

(b) Financial instrument risk

Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established Council approved liability management and investment policies. These policies do not allow any transactions to be entered into that are speculative in nature.

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 exposed to equity securities price risk on its investments. This price risk arises due to market movements in listed securities. This price risk is managed by diversification of Council's investment portfolio in accordance with the limits set out in Council's investment policy.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Council purchases plant and equipment 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 the 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 the 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 the Council to fair value interest rate risk. Council's liability management policy is to maintain a certain level of its borrowings in fixed rate instruments. Interest rate swaps are entered into to hedge the fair value interest rate risk arising from Council's borrowings to ensure they remain within these limits.

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 cashflow 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 Council to incur a loss. Due to the timing of its cash inflows and outflows, Council invests surplus cash into term deposits and local authority stock which gives rise to credit risk.

Council's investment policy limits the amount of credit exposure to anyone financial institution or organisation. Investments in other Local Authorities are secured by charges over rates. Other than other local authorities, the Council only invests funds with entities that have a Standard and Poor's or Moody's credit rating of A- or above 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

The maximum credit risk exposure for each class of financial instrument is as follows:

Credit risk	2025 \$000's	2024 \$000's
Cash at bank and term deposits	17,337	10,975
Debtors and other receivables	26,750	18,531
Local authority, CCO's (or similar) and listed shares	268	186
New Zealand Local Government Funding Agency - borrower notes	5,685	2,175
Derivative financial instruments	138	2,019
Financial instruments	14,320	13,585
Total credit risk	64,498	47,471

Credit quality of financial assets

Counterparties with credit ratings	2025 \$000's	2024 \$000's
Cash at bank and term deposits		
A-1+	17,337	10,975
Total cash at bank and term deposits	17,337	10,975
Local authority and government stock		
AA+	5,685	2,175
A	27	26
Total local authority and government stock	5,712	2,201
Derivative financial instruments		
AA-	138	2,019
Total derivative financial instruments	138	2,019
Financial instrument assets		
No rating	14,320	13,585
Total financial instrument assets	14,320	13,585
Counterparties without credit ratings		
Existing assets with no defaults in the past		
Existing assets with no defaults in the past	242	160
Total existing assets with no defaults in the past	242	160
Receivables		
Existing counterparty with no defaults in the past	26,750	18,531
Total receivables	26,750	18,531
Total credit risk	64,498	47,471

Debtors and other receivables mainly arise from Council’s statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. Council has no significant concentrations of credit risk in relation to debtors and other 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 debts from ratepayers.

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.

Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management policy. These policies have been adopted as part of the Council’s Long Term Plan. Council has a maximum amount that can be drawn down against its overdraft facility of \$600,000 (2024: \$600,000). There are no restrictions on the use of this facility.

Contractual maturity analysis of financial liabilities

The table below analyses Council’s financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

Future interest payments on floating rate debt are based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount \$'000	Contractual cash flows \$'000	Less than 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
Council 2025						
Creditors and other payables	43,366	43,366	43,366	-	-	-
Secured loans	176,337	194,548	41,196	53,764	99,588	-
Total	219,703	237,914	84,562	53,764	99,588	-

	Carrying amount \$'000	Contractual cash flows \$'000	Less than 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
Council 2024						
Creditors and other payables	29,983	29,983	29,983	-	-	-
Secured loans	115,000	132,161	36,281	27,749	55,028	13,103
Total	144,983	162,144	66,264	27,749	55,028	13,103

Contractual maturity analysis of financial assets

	Carrying amount \$'000	Contractual cash flows \$'000	Less than 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
Council 2025						
Cash and cash equivalents	17,337	17,337	17,337	-	-	-
Debtors and other receivables	26,750	26,750	26,750	-	-	-
Net settled financial instruments	14,320	14,320	-	-	14,320	-
Net settled derivatives	138	138	-	(113)	228	23
Other financial assets:						
• Term deposits with original maturities of greater than 3 months and remaining maturities of less than 12 months	-	-	-	-	-	-
• Local authority and government stock	15,834	15,834	-	-	-	15,834
Total	74,378	74,378	44,087	(113)	14,548	15,857

	Carrying amount \$'000	Contractual cash flows \$'000	Less than 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
Council 2024						
Cash and cash equivalents	10,975	10,975	10,975	-	-	-
Debtors and other receivables	18,531	18,531	18,531	-	-	-
Net settled financial instruments	13,585	13,585	-	-	13,585	-
Net settled derivatives	2,019	2,019	54	-	1,745	220
Other financial assets:						
• Term deposits with original maturities of greater than 3 months and remaining maturities of less than 12 months	-	-	-	-	-	-
• Local authority and government stock	11,610	11,610	-	-	-	11,610
Total	56,720	56,720	29,560	0	15,330	11,830

Sensitivity analysis

The tables below illustrate the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on the Council's financial instrument exposures at balance date.

	-100bps Surplus \$'000	-100bps Other equity \$'000	+100bps Surplus \$'000	+100bps Other equity \$'000
Interest Rate Risk 2025				
Financial assets				
Cash and cash equivalents	(173)	-	173	-
Financial instruments	(143)	-	143	-
Derivatives - interest rate swaps	(1,696)	-	1,890	-
Other financial assets				
• Local authority stock	-	(57)	-	57
Financial liabilities				
Borrowings:				
• Debentures	(850)	-	850	-
Total sensitivity to interest rate risk	(2,863)	(57)	3,057	57

	-100bps Surplus \$'000	-100bps Other equity \$'000	+100bps Surplus \$'000	+100bps Other equity \$'000
Interest Rate Risk 2024				
Financial assets				
Cash and cash equivalents	(110)	-	110	-
Financial instruments	(136)	-	136	-
Derivatives - interest rate swaps	451	-	3,529	-
Other financial assets				
• Local authority stock	-	(22)	-	22
Financial liabilities				
Borrowings:				
• Debentures	(900)	-	900	-
Total sensitivity to interest rate risk	(695)	(22)	4,675	22

	-100bps Surplus \$'000	-100bps Other equity \$'000	+100bps Surplus \$'000	+100bps Other equity \$'000
Equity Price Risk 2025				
Financial assets				
Other financial assets				
• Quoted share investments	-	(5)	-	5
Total sensitivity to equity price risk	-	(5)	-	5

	-100bps Surplus \$'000	-100bps Other equity \$'000	+100bps Surplus \$'000	+100bps Other equity \$'000
Equity Price Risk 2024				
Financial assets				
Other financial assets				
• Quoted share investments	-	(3)	-	3
Total sensitivity to equity price risk	-	(3)	-	3

Explanation of sensitivity analysis

Cash and cash equivalents

Cash and cash equivalents include deposits on call totaling \$17,337,000 (2024: \$10,975,000) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$173,370 (2024: \$109,750).

Financial instruments

Financial instruments include Te Tumu land purchase totaling \$14.32m (2024: \$13.59m). A movement in interest rates of 1.0% has an effect of \$143,200 (2024: \$135,855) on the unrealised value of the financial instruments.

Local authority stock

A total of \$5,685,000 (2024: \$2,175,000) of investments in local authority stock are classified at fair value through equity. A movement in interest rates of plus or minus 1.0% has an effect of \$56,850 (2024: \$21,750) on the fair value through other comprehensive income reserve.

Financial assets

Derivative financial assets not hedge accounted includes interest rate swaps with a fair value totaling \$0.14m (2024: \$2.02m). A movement in interest rates of plus 1.0% has an effect of increasing the swap value to \$1.89m (2024: \$3.529m). A movement in interest rates of minus 1.0% has an effect of reducing the swap value by \$1.558m (2024: \$1.568m).

Debentures - secured loans

Council has floating rate debt with a principal amount totaling \$85.0m (2024: \$90.0m). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$850,000 (2024: \$900,000). A movement in market interest rates on fixed rate debt does not have any impact because secured loans are accounted for at amortised cost using the effective interest method.

Listed shares

Western Bay holds equity instruments in Zespri Group Limited valued at \$183,000 (2024: \$119,000) and Seeka Kiwifruit Industries Limited valued at \$45,000 (2024: \$26,500). Zespri shares are not publicly traded, however Seeka shares are publicly traded. If there was a movement of plus or minus 10% in the share price the effect would be a movement in the fair value through other comprehensive income reserve of \$4,500 (2024: \$2,650).

Creditors and other payables

Trade payables do not include any foreign currency denominated payables in relation to plant and equipment purchases. Therefore there is no currency price risk and no movement under sensitivity analysis.

(c) Financial instrument categories

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

	Actual 2025 \$000's	Actual 2024 \$000's
Financial assets		
Fair value through other comprehensive revenue and expense		
Derivatives that are not hedge accounted		
Derivative financial instrument assets	138	2,019
Total derivatives that are not hedge accounted	138	2,019
Loans and receivables		
Cash and cash equivalents	17,337	10,975
Debtors and other receivables	26,750	18,531
Other financial assets:		
• Te Tumu Investment	14,320	13,585
• LGFA Borrower Notes	5,685	2,175
Total loans and receivables	64,092	45,266
Fair value through other comprehensive revenue and expense		
Other financial assets:		
• Local authority stock	41	40
• Listed shares	228	146
• New Zealand Local Government Funding Agency	10,108	9,395
Total fair value through other comprehensive revenue and expense	10,376	9,581
Financial liabilities		
Financial liabilities at amortised cost		
Creditors and other payables	43,366	29,983
Borrowings:		
• Secured loans	176,337	115,000
Total financial liabilities at amortised cost	219,703	144,983

37. Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

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

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act 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 all major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act 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 Act 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 LTP.

Council has the following council created reserves:

- reserves for different areas of benefit;
- self-insurance 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 from payers of general rates. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where 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 for which they were donated.

38. Explanation of major variances against budget

Explanations for major variations from Western Bay Council's estimated figures in the Annual Plan 2024/25 and 2025 actuals are as follows:

Statement of Comprehensive Income

Actual 2025 surplus of \$52.0 million versus 2025 budget surplus of \$55.5 million. An unfavourable variance of \$3.5m. Total revenue was \$6.0 million better than budget. Total expenditure was \$9.4 million over budget.

The major contributors to the variance are noted as follows:

Revenue variances	Variances \$'000	Explanation
Rates Revenue	(1,059)	Rates revenue is lower than budgeted because volumetric water charges were lower than expected.
Subsidies and Grants	(5,301)	Subsidies and grants were lower compared to budget due to timing of capital programme delivery mainly in Ōmokoroa Structure Plans projects funded by National Infrastructure Funding and Financing Limited.
Finance Revenue	1,814	Interest revenue was higher as a result of higher cash on hand and cash invested than budgeted.
Financial Contributions	329	Financial contribution revenue is recorded at the time Council provides the related service these were higher than budget for the year.
Fees and Charges	1,402	Regulatory fees and charges and other fees and charges were higher than budget.
Other revenue	8,856	Higher than budgeted forestry harvesting proceeds, vested assets received and gain on disposal of assets, were offset by insurance recoveries that were budgeted for but received at the end of the 2024 financial year.
Total revenue variances	6,041	

Expenditure variances		
Personnel Costs	462	Salary and wage costs were targeted and achieved at a lower than budget level.
Depreciation and amortisation	(1,376)	Both depreciation and amortisation expenditure was higher than budget.
Finance costs	464	Lower than budget interest rates have resulted in lower interest costs for the year.
Other expenses	(8,984)	Increased costs compared to budget specifically include unrealised hedging movement, consultant and legal fees, insurance premiums, loss on disposal of assets, asset impairment, forestry harvest costs, and audit fees.
Total expenditure variances	(9,434)	

Statement of Financial Position Variances		
Current Assets variances	16,887	Rates and sundry debtors are higher than budget this drives the higher current assets level.
Non-Current assets variances	(86,793)	Property plant and equipment is lower than budget due to timing of project completion.
Current Liabilities variances	49,323	Trade payables, accrued expenses, bonds and deposits, and income in advance are all higher than budgeted at year end as well as higher short term borrowings being in this category.
Non-Current Liabilities variances	28,988	Lower non-current borrowings compared to budget as there is a higher proportion of total borrowings in current liabilities compared to budget.
Total Statement of Financial Position variances	(90,240)	

Council Controlled Organisations

Bay of Plenty Local Authority Shared Services Limited (BOPLASS Limited)

The Council Controlled Organisation was formally established in January 2008. The company was set up by the eight local authorities in the Bay of Plenty region to foster collaboration between councils in the delivery of services particularly back office or support services. Gisborne District Council joined BOPLASS Limited during the 2009/10 financial year.

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

Financial performance for the year ended 30 June 2025	Actual 2025 \$000's	Actual 2024 \$000's
Revenue	1,754	2,461
Expenditure	(1,763)	(2,462)
Net surplus/(deficit) year	(9)	(1)
Total assets	1,567	1,609
Total liabilities	1,549	1,581

Statement of Intent and Performance

The company has complied with section 64 of the Local Government Act 2002 (LGA) and has had the Statement of Intent for 2024-2027 and associated budget formally adopted by the directors.

From pages 170 to 175 is a report of performance against targets set in the Statement of Intent for 2024/27.

Council Controlled Organisation

BOPLASS Performance targets for 2024/2025

Targets 2024/25	Result	Narration
Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils. Manage and/or renegotiate existing contracts. Contracts are reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.	Achieved	Contracts negotiated and/or renewed for: <u>NAMS+ Subscription (Asset Management)</u> – BOPLASS renewed the collective NAMS+ agreement with discounted rates for BOPLASS councils through a collective agreement. <i>No alternative provider in NZ.</i> <u>IPWEA Membership (Engineering)</u> – The Institute of Public Works Engineering Australasia (IPWEA) agreement was renewed in 2024 to provide a single BOPLASS portal to allow all constituent councils to access the full IPWEA online catalogue at heavily reduced pricing. The standards are used by all councils for a variety of engineering purposes. The collective agreement provides for unrestricted access for all councils at a significantly lower cost than under individual arrangements. <i>No alternative provider in NZ.</i> <u>Inter-Council Network (ICN)</u> – BOPLASS renegotiated the network agreement with Kordia for a further 12 months on the same terms. The Kordia service covers the primary connectivity to the ICN for councils. The BOPLASS agreement achieves a reduction in cost of approximately 19% for these services. Additional services were added to the ICN as requested by participating councils. In conjunction with participant councils, BOPLASS will be going to market for network services in the next financial year. <u>Zoom Video Conferencing Services (VC)</u> – The Zoom enterprise agreement was renewed by BOPLASS on behalf of the participating councils. While Microsoft Teams has become the primary VC platform for most councils’ internal and external communications, Zoom is still widely used by council governance teams and for public meetings. <i>No alternative provider.</i> <u>VertiGIS Studio (GIS)</u> – Contracts were renewed for the VertiGIS Studio products. BOPLASS councils continue to benefit from the collective contract through reduced pricing, collective training, and the utilisation of common software across the councils. No alternative provider in NZ. <u>NZ Archaeological Association (NZAA)</u> – BOPLASS has been in negotiations with NZAA to establish a new collective agreement for councils’ access to archaeological information and to ensure financial savings and benefits continue to be delivered through the collective agreement. <i>No alternative suppliers.</i> <u>Esri Enterprise Licensing Agreement (GIS)</u> – With the expiration of the existing agreement, BOPLASS has negotiated for a new three-year agreement for Esri software used extensively within BOPLASS councils. The agreement includes discounted pricing and supports a common GIS platform across BOPLASS councils. <i>No alternative suppliers.</i> <u>Insurance Brokerage Services</u> – The collective insurance brokerage agreement with Aon reached the end of its term in June 2025, with an option for a further and final two-year extension. After reviewing performance, and consulting member councils, BOPLASS received approval to proceed with the contract extension.

This retains alignment with the MW LASS and Co-Lab contracts, allowing for future collective procurement opportunities.

Under the contract extension, Aon have committed to maintaining current pricing and service levels.

n3 (Procurement) – As a group buying organisation, n3 usually charge individual membership fees. Through BOPLASS a collective purchasing group membership has been negotiated to cover all BOPLASS. Councils achieve significant savings on membership costs and have access to trade pricing through the group scheme. The agreement has been renewed with the same discounted rates.

Sole NZ provider.

My Everyday Wellbeing (H&S) – BOPLASS renewed the agreement for the staff online wellbeing platform. Discounted pricing is provided to BOPLASS as a single entity, allowing all member councils to benefit from the associated savings. The agreement has been extended to cover MW LASS and Co-Lab councils. Increased participation from MW LASS, Co-Lab and BOPLASS councils this year has resulted in further financial savings for all participating councils.

Media Copyright Agency (MCA) – A collective contract providing savings for all BOPLASS councils has been renewed with MCA (originally PMCA) for councils' print and media copyright services.

Sole NZ provider of print and media copyright services.

Cyber Insurance – All councils have successfully secured full cyber insurance cover through the collective BOPLASS programme, despite increasingly stringent requirements from insurers.

Maintaining this cover requires consistently high standards of cyber security across all councils. To support this, BOPLASS facilitated a cyber-crime information session for IT Managers led by a cyber security insurance expert. This was provided at no cost to the councils and provided insights into evolving insurer expectations, emerging cyber threats, and best practices for incident response.

Cyber cover is an annual agreement that requires going to market every year.

Standards NZ – BOPLASS has renewed the agreement with Standards NZ for discounted access to the full Standards catalogue at significantly reduced pricing for all BOPLASS councils. In addition to the financial savings for councils, the BOPLASS agreement provides full access to all standards and the full standards library for councils.

No alternative provider in NZ.

Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.

Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.

A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.

Achieved

Procurement initiatives which have been investigated during the year are as follows:

Oblique Aerial Imagery – BOPLASS investigated collaborative opportunities for the capture of Oblique Aerial Imagery for the BOPLASS councils. Working with the councils a free trial was negotiated. Group pricing has been investigated but, given the limited number of councils currently able to commit, the benefits are not significant enough at this time.

Infrastructure Earthquake Loss Modelling – BOPLASS engaged Aon, as our risk advisor, to provide a collective loss modelling proposal covering all BOPLASS councils. This project was essential for reassessing risk exposure and informing decisions on insurance coverage and risk transfer strategies.

Approaching the procurement collectively through BOPLASS resulted in a 39% saving, when compared with if councils were to undertake the risk modelling independently.

Risk Management Resourcing – Quality and accuracy of valuation and asset data continues to hold high-importance with insurance underwriters and the quality of this data has a direct impact on councils' premium rates. While these data demands are equally applicable to all councils, some of the smaller councils may not have dedicated risk management resource to deliver on all the requirements. In collaboration with our risk advisors, a specialised service has been established to provide on-demand expert assistance in areas such as risk appetite, maturity assessments, policy and framework reviews, business continuity planning, strategic risk, and organisational risk registers.

Not only has this initiative strengthened councils' ability to meet insurance requirements, but it has also helped improve overall risk governance without the need to employ specialist staff.

Starlink Management – As a result of the major interruptions to communication technologies during and following Cyclone Gabrielle, BOPLASS IT Managers explored the potential of collective procurement of Starlink satellite WAN services to enhance business continuity and disaster recovery capabilities.

While collective procurement options did not yield financial benefits, councils opted to assess and implement Starlink solutions based on individual needs, ranging from disaster recovery to supporting remote operations. The initiative fostered significant knowledge sharing across councils. Additionally, a separate project is underway to evaluate Starlink and alternative technologies for improving connectivity for lone workers in remote areas, led by BOPLASS Health & Safety and IT Managers.

Project still underway.

High Volume Print – BOPLASS is working with councils to investigate a collective approach to high-volume printing in response to rising costs and evolving council requirements. Councils currently operate with a mix of in-house and outsourced services, and there is strong interest in assessing the opportunity for councils to address print requirements as a strategic group.

Engagement is underway to evaluate alignment across councils and identify opportunities for coordinated procurement that deliver improved service outcomes and cost efficiencies.

Project still underway.

Office supplies – BOPLASS is leading a collective secondary procurement process to engage All of Government (AoG) panellists for the provision of general office supplies. Coordinating the procurement process collectively offers efficiencies in time and resources and may provide enhanced leverage with suppliers.

Project still underway.

Energy Services – An Eastern Bay consortium of councils has appointed a provider for energy services. BOPLASS has investigated the opportunity for Western Bay councils to participate in the arrangements. Most of the other BOPLASS councils are contracted directly with providers or through the All of Government agreement. Opportunities for savings will continue to be investigated.

Project still underway.

Infrastructure Insurance – Placements for BOPLASS councils’ infrastructure insurance are only provided on a 12-month term and all placements need to be procured annually through a process involving multiple underwriters and insurance syndicates. This involves identifying and negotiating with alternative markets every year and considering options to undertake placements through new or different insurers.

Negotiations for councils’ infrastructure insurance were undertaken in late 2024 through direct engagement with the international and local markets. The size of the collective BOPLASS account allows us to undertake this direct engagement.

Particularly good outcomes were achieved for the 2024-25 infrastructure placements, with an average reduction of approximately 5% on last years rates, and a saving of up to 20% when compared with councils that don’t procure through a collective group.

The high standard of the information being provided by BOPLASS councils, and our historical relationships with the international markets, have proven to be a strength for us at renewal time.

Most insurers demonstrate ongoing support for the BOPLASS programme, however, BOPLASS continues to review alternative risk transfer options and alternative markets.

Aerial Imagery – Two tenders for aerial imagery were managed by BOPLASS on behalf of participating councils. Tenders were awarded to Woolpert for urban orthophotography covering Tauranga City, Kawerau, Ōpōtiki, and Whakatāne, with additional capture over Moutohora and Whakaari Islands.

Occupational Health Services Tender – Working in conjunction with Co-Lab, a joint tender for the procurement of occupational health services for BOPLASS and Waikato councils has been awarded.

While each LASS will be managed independently, the aggregated tender volumes provided greater leverage for securing competitive pricing and enhanced services.

Contours from LiDAR – A regional initiative is in progress to generate contour mapping for the entire Bay of Plenty using LiDAR data acquired collectively by BOPLASS councils. This will deliver a comprehensive topographic layer for council mapping systems. The joint procurement approach ensures cost savings and operational efficiency through a streamlined process.

Project still underway.

BOPLASS continues to work closely with MW LASS and Co-Lab with the LASS leads engaging regularly and aiming to meet formally on a quarterly basis.

Shared services projects being undertaken by other LASS have been offered to BOPLASS councils. Equally, most BOPLASS projects are offered to the other LASS.

Some of the shared service projects offered to BOPLASS councils include:

- Wellbeing health and safety training
- Debt Management
- Archives
- Building Consent services

BOPLASS is leading or managing, on behalf of other LASS:

- Waste Operator and Licensing Data System
- Staff wellbeing portal
- Regional contractor database
- Rates collections

Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.

BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.

Achieved

Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.

- Inter-council secondments
- Insurance broker renewal/appointment
- Workforce management system

Workforce Management System – BOPLASS has engaged with the incumbent supplier on behalf of Co-Lab and BOPLASS councils to address service issues and to negotiate collective pricing.

Occupational Health Services – BOPLASS and Co-Lab collectively initiated a joint procurement project for occupational health services across BOPLASS and Waikato councils.

NZ Aerial Imagery consortium – BOPLASS engaged with other regions to explore the potential for a national aerial imagery consortium.

The concept aimed to improve pricing and coordination of flying schedules through a larger, collective tender. BOPLASS participated in meetings to assess the feasibility and potential benefits of the initiative. After reviewing the proposal against the existing BOPLASS aerial imagery programme, which has consistently delivered strong results through smaller, regionally focused tenders, it was determined that a national approach would not offer additional value to BOPLASS councils. The current model ensures timely delivery, equitable service to smaller councils, and maintains market competitiveness.

Engagement with other LG collaborative groups – In addition to the two North Island LASS, BOPLASS continues to offer support to other local government collaborative groups looking to leverage benefits from working collectively.

Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.

Increase usage of the Collaboration Portal by providing support and training material for new and existing users.

Proactively market the benefits to the councils.

Number of active users to increase by 5% per year.

Achieved

Collaborative projects continue to be added to the MahiTahi Local Government Collaboration Portal, along with several specific Teams or Channels established for confidential projects outside of the main Portal.

There has been continued promotion of the MahiTahi LG Collaboration Portal within local government and this has seen a 5% increase in registered users with numbers increasing from 507 to 539.

Induction and training material has been developed for creating smooth on-boarding of any new members.

The Te Uru Kahika hub (regional and unitary councils) has continued to grow and is hosted within the same environment as the MahiTahi Collaboration Portal.

There are now 3,191 users within the wider portal.

Communicate with each shareholding council at appropriate levels.

Actively engage in obtaining political support for identified projects.

Information provided to elected members, and feedback sought, on BOPLASS projects, benefits to local communities, and value added to each council.

Achieved

BOPLASS continues to regularly engage with our constituent councils, senior management, and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders.

In addition, BOPLASS chairs and coordinates meetings and activities for specific council advisory groups that manage or lead new collaborative initiatives. These groups generally comprise of managers from each council.

The BOPLASS Statement of Intent, Annual and Half-Yearly reports are provided to council for comment or feedback and the CEO is available to attend council meetings as requested.

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

The Council controlled organisation was formally established in December 2011. The company was set up by the eighteen local authorities and the Crown to provide debt funding to local authorities in New Zealand.

As a Council Controlled Organisation, New Zealand Local Government Funding Agency Limited (LGFA) is a separate legal entity from Council and is responsible for delivery of services in accordance with an agreed Statement of Intent. The company is governed by a Board of Directors.

Financial performance for the year ended 30 June 2025	Actual 2025 \$000's	Actual 2024 \$000's
Revenue	35,647	21,803
Expenditure	(16,653)	(11,753)
Surplus/(deficit)	18,994	10,050
Total assets	26,467,752	23,507,816
Total liabilities	26,345,967	23,394,625

Statement of Intent and Performance

The Statement of Intent is prepared in accordance with section 64(1) of the Local Government Act 2002 (LGA) and is for the three-year period 1 July 2024 to 30 June 2027.

Below is a report of performance against targets set in the Statement of Intent for 2024/25.

Council Controlled Organisation LGFA Performance targets for 2024/2025		
Performance targets	2024-2025 target	Our performance to 30 June 2025
Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.	No breaches.	Not achieved. There was a breach of the Foundation Policy where the nominal amount of loans to a non-guarantor exceeded the \$20 million limit by \$186k.
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.	Achieved. Our ratings remain equivalent to the New Zealand Government for both S&P Global Ratings and Fitch Ratings. Fitch Ratings affirmed LGFA Foreign Currency Rating at AA+ in December 2024. S&P Global Ratings affirmed our domestic currency credit rating at AAA in March 2025.
A succession plan be put in place for the Board and staff and be reviewed annually.		Achieved
LGFA's total operating income for the year to 30 June 2025.	>\$31.4 million.	Achieved. \$36.3 million at June 2025, excluding unrealised gains/losses on hedged foreign currency issuance.
LGFA's total operating expenses for the year to 30 June 2025.	<\$11.5 million.	Achieved. \$11.2 million at June 2025, excluding AIL.
Share of aggregate long-term debt funding to the Local Government sector.	> 80%	Not achieved. 74.9% at June 2025.
Total lending to Participating Borrowers.	> \$23,957 million.	Not achieved. \$22,657 million as at June 2025.

Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score.	94% satisfaction score in August 2024 Stakeholder Survey.
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.
Comply with the Health and Safety at Work Act 2015.	No breaches.	Achieved.
Maintain Toitū Net Carbon Zero certification.	Net Carbon Zero certification maintained.	Achieved.
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.	Achieved. GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions from different gases. GHG emissions against targets are reported in the 2025 LGFA Climate-related Disclosures, which will be available on the LGFA website from 30 September 2025.
Increase our GSS lending book and Climate Action Loans.	Two new GSS loans undertaken. Three new borrowers approved for CAL.	Not achieved. One new GSS loan approved, and no new CAL borrowers approved.
Meet all mandatory climate reporting standards.	100%	Achieved.
Review each Participating Borrower's financial position.	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.
Provide input into Local Water Done Well Legislation.	Provide feedback to DIA and Treasury during legislation drafting.	Achieved.
Provide quarterly updates to shareholders and borrowers on sector developments that are impacting LGFA.	Four quarterly updates to councils and CCOs.	Achieved.
Meet annually with Infrastructure Commission, Local Government New Zealand, Taituarā, Water New Zealand, Infrastructure New Zealand, Crown Infrastructure Partners, Department of Internal Affairs, Treasury and Minister's office to discuss sector issues from an LGFA perspective.	Nine meetings across stakeholders.	Achieved.

Western Bay of Plenty Tourism and Visitors Trust (Tourism Bay of Plenty)

Tourism Bay of Plenty is a Council Controlled Organisation of both the Tauranga City Council (TCC) and Western Bay of Plenty District Council and was formally established in July 2002.

As a Council Controlled Organisation, Tourism Bay of Plenty is a separate legal entity from Council and is responsible for delivery of services in accordance with an agreed Statement of Intent. The Trust is governed by a Board of Trustees.

Financial performance for the year ended 30 June 2025	Actual 2025 \$000's	Actual 2024 \$000's
Revenue	3,737	3,524
Expenditure	(4,019)	(3,697)
Net surplus/(deficit) for the year	(282)	(174)
Total assets	1,267	1,694
Total liabilities	691	836

Statement of Intent and Performance

The Trust has complied with section 64 of the Local Government Act 2002 (LGA) and has had the Statement of Intent for 1 July 2024 to 30 June 2027 and associated budget formally adopted by the company.

Below is a report of performance against targets set in the Statement of Intent for 2024/25.

Council Controlled Organisation Tourism Bay of Plenty Performance targets for 2024/2025		
Outcomes	Measures	Result
Economic		
		Total = -1.5% Domestic = -4.8% International = +20.5%
Grow the value of tourism to the Western Bay economy.	Trends in visitor spending via electronic card transactions.	Despite international visitor spend up YoY considerably, domestic visitor spend continues to be impacted by challenging economic conditions. Domestic visitor spend accounts for 84% of total visitor spend. Status: Not Achieved.
Social		
Enhance the value of tourism to our community (according to the community).	Residents' sentiment towards tourism. Measured by the percentage of residents who agree that tourism has a positive impact on their community. Residents provide a rating of 1 to 10, where 1 is strongly disagree and 10 is strongly agree.	Tauranga City Council resident positive impact sentiment target: 60%Western Bay District Council survey currently paused. TCC YE June 2025 = 66%. Status: Achieved.

Cultural

Improving the cultural wellbeing of the community through tourism.	Facilitation of programmes that elevate the Māori cultural tourism proposition in the western bay region.	Incorporated Western Bay of Plenty District cultural history and stories into digital storytelling and wayfinding platforms managed by TBOP. Both cultural history and stories continue to be updated on various platforms, including the TBOP website, digital kiosks and Te Ara Whānui app. Status: Work in progress.
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Environmental

Improving the environmental wellbeing of the region via environmental sustainability and regeneration projects.	Industry-focused environmental sustainability and regeneration initiatives facilitated or enabled by TBOP.	35 additional organisations completed the Green Room sustainability programme for YE June 2025. This takes the total number to 135. Status: Achieved.
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Tourism Bay of Plenty Organisation Wellbeing

Enhance TBOP's ability to achieve its goals through high staff engagement.	TBOP staff engagement.	June Employee Engagement score of 94%. Target: ≥ 80%. Status: Achieved.
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Destination Management & Marketing

Elevate the region's cycling proposition.	Develop, update, and promote informative material on cycle trail options in the western bay.	Cycle trails booklet updated with new trails, supported by an initial print run and digital deployment. Support the development of tourism ventures that make use of this experience. 7,500 copies of the Western Bay of Plenty and Tauranga cycle trails booklet were printed, distributed and deployed online. Status: Achieved.
Build operator capability to enhance the quality of the region's tourism offering.	Provide opportunities for western bay operators to train or upskill in sales, marketing and trade capability areas while also gaining, retaining or achieving higher Qualmark rated certification.	Operators supported to engage in capability building programmes, with a minimum of five additional operators being endorsed with Qualmark certification. Operators continue to be supported by TBOP to build capability, with five new operators accredited with Qualmark certification for YE June 2025. Status: Achieved.
Coordinate activity that attracts key business events to the Western Bay region.	Facilitate leads and bids for business events in the region.	Facilitated 25 leads or bids for business events in the region and won 7. 44 conference bids have been submitted, and 31 have been confirmed. Status: Achieved.
Elevate the region's food story and proposition.	Promote and support the delivery of the Flavours of Plenty Festival to draw visitors to the Coastal Bay of Plenty region.	Continued TBOP support of Flavours of Plenty, via key visitor marketing channels, reaffirms the festival as a signature DNA™ event for the region. The Flavours of Plenty festival took place from the 27th of March to 13th of April, and included 51 events, with 81% of festival tickets sold. Status: Achieved.
Promotion of the western bay region to key target markets (cultural explorers, surf & beach lovers, outdoor adventurers, and eco-travellers).	Annual development and delivery of marketing campaigns that incorporate our key DNA™ pillars that reach and convert the travel intentions of our target markets to visit, stay and spend in the region.	Review previous campaign results and deliver an updated/renewed domestic marketing campaign which incorporates the destination's DNA™, converting the travel intentions of our target markets to visit, stay and spend in the region. Our spring campaign ran from 18 October to 17 November 2024, focusing on the outdoor adventure-seeking market. Key results included: 60k campaign landing page views, 226k video views and 4.3k new email subscribers. Status: Achieved.

Waikato Local Authority Shared Services Limited (CO-Lab)

Local Authority Shared Services Limited was incorporated in December 2005 and changed its name to WAIKATO LOCAL AUTHORITY SHARED SERVICES LIMITED (WLASS) in April 2016. WLASS is owned by 13 local authorities. WLASS provides a legal entity, representative of all the shareholding councils, which can enter into contracts and agreements with external suppliers and provide value to the shareholders by reducing costs.

WLASS contracts are available to be joined by any shareholder that so chooses.

Western Bay District Council became a shareholder in 2023.

Financial performance for the year ended 30 June 2025	Actual 2025 \$000's	Actual 2024 \$000's
Revenue	9,718	9,845
Expenditure	(9,793)	(10,564)
Surplus/(deficit) before tax	(75)	(720)
Net surplus/(deficit) for the year	(75)	(720)
Total assets	6,156	5,299
Total liabilities	4,455	3,523

Statement of Intent and Performance

The company has complied with section 64 of the Local Government Act 2002 (LGA) and has had the Statement of Intent for 2024-2025 and associated budget formally adopted by the company.

Below is a report of performance against targets set in the Statement o Intent for 2024-25.

Council Controlled Organisations CO-Lab Performance targets for 2024/2025			
Strategic Goal	3-Year Objective	Annual KPI	FY24-25 Actual/Notes
GOAL 1: Shareholding Councils understand we provide them value	We know the value we provide shareholders has improved by 15%, by 30 June 2027 (baseline y/e 30 June 24. "Based on the regional benefits of collaboration (not an individual councils' benefits from collaboration)	Year-on-year increase in the value we provide to councils.	FY24-25: \$11.4m in value we provide to councils as measured by our benefit analysis.
	By 30 June 2027, 80% of shareholders agree they get value from Co-Lab.	80%+ of council survey respondents believe those Co-Lab services they received meet or exceed their expectations (evidenced by an annual survey).	FY24-25: 88% of council survey respondents believe those Co-Lab services they received met or exceeded their expectations (evidenced by an annual survey) in FY25. Survey response rate was 41% (350 were invited; 142 responses received).

GOAL 2: Deliver value by growing the scale of our shared service function	24 new instances of Co-Lab shared services being utilised, by June 2027. (baseline y/e 30 June 24)	Year-on-year increase in the utilisation of services we provide to councils.	FY24-25: New onboardings: • 5 RATA Spaces and Places councils • 1 Smart Water – Watercare joined • 1 ECM – OtoDC joined • 1 Sampling & Analysis – Waikato Regional Airport joined • 1 Co-Lab Building Services – WBOP • 1 Professional Services Panel – WBOP
		Year-on-year increase in the number of services available to councils.	FY24-25: • Introduced RATA Spaces & Places • Launched Co-Lab Building Services
	All shareholders take up at least one additional shared service.	Year-on-year increase in the utilisation of services we provide to councils.	FY24-25: Measured as above.
GOAL 3: Diverse, talented and motivated people work for us	Maintain staff engagement above 85%.	Maintain staff engagement above 85%.	FY24-25: The engagement score was 86%. Survey response rate was 45% (49 invited, 22 responses).
	Staff turnover is less than 15%.	Staff turnover is less than 15%.	FY24-25: 10.5% staff turnover.
	Our vacancies are filled by suitable candidates within 3 months. (baseline y/e 30 June 24)	Vacancies are filled by suitable candidates within 3 months.	FY24-25: The 1 position advertised was vacant for 2 months.



Rangiora Business Park



Te Puke Sikh Parade



Korero & Kai at Otawhiwhi Marae as part of the Flavours of Plenty Festival



Welcoming the flag parade at Katikati Festival of Cultures